



CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
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****NOTICE OF SALES TAX GUIDELINE UPDATE****
Construction Materials and Services Exemption Documentation

Dear Merchant,

The City and Borough of Juneau Sales Tax Office is providing notice of an update to the Sales Tax Guidelines for Procedure 405 – Construction Materials/Services.

Effective immediately, the documentation required to claim the Construction Materials and Services sales tax exemption, commonly referred to as the building permit exemption, has changed.

Historically, buyers claiming exemption under CBJ 69.05.040(5) were required to present a separate Builder Sales Tax Exemption Card issued by Community Development at the time a building permit was approved. Community Development will no longer issue a separate exemption card.

Instead, exemption information will now be incorporated directly onto the building permit itself. The building permit will serve as the documentation required to support exempt purchases of qualifying construction materials and services.

This is an administrative change only. The underlying code requirements for the exemption have not changed.

To qualify for exemption, purchases must still meet all requirements of CBJ 69.05.040(5), including:

- Materials must become a permanent part of a structure or site.
- Materials or services must relate to work performed under a valid building permit.
- Services must be performed on-site.
- Purchases must be reasonably applicable to the scope of work authorized by the permit.
- Repair and maintenance services remain taxable.

Going forward, merchants should request a copy of the building permit containing the exemption information when documenting exempt sales.

Please note that not all building permits qualify for the construction materials and services exemption. Merchants should review the building permit carefully to confirm whether exemption authorization is included. The permit will indicate whether the exemption applies and provide the information necessary to document exempt sales. Merchants should retain permit information in their records in the same manner previously used for Builder Sales Tax Exemption Cards.

Requirement For documentation purposes, merchants should continue to record:

- Building permit number
- Permit expiration date
- Name of the permit holder or contractor, if applicable
- Nature of the work being performed

Merchants remain responsible for ensuring that exempt purchases reasonably align with the scope of work identified on the building permit. More detailed information about this exemption is available at www.juneau.org/finance/sales-tax-guidelines.

This change is intended to simplify the permitting process while maintaining the documentation required under the CBJ Sales Tax Code.

If you have questions regarding this change or how to document exempt sales, please contact the CBJ Sales Tax Office.

Sincerely,

Sales Tax Office

CBJ Sales Tax Office

Phone: (907) 586-5215 x 4901

Email: sales.tax.office@juneau.gov

Website: <https://juneau.org/finance/sales-tax>