



CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
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INFORMATION FOR NEW MERCHANTS

Sales Tax Rate 5% - Hotel/Motel Room Tax Rate 9% - Liquor and Marijuana Tax Rate 3%

CONGRATULATIONS on your new business venture in CBJ. The Sales Tax Office hopes this brief outline will acquaint you with your obligations under the sales tax ordinance.

YOU HAVE NOW ACCEPTED THE RESPONSIBILITY TO COLLECT THE SALES TAX:

All merchants are required to collect sales tax, at the time of purchase, at the rate of 5% on all sales of goods, all services and all non-residential rentals. (Rentals include commercial real property & tangible personal property.)

An additional tax of 3% must be collected on all retail sales of alcoholic beverages or marijuana products. This means that retail sales of alcoholic beverages and marijuana, in whatever form, are taxed at the combined rate of 8%.

An additional tax of 9% (7% prior to January 1, 2020) will be collected on all room rentals (stays of less than 30 days duration). This means hotel / motel / bed & breakfast rooms are taxed at the rate of 14% (12% prior to January 1, 2020).

Under the sales tax ordinance, there are 34 exemptions from the sales tax. It is the responsibility of the “buyer” to provide proper documentation to the merchant that the sale is exempt from the sales tax. It is the merchant’s responsibility to document the exempt transaction.

REPORTING REQUIREMENTS (CBJ 69.05.170)

Filing of Tax Returns and Payment of Tax - Every seller of goods or provider of services or rentals must file a return for each reporting period, *regardless of the level of sales or the amount of tax due.*

The return forms will be mailed to each business at the end of each quarter. However, merchants will not be excused from filing a return if they do not receive a return form in the mail. Merchants should obtain proper forms in ample time to report and remit within the time prescribed by Sales Tax ordinances.

Merchants may file sales tax forms and/or pay sales tax electronically by going to our web page at <https://beta.juneau.org/finance/sales-tax-online-payment>

Sales tax payments can be submitted using:

- Paper Check
 - No fee for checks mailed, placed in a designated dropbox, or brought in to City Hall
- ACH / eChecks Online
 - Checking or savings accounts can be used.
 - Convenience fee of \$1.00 per transaction is charged on ACH / eCheck payments.
- Debit and Credit Card Online
 - Visa, MasterCard & Discover Cards are accepted.
 - Convenience fee of 2.95% per transaction is charged on debit & credit card payments.

Report is Required - Even if your business has not transacted any business, made any sales or received any business income, you are still required to file a timely tax report.

Returns Due - Quarterly tax reports are due the last day of the month following the end of each calendar quarter. If the last day of the month falls on a weekend or holiday, the deadline is extended to the next business day.

Late Filing Fee – Returns filed after the due date will be assessed a \$25.00 late filing fee, whether a merchant reports sales or not. Postmark will determine date of filing mailed returns.

Late Payment Penalty – A late payment penalty of 5% per month or any fraction thereof shall be assessed on the unpaid tax balance up to a maximum of 25%.

Interest – Interest accrues on the unpaid tax balance at an annual rate of 11%.

Deposits - If your business collects more than \$1,000 in sales tax in a one-month period, you are required to deposit the estimated sales tax collected by the fifteenth of the following month. If the fifteenth of the following month is on a weekend or holiday, the deposit is due on the following business day. The deposits are in addition to the quarterly sales tax filings, not in place of them. Merchants who deposit all monies due are still required to file a quarterly sales tax return, when due, to be considered timely.

Method of Accounting - Merchants are required to use the same basis of accounting for sales tax purposes, cash or accrual, as used for reporting federal income tax.

RECORD KEEPING AND AUDITING (69.05.090)

Supporting records must be maintained for a period of three years. Failure to maintain adequate records to support exemptions claimed will result in the loss of deduction for that particular transaction. A seller shall make available for review all relevant records, books and other documents upon request by the Sales Tax Auditor.

CHANGES IN ADDRESS OR OWNERSHIP

Please notify the Sales Tax Office of any changes to the information provided on the registration form. This will ensure timely mailings and data integrity.

Termination of the Business - A final sales tax report must be filed within 15 days of closing.

Sale of Business--Successor liability (69.05.130) - The seller must file a final return within 15 days of the sale. The buyer can be held liable for any unpaid tax, penalty and interest on account of the business operations of the former owner.

RESPONSIBILITIES OF THE MERCHANT

It is your responsibility to comply with the laws and regulations that pertain to your business environment in which you operate. We have included in your new merchant packet information on the most commonly used sales tax exemptions. Please review all the information and if you are still uncertain of how the tax applies in general or to specific transactions please call or write the Sales Tax Office.

We appreciate your efforts in collecting and remitting sales tax in compliance with our ordinances. Please call or email the CBJ Sales Tax office if you have any questions.

Phone: (907)586-5265 **Email:** sales.tax.office@juneau.org.