CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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☐ **New Application**

☐ **Change in Ownership**

APPLICATION FOR RELATED PARTY EXEMPTION CERTIFICATE

Both businesses must be registered for sales tax in order to receive a related party exemption. Exemption certificate will not be issued if account is not in compliance.

Application will not be processed if information is not complete or if required attachments are not included. Please see instructions attached.

TO BE COMPLETED BY THE First Party		TO BE COMPLETED BY THE Second Party
1. Type of Entity:		1. Type of Entity:
2. Entity Name:		2. Entity Name:
3. DBA (Doing Business As):		3. DBA (Doing Business As):
4. Number of Owners:		4. Number of Owners:
5. Sales Tax Account Number:		5. Sales Tax Account Number:
6. Alaska Business License Number:		6. Alaska Business License Number:
7. Estimated Amount of Monthly Transactions:		

8. FOR EACH OWNER LISTED IN 4 ABOVE, PLEASE PROVIDE THE FOLLOWING INFORMATION*:

Name:		Name:
Address:		Address:
Social Security Number:		Social Security Number:
Percentage of Ownership:		Percentage of Ownership:

Owners must be identical between Lessor and Lessee (except for a parent and wholly owned subsidiary).
Each owner must have the same percentage of ownership or own at least 5% of each company.

Continued

Name:		Name:
Address:		Address:
Social Security Number:		Social Security Number:
Percentage of Ownership:		Percentage of Ownership:

Name:		Name:
Address:		Address:
Social Security Number:		Social Security Number:
Percentage of Ownership:		Percentage of Ownership:

Name:		Name:
Address:		Address:
Social Security Number:		Social Security Number:
Percentage of Ownership:		Percentage of Ownership:

Name:		Name:
Address:		Address:
Social Security Number:		Social Security Number:
Percentage of Ownership:		Percentage of Ownership:

* Attach additional owner information if necessary.

Under penalty of unsworn falsification, I attest that to the best of my knowledge that the above information is true and correct.		**Under penalty of unsworn falsification, I attest that to the best of my knowledge that the above information is true and correct.**
Signature		**Signature**
Printed Name		**Printed Name**
Date		**Date**

APPLICATION INSTRUCTIONS
FOR RELATED PARTY EXEMPTION CERTIFICATE

Both businesses must be registered for sales tax in order to receive a related party exemption. Exemption certificate will not be issued if account is not in compliance.

1. Type of Entity means: Individual, Married Couple, Group of Individuals, Partnership, Limited Partnership, General Partnership, Trust, Limited Liability Company, Sub Chapter S Corporation, C-Corporation, etc.

2. Entity Name: Legal name of the business or Individual, Married Couple or Group of Individuals.

3. DBA (Doing Business As): A more commonly know name used in your business environment.

4. Number of Owners: The total number of owners in the business. A wholly-owned subsidiary has only one owner; please indicate in this area "wholly-owned subsidiary."

Note: Each legally formed corporation has authorized shares of stock; if you have not formally issued shares of stock, even in a closely held corporation, you are not considered an owner. Appointing a President, Vice-President, Secretary, etc. does not determine corporation ownership.

5. Sales Tax Account Number: The six digit sales tax account number assigned to your business.

6. Alaska Business License Number: The Alaska Business License Number as assigned by the State of Alaska, Department of Commerce and Economic Development.

7. Estimated amount of monthly transactions: Please provide an estimate or actual, if available, of the monthly gross sales to be charged to the Second Party.

8. Owner Information: For each owner, as indicated in number 4 above, complete the information requested. Percentage of Ownership*:* Typically marital property is considered an undivided interest in the property or both individuals own 100% of the property. For the purposes of this exemption, any property or business ownership that is undivided will be deemed to be owned in uniform proportions.

Both the First Party Section and the Second Party Section must be signed by an owner.

Required Attachments: Please attach a copy of the specific schedule of your most recently filed Federal Tax Return as indicated below (for example, you are applying for the related party exemption effective April 1, 2009, the most recently filed federal return for calendar year filers would be 2007):

Individuals & Married Couples:	1040 Schedule C
Partnerships:	1065 Schedule K-1
Trusts:	1041 Schedule J or K-1
Sub Chapter S Corporations:	1120S Schedule K-1
Limited Liability Company (LLC) and C-Corporations:	Please submit a copy of your State of Alaska, Department of Commerce and Economic Development, Division of Banking Securities and Corporations, Bi-annual Corporations Report

APPLICABLE CBJ SALES TAX ORDINANCE

69.05.170 REGISTRATION. A person, firm, co-partnership, corporation, or other business entity shall register with the sales tax administrator before making retail sales, rendering services or making rentals within the city and borough of Juneau.

