



CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Treasury - Sales Tax Office
155 South Seward Street, Juneau, Alaska 99801
Phone (907) 586-5215 ext 4901 FAX (907) 586-0365
Sales.tax.office@juneau.org

September 17, 2021

****NOTICE OF SALES TAX CODE CHANGE****

Dear Merchant,

This letter is to inform you of recent changes to the Sales Tax code resulting from Ordinance 2021-30, passed August 23, 2021 and effective September 22, 2021.

A summary of the changes is shown below. The full text of the Ordinance is included with this letter.

Imposition of Tax Rate:

As of September 22, 2021, sales and services sold to or provided to consumers outside of the City & Borough of Juneau will be taxable at the *point of delivery*. *Point of Delivery* is defined as the location at which the property or a product is delivered or a service is performed.

Exemption:

As of September 22, 2021, sales of goods and services on orders received from and delivered to a buyer outside of the City and Borough of Juneau are exempt from the Juneau 5% sales tax. The term 'received' does not include temporary possession by a shipping company on behalf of the buyer or consumer.

Please note, merchants who regularly conduct out-of-borough sales with other communities in Alaska may be required to collect, remit and report taxes with the Alaska Remote Sellers Sales Tax Commission (ARSSTC). For additional information on ARSSTC, please visit www.arsstc.org.

Thank you for your effort in keeping in compliance with the CBJ Sales Tax code. Please contact the CBJ Sales Tax office at the email address or number above if you have any questions on this matter.

Sincerely,

Erin Russell
Revenue Officer

Presented by: The Manager
Presented: 08/02/2021
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-30

An Ordinance Amending the Sales Tax Code Regarding the Taxability of Services.

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. CBJ 69.05.010 Definitions, is amended to include the following:

CBJ 69.05.010 Definitions.

...

Point of Delivery means the location at which the property or a product is delivered or service performed. For products and services delivered or transferred electronically, point of delivery is the billing address of the buyer or consumer.

...

Receive means, for the purposes of point of delivery under CBJ 69.05.020:

- (1) Taking possession of personal property or goods;
- (2) Making first use of services;
- (3) Taking possession or making first use of digital goods, whichever comes first.

The term “receive” does not include temporary possession by a shipping company on behalf of the buyer or consumer.

Section 3. Amendment of Section. CBJ 69.05.020 Imposition of rate, is amended to read:

CBJ 69.05.020 Imposition of rate.

...

(b) If parts of a sale, service or rental, or a combination thereof, occur both inside and outside the City and Borough, or occur over a period of time during which two different tax rates apply, the tax shall be the highest rate applicable to any part of the sales, service, or rental and shall be applied to the price of the entire transaction; provided, if the invoice of the transaction separates and prices the various parts of the transaction in accordance with the location of the parts of the transaction, or the time of the transaction, the different sales tax rates applicable to the separate parts of the transaction shall be applied, but only if each such part of the transaction is a sale, service, or rental which may be made and is regularly offered on a separate basis by the seller. The taxability of a sale of goods is determined by the point of delivery of the tangible personal property. The taxability of a service is determined by the location where the service performed is received. The taxability of a rental made is determined by the place where the rental property is located.

...

Section 4. Amendment of Section. Chapter 69.05.040 Exemptions, is amended to read:

CBJ 69.05.040 Exemptions.


...

(3) Sales of goods and/or the performance of services and associated shipping and handling charges resulting from orders received from outside the City and Borough where goods and/or services are received by the buyer outside the City and Borough after seller ships the goods and/or delivers the service by mail, electronic transfer, or common carrier. Shipment and/or delivery outside the City and Borough must be verified by postal or shipping documents. If the shipment and/or delivery is by electronic means, shipment and/or delivery must be verified by the buyer's "billed to" address. Common carrier means a commercial enterprise that holds itself out to the public as offering to transport freight for a fee without refusal.

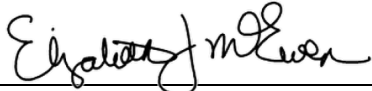
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Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 23rd day of August, 2021.



Beth A. Weldon, Mayor

Attest:


Elizabeth J. McEwen, Municipal Clerk