

Introduced by: Mayor  
Date: 08/17/21  
Action: Adopted as Amended  
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2021-060**

**A RESOLUTION SUPPORTING THE ALASKA REMOTE SELLERS SALES TAX  
COMMISSION’S PROPOSED INTERPRETATION OF THE DEFINITION OF POINT  
OF DELIVERY AS IT RELATES TO SOURCING FOR SALES TAX LEVIED ON  
SERVICES**

**WHEREAS,** in 2019 and 2020 numerous local taxing jurisdictions within Alaska worked together to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the “Commission”) in order to implement a single-level statewide sales tax administration; and

**WHEREAS,** the function and powers of the Commission are set forth in the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the “Agreement”), a cooperative agreement between the Commission members; and

**WHEREAS,** as part of the process to implement a remote seller sales tax code and pursuant to Resolution 2019-056, the borough signed the Agreement and is currently a full member of the Commission; and

**WHEREAS,** five of the incorporated cities within the borough are members of the Commission; and

**WHEREAS,** representatives from the borough, the City of Soldotna, and the City of Kenai also currently hold three of the seven Board of Director seats on the Commission; and

**WHEREAS,** the contractor for the Commission, Alaska Municipal League “AML”, has proposed that the definition of “Point of Delivery” be interpreted to mean the location at which the goods or service is delivered or otherwise received by the purchaser; and

**WHEREAS,** if the service is not received by the purchaser at a business location of a remote seller, the service is considered delivered to the location where the purchaser receives the service; and

**WHEREAS,** products or services transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery of the sale to be the billing address of the buyer; and

**WHEREAS,** receive or receipt for purposes of the definition of “point of delivery” means taking possession of property or product or making first use of services;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the Borough Assembly supports the Alaska Remote Sellers Sales Tax Commission’s proposed interpretation of the definition of “point of delivery” in determining the point of taxation for sales tax to mean the location at which property or a product is delivered or service is rendered and receipt means taking possession of property or product or making first use of services.

**SECTION 2.** That the assembly recommends that the Alaska Remote Sellers Sales Tax Commission begin an audit and compliance program to ensure not only revenue collection but compliant revenue collection.

**SECTION 3.** That the assembly supports increasing the obligation to collect tax threshold from \$100,000 to \$250,000 to relieve the burden on small business owners providing remote sales in the State of Alaska.

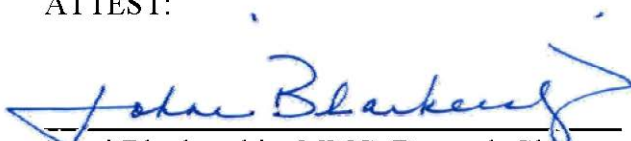
**SECTION 4.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF AUGUST, 2021.**



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Brent Hibbert, Assembly President

ATTEST:

  
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Jonni Blankenship, MMC, Borough Clerk

Yes: Bjorkman, Carpenter, Chesley, Cox, Dunne, Elam, Johnson, Hibbert

No: None

Absent: Derkevorkian