

**CITY OF WASILLA
ORDINANCE SERIAL NO. 10-19**

AN ORDINANCE OF THE WASILLA CITY COUNCIL SETING THE SALES TAX RATE AT 2 PERCENT WITH AN EFFECTIVE DATE OF JULY 1, 2010; AND AMENDING WMC 5.16.030, LEVY OF TAX, AND WMC 5.16.100, COLLECTION OF SALES TAX – ADDITION AND SEPARATE STATEMENT; EXCEPTIONS.

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. WMC 5.16.030, Levy of tax, is hereby amended to read as follows:

A. Subject to the remainder of this chapter, a tax of two [AND ONE-HALF] percent of the price is levied on all sales, rentals and services made in the city. [THROUGH THE EARLIER OF:

1. JUNE 30, 2012; AND
2. THE DATE WHEN ALL BONDS ISSUED UNDER ORDINANCE 01-55(AM) HAVE BEEN RETIRED; AND
3. A TAX OF TWO PERCENT OF THE PRICE IS LEVIED ON ALL SALES, RENTALS AND SERVICES MADE IN THE CITY THEREAFTER.]

Section 3. Amendment of section. WMC 5.16.100, Collection of sales tax – Addition and separate statement; Exceptions., is hereby amended to read as follows:

A. The buyer shall pay sales tax to the seller at the time of payment for a sale, rental or service subject to sales tax. The seller shall collect sales tax from

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

the buyer at the time of payment for a sale, rental or service subject to sales tax. The seller is responsible for remitting sales tax on all nonexempt sales to the city, regardless of whether the seller collects the sales tax from the buyer.

B. Except as provided in subsection C or D of this section:

1. The seller shall add the sales tax to the price or charge for the sale, rental or service, showing the tax as a separate and distinct item on any receipt, invoice, statement of account, or other record of the transaction. The sales tax on more than one separately priced item may be shown as a total tax on the aggregate price of all items sold or rented, or services rendered, in a single transaction.

2. The amount of sales tax to be added to the price of a sale, rental or service shall be determined in accordance with the following schedule:

Price of sale, rental or service	Tax
Under \$0.25 [\$0.20]	None
\$0.25 [\$0.20] through \$0.74 [\$0.59]	\$.01
\$0.75 [\$0.60] through \$1.24 [\$0.99]	\$.02
\$1.25 [\$1.00] through \$1.74 [\$1.39]	\$.03
\$1.75 [\$1.40] through \$2.24 [\$1.79]	\$.04
\$2.25 [\$1.80] through \$2.74 [\$2.19]	\$.05
\$2.75 [\$2.20] through \$3.24 [\$2.59]	\$.06
\$3.25 [\$2.60] through \$3.74 [\$2.99]	\$.07
\$3.75 [\$3.00] through \$4.24 [\$3.39]	\$.08
\$4.25 [\$3.40] through \$4.74 [\$3.79]	\$.09
\$4.75 [\$3.80] through \$5.24 [\$4.19]	\$.10
Over \$5.25 [\$4.19], continue on same scale up to five hundred	

Added. [CAPS AND BRACKETS, DELETED.]

3. A seller may not assume, fail to add to the price or charge for a sale, rental or service, or refund to the buyer all or part of the sales tax, or advertise or represent to any person that the seller will do so.

C. Sales tax on sales of gaming property and sales from coin-operated machines is not added to the sales price and collected with each transaction, but is computed and paid as provided in Section 5.16.045.

D. When it is not feasible for the seller to show the sales tax on each transaction as a separate and distinct item, the seller may elect to remit to the city an amount equal to the seller's gross receipts divided by 1.02[1.025] and multiplied by 0.02[0.025] in lieu of stating sales tax separately and adding it to the sales price. A seller makes this election for a calendar year by so indicating on its application for a city business license. A seller who has made this election shall include in each sign that displays prices to its customers a notice, in type no smaller than the type in which prices are displayed, stating, "All prices include 2%[2.5%] City of Wasilla sales tax."

Section 4. Effective date. This ordinance shall take effect July 1, 2010.

ADOPTED by the Wasilla City Council on May 24, 2010.


VERNE E. RUPRIGHT, Mayor

ATTEST:


KRISTIE SMITHERS, MMC, City Clerk

[SEAL]

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

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



ORDINANCE SERIAL NO. 10-19: SETTING THE SALES TAX RATE AT 2 PERCENT WITH AN EFFECTIVE DATE OF JULY 1, 2010; AND AMENDING WMC 5.16.030, LEVY OF TAX, AND WMC 5.16.100, COLLECTION OF SALES TAX – ADDITION AND SEPARATE STATEMENT; EXCEPTIONS.

Agenda of: May 10, 2010
Originator: Finance Director

Date: April 26, 2010

Route to:	Department	Signature/Date
	Chief of Police	<i>Leon Duda</i>
X	Finance Director	<i>William K. ... 4-28-2010</i>
X	Interim Deputy Administrator	<i>Murray ...</i>
X	City Clerk	<i>Almitis</i>

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

FISCAL IMPACT: yes\$ or no

Funds Available yes no

Account name/number: N/A

Attachments: None

SUMMARY STATEMENT: By June 30, 2010 the City of Wasilla will have collected sufficient funds to pay the final debt service payment required on the GO Bond supporting the Curtis D. Menard Memorial Sports Center.

Balance of restricted account, March 31, 2010	\$1,716,075
Estimated Sales Tax Collection to June 30, 2010 (using actual FY2009 per month amounts)	\$ 673,028
Total estimated collected	<u>\$2,389,103</u>
Amount required to pay debt	<u>\$2,071,844</u>
Estimated amount in excess to pay other City debt	<u>\$ 317,259</u>

Therefore, due to collection of sales tax revenues sufficient to pay the City's debt, Ordinance 10-19 changes the required language in Wasilla Municipal Code 5.16 to reflect a 2% rate and establish its effective date.

STAFF RECOMMENDATION: Approve the adoption of Ordinance Serial No. 10-19.