

**CITY OF WASILLA  
ORDINANCE SERIAL NO. 09-41**

**AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.16.050, EXEMPTIONS, TO EXEMPT SALES TO QUALIFYING VETERANS ORGANIZATIONS AND CHURCHES, AND SALES BY QUALIFYING VETERANS ORGANIZATIONS, FROM CITY SALES TAX, AMENDING WMC 5.16.080, CERTIFICATE OF EXEMPTION, REGARDING DOCUMENTATION OF AN ORGANIZATION'S QUALIFICATION FOR EXEMPTION, AND AMENDING WMC 6.04.025, APPLICATION FEE, TO EXEMPT QUALIFYING VETERANS ORGANIZATIONS FROM THE PAYMENT OF A BUSINESS LICENSE FEE.**

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**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become part of the city code.

**Section 2. Amendment of section.** Subsection B of WMC 5.16.050, Exemptions, is hereby amended to read as follows:

B. The following transactions are exempt from sales tax; provided that the buyer presents to the seller at the time of the sale transaction a valid certificate of exemption applicable to the transaction, issued to the buyer under Section 5.16.080:

1. Sales to a dealer in the property sold, for the purpose of resale by the dealer.

2. Sales of raw material to a manufacturer, which raw material becomes an ingredient or component part of a manufactured product or a container thereof, or is consumed in the manufacturing process.

**Added and underlined.** [CAPS AND BRACKETS, DELETED.]

3. Sales of tangible personal property that either will be consumed in the course of construction or become part of real property, and rentals of equipment, to an owner of real property for use in the original construction of, or renovations to, improvements to the real property. This exemption does not apply to sales of tangible personal property, or rentals of equipment, that are to be used in repairing or maintaining real property.

4. Sales of tangible personal property that either will be consumed in the course of construction or become part of real property, and rentals of equipment, to a person licensed as a contractor under Chapter 8.18 of the Alaska Statutes for use in the original construction of, or renovations to, improvements to real property. This exemption does not apply to sales of tangible personal property, or rentals of equipment, that are to be used in repairing or maintaining real property.

5. Sales, rentals and services to a person that the Internal Revenue Service recognizes as an organization described in Section 501(c)(3), [OR] 501(c)(4), or 501(c)(19) of the Internal Revenue Code; provided, that the sale, rental or service is not for use in an “unrelated trade or business” of the person, as that term is defined in the Internal Revenue Code.

**6. Sales, rentals and services to a church that is organized as a nonprofit corporation under the laws of the State of Alaska.**

**Bold and underline added. [CAPS AND BRACKETS, DELETED.]**

[6]7. Sales of food supplies to food service establishments for incorporation into food products to be sold to the public.

[7]8. Sales of food supplies to hospitals, institutions housing six or more residents, recreational camps and schools.

**Section 3. Amendment of section.** WMC 5.16.050.C.1, Exemptions, is hereby amended to read as follows:

C. The following transactions are exempt from sales tax; provided that the seller has at the time of the transaction a valid certificate of exemption applicable to the sales transaction, issued to the seller under Section 5.16.080:

1. Sales, rentals and services by a person that the Internal Revenue Service recognizes as an organization described in Section 501(c)(3), [OR] 501(c)(4), or 501(c)(19) of the Internal Revenue Code; provided, that the sale, rental or service is not part of an “unrelated trade or business” of the person, as that term is defined in the Internal Revenue Code.

**Section 4. Amendment of section.** Subsection A of WMC 5.16.080, Certificate of exemption, is hereby amended to read as follows:

A. A person shall apply to the finance director for a certificate of exemption that is required for an exemption from sales tax under Section 5.16.050(B) or (C) on a form approved by the finance director. The application shall be accompanied by any applicable fee that is required under subsection B of this section. The finance director may require

**Bold and underline added.** [CAPS AND BRACKETS, DELETED.]

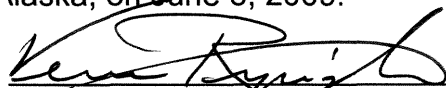
additional information of the applicant as necessary to determine whether the application should be granted, including without limitation documentation of Internal Revenue Service recognition of the applicant as an exempt organization, or the organization of a church as a nonprofit corporation under the laws of the State of Alaska. A certificate of exemption is issued for a calendar year, and expires on December 31st of the calendar year for which it was issued.

**Section 5. Amendment of section.** Subsection B of WMC 6.04.025, Application Fee, is hereby amended to read as follows:

B. The fee for a business license is twenty-five dollars (\$25.00); provided, that there shall be no fee for a business license that is issued to an organization described in Section 501(c)(3), [OR] 501(c)(4), or 501(c)(19) of the Internal Revenue Code. The fee is not prorated if the business license is issued after the calendar year commences. The city shall waive the fee if the applicant held a business license for the entire preceding calendar year, and had no sales tax payment delinquencies in that calendar year.

**Section 6. Effective date.** This ordinance shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council, Alaska, on June 8, 2009.

  
VERNE E. RUPRIGHT, Mayor

ATTEST:



KRISTIE SMITHERS, MMC, City Clerk

VOTE: Cox, Hall, Harris, Holler, Larson and Woodruff in favor.

[SEAL]

**Bold and underline added.** [CAPS AND BRACKETS, DELETED.]

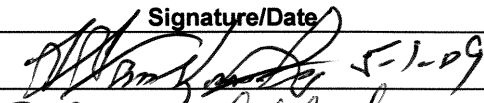

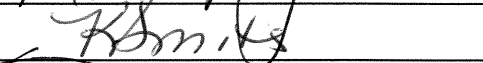


**CITY OF WASILLA  
LEGISLATION STAFF REPORT**

**RE: AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.16.050, EXEMPTIONS, AND WMC 6.04.025, APPLICATION FEE, TO EXEMPT SALES BY VETERANS ORGANIZATIONS AND QUALIFYING CHURCHES FROM CITY SALES TAX AND BUSINESS LICENSE REQUIREMENTS.**

Agenda of: May 11, 2009  
Originator: Council Member Leone Harris

Date: May 1, 2009

Route to:	Department	Signature/Date
X	Director of Finance	 5-1-09
X	Deputy Administrator	
X	City Clerk	

**REVIEWED BY MAYOR VERNE E. RUPRIGHT:** 

**FISCAL IMPACT:**  yes\$ or  no      Funds Available  yes  no

Account name/number:

Attachments:      Ordinance Serial No. 09-41 (3pp)

**SUMMARY STATEMENT:**

AMVETS, American Legion, Veterans of Foreign Wars, and other similar organizations which fall under the 501(c)(19) (veteran organizations) are non-profit organizations. All of their profits go back into our community and to other charities. These veteran organizations, not only serve the needs of veterans in our community, but support our active duty military both locally and over seas.

The proposed ordinance will allow organizations which fall into the 501(c)(19) status, to be exempt from (buying or selling) sales tax within the City of Wasilla.

This ordinance additionally exempts 501(c)(19) from paying the \$25 business license required each calendar year.

The IRS classifies churches as a 501(c)(3) which, is currently exempted under COW 5.16.050(B)(5). Currently, a church must have this documented ruling in order for the Finance Department to issue an exemption certificate under COW 5.16.080.

The proposed ordinance will allow churches an exemption as a buyer provided they show documentation of either a 501(c)(3) IRS determination or a certificate of incorporation in and by the laws of the State of Alaska.