

Introduced by:	Mayor
Date:	01/08/19
Hearing:	01/22/19
Action:	Enacted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-27**

**AN ORDINANCE APPROPRIATING \$10,000 FROM THE GENERAL FUND FOR
CONTRIBUTION TO THE ALASKA MUNICIPAL LEAGUE TO SUPPORT A
WORKING GROUP THAT WILL BE CHARGED WITH ESTABLISHING A
CENTRALIZED SALES TAX ADMINISTRATOR FOR REMOTE SELLERS**

- WHEREAS,** due to a recent decision by the United States Supreme Court, known as the *Wayfair* case, municipalities, subject to requirements discussed in *Wayfair*, are now allowed to tax remote sellers; and
- WHEREAS,** remote sellers are sellers that do not have a physical presence in the municipality or the State of Alaska; and
- WHEREAS,** a key component to Alaska municipalities being able to tax remote sellers and receive tax revenue from non-exempt online sales is the need for a centralized statewide administration of online sales tax; and
- WHEREAS,** a centralized collection agency is necessary to not unduly burden interstate commerce; and
- WHEREAS,** the Alaska Municipal League (“AML”) is leading the effort to study, plan, and implement a state-level administration of sales tax applicable to remote sellers; and
- WHEREAS,** the AML is establishing an initial working group intended to plan and hire a contractor to complete necessary steps to implement a statewide, independent, online sales tax administration system for sales by remote sellers; and
- WHEREAS,** the AML has requested contributions from Alaska boroughs and cities to support this effort; and
- WHEREAS,** by contributing to this effort the borough will be part of the initial working group and have direct input into the structuring and initial setup process; and
- WHEREAS,** once the online sales tax is up and fully functional, the borough stands to gain an estimated \$1,500,000 in addition sales tax revenue annually; and

WHEREAS, the long-term vision is for the AML to solicit proposals for a third-party administrator and software provider that will be responsible for sales tax boundary mapping, development of necessary software, and administration of statewide online or remote sellers' sales tax; and

WHEREAS, this ordinance makes the funds available for distribution, however, it does not obligate the borough to pay these funds if the AML is unable to secure enough funding over all to complete this initial phase of the project;

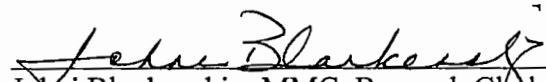
NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:


SECTION 1. That funds in the amount of \$10,000 be appropriated from the General Fund fund balance to account 100.11410.43011 for contributing to the Alaska Municipal League's efforts to establish a single, centralized online or remote sellers' sales tax administrator.

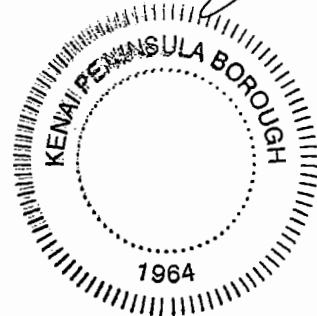
SECTION 2. This ordinance shall become effective immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 22ND DAY OF JANUARY, 2019.

ATTEST:


Johni Blankenship, MMC, Borough Clerk


Wayne H. Ogle, Assembly President



Yes: Bagley, Blakeley, Carpenter, Cooper, Dunne, Fischer, Hibbert, Smalley, Ogle

No: None

Absent: None