

Kenai Peninsula Borough

Finance Department

MEMORANDUM

TO: Ryan Tunseth, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Borough Mayor *PM*

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: May 7, 2026

RE: Ordinance 2026-24, Amending KPB Chapter 5.19, Uniform Remote Seller Sales Tax Code, in Accordance with Amendments Adopted by the Alaska Remote Seller Sales Tax Commission (Mayor)

At its March 31, 2026, Alaska Remote Seller Sales Tax Commission (ARSSTC) members meeting, the membership, by majority vote, approved amendments to the Uniform Remote Seller Sales Tax Code (Uniform Code). The approved changes are intended to allow a municipality, if it so elects, to require certain marketplace facilitators that facilitate services and rentals within a municipality, to report and remit directly to the ARSSTC. This would require certain marketplace facilitators who service local businesses for qualifying services to file with the ARSSTC instead of locally with the Kenai Peninsula Borough.

Member jurisdictions requested the option to decide whether to opt-in to the revisions. It is in the best interest of the Kenai Peninsula Borough to retain current code changes related to businesses, including marketplace facilitators, that have a physical presence in the KPB and not elect to change current practices to require such business file with ARSSTC. Implementing a split reporting situation will impose complex and duplicative filing requirements on local businesses and require additional reconciliations between filings. The fees associated with the ARSSTC range between 15.65% at the beginning of each calendar year and 7.65% depending on where the tiered fee arrangement is at the time of the transaction. Therefore, opting-in would also reduce sales tax revenues available for funding education.

Your consideration is appreciated.