

Presented by: The Manager
Introduced: 01/26/2004
Drafted by: J.W. Hartle

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2249

A Resolution Authorizing Forgiveness of Uncollected Sales Taxes on Certain Contingent Fee Transactions.

WHEREAS, Ordinance 2004-07 amends Exemption 22 of the Sales Tax Code to clarify its application to certain contingent fee transactions and commissions paid on sales of real property; and

WHEREAS, CBJ 69.05.105 provides:

The manager, with the consent of the assembly, may forgive the payment of uncollected sales taxes, interest and penalty thereon and penalties for failure to file owing by a seller to the City and Borough upon a determination by the manager that such uncollected sales taxes have never been collected by a substantial portion of a clearly definable class of sellers or which have never been collected on a substantial portion of a clearly defined class or type of transaction or service; and

WHEREAS, the Manager, pursuant to CBJ 69.05.105, has performed a survey throughout the City and Borough, and determined that, in fact, sales tax has not been collected on a "a substantial portion of a clearly defined class or type of transaction or service;" and

WHEREAS, the Manager has determined that retroactive application of the "cap" on contingency awards and real estate commissions is unduly burdensome for these merchants to collect under the circumstances; and

WHEREAS, the Manager has further determined that an amendment to Exemption 22 of the Sales Tax Code, as set forth in Ordinance 2004-07, will make clear for the future that such transactions are to be "capped" on a single, lump-sum payment, rather than applying the "cap" retroactively on a monthly basis over the time during which the service was provided.

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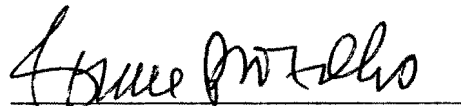
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NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

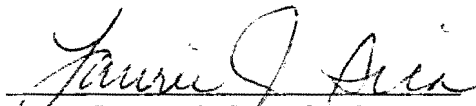
Section 1. Forgiveness of uncollected sales tax. The Manager is authorized to forgive the remittance of those uncollected sales taxes, interest, and penalty thereon, as of the effective date of Ordinance 2004-07, owed by service providers, on that portion of a contingency fee award that exceeds \$7,500, and for the tax, penalties, and interest thereon, on commissions exceeding \$7,500 paid to an agent for negotiating the sale of real property.

Section 2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 26th day of January, 2004.


Bruce Botelho, Mayor

Attest:


Laurie J. Sica, Clerk

Vote: Unanimous
Absent: Ridgeway