

Presented by: The Manager
Presented: 11/21/2022
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-61

An Ordinance Amending the Uniform Sales Tax Code to Allow Very Small Businesses to File Sales Taxes Annually.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJC 69.05.070 is amended to read:

69.05.070 Periodic returns, penalties and interest for delinquency.

- (a) Every person making sales, rentals, or performing services within the City and Borough, and transportation network companies on behalf of transportation network company drivers, shall on or before the last day of the month, unless the last day of the month is a Saturday, Sunday, or federal, state or City and Borough holiday in which case the due date will be extended until the next business day, immediately following the end of each filing period complete a return for the required filing period setting forth the total amount of all sales, rentals and services, regardless of whether such transactions are taxable or nontaxable, the amount of sales tax due, and such other information as the City and Borough may require, and sign and deliver or mail the return to the City and Borough manager. Periodic returns shall be filed for the calendar quarters ending on March 31, June 30, September 30, and December 31, unless the seller or transportation network company on behalf of a transportation network company driver is allowed or directed by the City and Borough manager to file for a different time period as authorized in this section and section 69.05.100. A seller, other than a governmental agency, making only exempt sales may be allowed, upon written request to the City and Borough treasurer or the manager, to file returns for periods which vary from the standard calendar quarter and which cover time periods up to one year.
- (b) The tax levied under this chapter, whether or not collected from the buyer, except for credit transactions covered in subsection (c) of this section, must be remitted by the seller or transportation network company on behalf of a transportation network company driver to the City and Borough at the time of transmitting the return, and if not so remitted or if the return is not timely filed, such tax is delinquent. A late filing penalty of \$25.00 shall be added to all late returns. The postmark shall determine the date of filing mailed returns. In addition, a late payment penalty of five percent per month or any fraction thereof, until a

total late payment penalty of 25 percent has accrued shall be added to all returns until such tax, penalty and interest thereon have been paid. Such penalty shall be assessed and collected in the same manner as the tax is assessed and collected. In addition to these penalties, interest on the delinquent tax from the due date until paid shall accrue and be collected in the same manner the delinquent tax is collected. The annual interest rate on delinquent tax shall be five percent per year above the Wall Street Journal Prime Rate, or similar published rate, on January 2nd each year, rounded to the nearest full percentage point, as determined by the Finance Director; provided, however, that if such calculated rate would fall below ten percent per year, the interest rate shall be ten percent per year, and if the calculated rate would exceed 15 percent per year, the interest rate shall be 15 percent per year.


- (c) The seller or transportation network company on behalf of a transportation network company driver shall report and remit sales tax to the City and Borough on the same basis, cash or accrual, the seller or transportation network company uses for reporting federal income tax. A seller reporting on the accrual basis shall be allowed a tax credit for sales tax previously paid by the seller on any sale, service or rental made on credit to the extent the seller declares such debt to be uncollectible and a bad debt for federal income tax purposes. Such bad debt credit must be claimed on a timely filed quarterly sales tax report within two years from the date of sale in which the bad debt arose.
- (d) Except as otherwise provided herein, all returns, reports, and information required to be filed with the City and Borough under this chapter, and all information deducible from such filed returns, reports, and information, shall be kept confidential and are not subject to public inspection. Except upon court order, such returns, reports, and information shall be made available only to employees of the City and Borough whose job responsibilities are directly related to such returns, reports, and information; to the person supplying such returns, reports, and information; and to persons authorized in writing by the person supplying such returns, reports, and information. The following information shall be made available to the public: the name and address of sellers and transportation network companies collecting and remitting sales tax on behalf of transportation network company drivers; whether or not a business, including a transportation network company, or transportation network company driver is registered to collect sales tax in the City and Borough; whether or not a business transportation network company or transportation network company driver is current in filing sales tax returns and in remitting sales tax, the amount of sales tax due, and the number of returns not filed; and the names and exemption number of nonprofit agencies which have received a nonprofit exemption number from the manager. The manager may, from time to time, publish the names of sellers and transportation network companies collecting and remitting sales tax on behalf of transportation network company drivers delinquent in remitting sales taxes and the amount thereof including the "doing business as" name under which the seller or transportation network company is doing business when the sales tax delinquency being published arises from that business; provided that the names of sellers or transportation network companies who have signed a confession of judgment for the delinquent sales taxes, penalties, and interest, and a stipulation to postpone execution on the judgment, and who are current in their sales tax payments under such stipulation as of the date on which

the names are submitted to the publisher, will not be published. Information may also be made available to the public in the form of statistical reports if the identity of particular sellers or transportation network companies is not revealed by the reports.

- (e) The City and Borough may permit the proper officer of the United States, of a state, or other municipality to inspect tax returns or reports filed under this title, or may furnish to the officer a copy of the tax return, if the other jurisdiction grants substantially similar privileges to the City and Borough, and if the City and Borough determines that other jurisdiction provides adequate safeguards for the confidentiality of the returns and reports, and that the returns and reports will be used for tax purposes only.
- (f) *Very small business annual filing.* The quarterly filing requirements of subsection (a) are waived and an annual filing is allowed for a seller that anticipates having \$20,000.00 or less of gross sales in the subsequent calendar year. A seller that elects to file annually is required to begin making quarterly filings in the calendar quarter that gross annual sales exceed \$20,000.00. Failure of a seller to begin making quarterly filings after gross annual sales exceed \$20,000.00 shall result in the imposition of penalties and interest described in subsection (b).

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 30th day of November, 2022.



Beth A. Weldon, Mayor

Attest:



Elizabeth J. McEwen, Municipal Clerk