



CITY AND BOROUGH OF JUNEAU, ALASKA
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****NOTICE OF SALES TAX CODE CHANGE****

This notice provides information about recent changes to the Sales Tax code resulting from Ordinance 2021-44, passed December 13, 2021 and effective January 12, 2022.

A summary of the changes is shown below.

Exemption:

Prior to January 12, 2022, **all** sales of goods and services on board a cruise ship within the City and Borough of Juneau were exempt from the Juneau 5% sales tax. However, on December 13, 2021 the CBJ Assembly adopted a new Ordinance which exempts **only** those transactions that take place on board a cruise ship within Juneau boundaries but outside of the Gastineau Channel.

Sales of goods and services on board a cruise ship that take place *within* the Gastineau Channel will now be subject to the Juneau 5% sales tax, and sales of alcoholic beverages are subject to the additional 3% liquor tax. For the purposes of this exemption, Gastineau Channel means that body of water adjacent to Juneau and Douglas, Alaska, North of Marmion Island, and South of the Juneau-Douglas Bridge.

This exemption is intended to only exempt:

- Sales of goods which are paid for by a passenger and delivered to the passenger on board the cruise ship while the ship is within the City and Borough Boundaries but outside of the Gastineau Channel and,
- Services which are paid for and performed aboard the cruise ship while the ship is within the City and Borough boundaries but outside of the Gastineau Channel,
- Pre-cruise payments for goods and services

Cruise ships are defined as commercial passenger vessels that:

- Are authorized to carry more than 20 passengers and,
- Provide overnight transportation for at least 20 passengers for hire and,
- Are privately (non-government) operated.

This exemption does not apply to:

- Goods sold on day tours or daily excursion type sales,
- Tours or boat charters within the City & Borough of Juneau or,
- Goods or services purchased by cruise lines.

Goods purchased by cruise lines for resale may be exempted from sales tax under CBJ 69.05.040(32) – Resale of Goods. For more information on the Resale of Goods exemption, please see procedure 432 of the Administrative Guidelines.

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.

April 2022

Relevant Sales Tax Guidelines

Quarterly Reporting: All sellers are required to file four quarterly reports each year. A quarterly return is due by the last day of the month following the quarter covered by the return.

Sales tax Deposits: Sellers who report on a quarterly basis and who collect over \$1,000.00 in sales tax in any one month are required to make a deposit by the 15th of the following month. Deposit coupons are available online here: <https://juneau.org/finance/sales-tax-forms> under Sales Tax Reporting Forms.

Monthly Reporting: A seller may be directed by the manager to file on a calendar month basis or a seller, who is required to make a monthly deposit, may request to report monthly rather than make deposits. A monthly return is due by the last day of the month following the month in which the tax accrues.

Seasonal Reporting: There are *no provisions* in the Sales Tax Code for seasonal reporting. However, if a seller will not be engaging in business during the off-season, returns for the upcoming reporting periods may be filed early.

Timely Online Filing Discount: The sales tax ordinance allows a discount to sellers that keep their sales tax accounts current and file their returns online. Discounts may not be taken on late-filed returns or on accounts that have an unpaid balance. All sellers who file their return on the eGovern online portal, regardless of their reporting frequency, may take a discount of **\$30.00** from the total sales tax due. A discount can reduce tax to zero, but cannot create a credit balance. Online filing information can be found at <https://juneau.org/finance/sales-tax-online-payment>.

69.05.020 (d) - Imposition of rate. In addition to the five percent (5%) sales tax levied and collected under subsection (a) of this section, there shall be levied and collected a tax equal to three percent (3%) of the selling price on the retail sale of alcoholic beverages sold within the City and Borough.

69.05.010 – Definitions: Alcoholic beverage means, but is not limited to, beer, wine, distilled spirits, and all other spirituous, vinous, malt and other fermented or distilled liquors intended for human consumption and containing more than one-half of one percent alcohol by volume for which a license or permit for its sale or barter is required by AS title 04.