69.05.070 PERIOD RETURNS, PENALTIES AND INTEREST FOR DELINQUENCY. (a) Every person making sales, rentals or performing services within the city and borough shall on or before the last day of the month, unless the last day of the month is a Saturday, Sunday, or federal, state or city and borough holiday in which case the due date will be extended until the next business day, immediately following the end of each filing period complete a return for the required filing period setting forth the total amount of all sales, rentals and services, regardless of whether such transactions are taxable or nontaxable, the amount of sales tax due, and such other information as the city and borough may require, and sign and deliver or mail the same to the city and borough treasurer's office. . . .

THE FOLLOWING IS EXEMPT FROM THE CBJ SALES TAX UNDER 69.05.040 (39):
Transactions between entities having identical legal composition, as certified by an exemption certificate issued by the sales tax administrator. "Transactions" means retail sales, rentals of real property, rentals and sales of tangible personal property, leases including capital leases and operating leases, and services performed.
(a) As used in this subsection, a transaction is "between entities having identical legal composition," if the following two conditions are satisfied:
(1) One party to the transaction:
(A) comprises or is owned by, the same persons who comprise or own the other party, each of whom owns:
(i) at least 5% of each legal entity which is a party to the transaction; or
(ii) the same percentage of one party to the transaction as that person owns of the other party; or
(B) is a wholly-owned subsidiary or a parent corporation of the other party to the transaction; or
(C) is a wholly-owned subsidiary, and the other party to the transaction is a wholly-owned subsidiary, both of which are owned by the same parent corporation; or
(D) is a trust, the beneficiaries of which are the same natural persons who comprise or own the other party to the transaction; and
(2) Neither party to the transaction is a publicly traded corporation.
(b) Application for an exemption certificate shall be on a form specified by the sales tax administrator and shall set forth the name and address of each individual, married couple, group of individuals, or legal entity involved in the transaction; a description of the legal form of each entity; the degree of ownership held by each individual, couple, group, or entity. Any change in this information shall be reported to the manager within 15 days. Failure to report such change may result in the loss of any tax exemption for that period.

69.05.005 PURPOSE AND INTENT. It is the purpose of the tax levied under this chapter to raise revenues. To that end, the scope of the tax levied shall be broadly interpreted and exemptions shall be allowed only when the rental, sales or service clearly falls within an exemption defined in this chapter.

69.05.050 PROCEDURES AND FORMS. (a) The manager or the manager's designee shall adopt and amend procedures, fees and forms for the administration of this chapter, and shall adopt guidelines for the determination of the taxability of transactions and may rule on specific transactions upon request. The written ruling on a specific sale may be relied upon by the parties to that sale unless essential facts were not provided to the person making the ruling or the ruling is clearly contrary to the provisions of this code.
(b) The burden of proving an exemption shall be on the person claiming an exemption. Persons claiming an exemption may be required to obtain an exemption certificate. Certificates issued under this chapter shall expire as determined by the manager or the manager's designee.
(c) The manager or the manager's designee shall take all steps necessary and appropriate to administer this chapter which includes the authority to compromise and abate penalties and interest, and to negotiate and enter into payment plans for delinquent sales taxes, penalties and interest.

69.05.052 REVOCATION OF EXEMPTION. (a) The manager or his designee may revoke any exemption authorization, certificate or other authority to obtain an exemption if the person entitled to the exemption has been found to have used the exemption authorization or certificate to obtain an exemption to which the exemption holder is not entitled or has permitted another to use the exemption authorization or certificate to obtain an exemption to which the other person is not entitled.
(b) Upon a determination by the sales tax administrator or other person authorized to make such investigations that an exemption holder has misused or permitted another to misuse a sales tax exemption authorization or certificate issued to the holder, the manager or the manager's designee may revoke the sales tax exemption authorization or certificate of such person. Prior to revocation the officer with revocation authority shall hold a hearing at which the person with the exemption may be present and at which the evidence of misuse shall be presented. The holder shall be given an opportunity to refute any evidence presented and to cross-examine the person who made the investigation. The holder and witnesses called by the holder may also be cross-examined.
(c) The revocation shall be permanent unless the officer ordering the revocation provides for a shorter period in the revocation order.
(d) If the revocation is ordered by an officer other than the manager, the order and period of revocation may be appealed to the manager if the appeal is filed in writing with the manager within ten days of the receipt of the written order. The decision of the manager is final and may be appealed only to the appropriate judicial authority.
(e) A person is guilty of a misdemeanor who obtains or attempts to obtain an exemption from the sales tax for a sale or rental when the person is not entitled to the exemption.