



Kenai Peninsula Borough  
Finance Department

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**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Charlie Pierce, Mayor 

**FROM:** Brandi Harbaugh, Finance Director 

**DATE:** February 7, 2019

**RE:** Ordinance 2019-06, Clarifying the Exemption of Sales of Nonprepared Food Items Applies to Certain Nonprepared Food Sellers in Addition to Currently Eligible Vendors and Convenience Stores, Alphabetizing the Definitions in the Sales Tax Code and Clarifying the Definition of Time of Sale (Mayor)

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An amendment to the sales tax code enacted in ordinance 2016-45 had the unintended effect of removing eligibility for the seasonal exemption for nonprepared food items from sales tax by small and specialty food sellers. Their sales are primarily nonprepared food, but they are not authorized to participate in the federal food stamp program. While the finance department has implemented a policy to address this concern, placing this clarification in the code will better ensure consistent application of this exemption to such sales. Examples of these sellers would include farmers selling produce, people selling vegetables and other nonprepared food items at farmers' markets, sellers selling nonprepared food from trucks and any grocery store that primarily sells nonprepared food but is not eligible to participate in the food stamp program.

This ordinance will also alphabetize the definitions in KPB 5.18.900 as well as update the definition for "Time of Sale" to clarify that a down payment is consider the initial payment at time of sale.

Your approval of this ordinance would be appreciated.