

Introduced by:	Mayor
Date:	10/11/94
Hearing:	11/29/94
Action:	Enacted
Vote:	Unanimous

**KENAI PENINSULA BOROUGH
ORDINANCE 94-54**

**AN ORDINANCE EXEMPTING AIR CHARTER AND AIR TAXI SALES
FROM SALES TAXES**

WHEREAS, the Alaska State Legislature recently adopted amendments to Title 29 by adding AS 29.47.470 which prohibits municipal taxes on the air transportation of individuals or goods by certain air carriers; and

WHEREAS, it appears from legislative history that the legislature intended to prohibit all municipal taxes on air charter and air taxi operations with this enactment; and

WHEREAS, taxing air charter and air taxi operations in the face of this statute would likely subject the borough to expensive protracted litigation with questionable long-term benefit;

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

SECTION 1. That KPB 5.18.200(A)(11) is amended as follows:

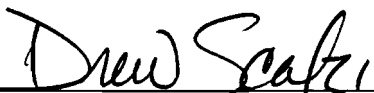
5.18.200. Exemptions/waivers - Exemptions.

A. The following classes of retail sales, services and rentals are exempt:

11. Sale of passenger seat tickets by a commercial airline. Air charter and air taxi sales are [NOT] exempt.

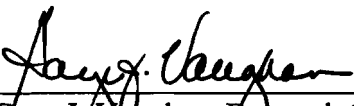
SECTION 2. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 29th DAY OF NOVEMBER, 1994.



Drew Scalzi, Assembly President

ATTEST:



Gaye J. Vaughan, Borough Clerk