

**CITY OF WASILLA
ORDINANCE SERIAL NO. 11-28**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.16.035 AND 5.16.100B.2, TO CHANGE THE CAP PER TRANSACTION THAT IS SUBJECT TO SALES TAX FROM \$500 TO \$1,000.

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 5.16.035, Maximum Tax Per Transaction, is hereby amended to read as follows:

Only the first **one thousand** [FIVE HUNDRED] dollars (**\$1,000**[500].00) of the price in each transaction shall be subject to sales tax; provided, that a single payment for the sale or rental of property, or the rendering of a service, over a period exceeding one month shall be allocated pro rata to each one-month period or part thereof during the term of the transaction, and the first **one thousand** [FIVE HUNDRED] dollars (**\$1,000**[500].00) of the price allocated to each such period shall be subject to sales tax.

Section 3. Amendment of section. WMC 5.16.100.B.2, Collection of Sales Tax, Addition and Separate Statement; Exceptions, is hereby amended to read as follows:

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.

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

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	None
\$0.25 through \$0.74	\$.01
\$0.75 through \$1.24	\$.02
\$1.25 through \$1.74	\$.03
\$1.75 through \$2.24	\$.04
\$2.25 through \$2.74	\$.05
\$2.75 through \$3.24	\$.06
\$3.25 through \$3.74	\$.07
\$3.75 through \$4.24	\$.08
\$4.25 through \$4.74	\$.09
\$4.75 through \$5.24	\$.10

Over \$5.25, continue on same scale up to **one thousand** [FIVE HUNDRED] dollars (**\$1,000**[500].00).

Section 4. Effective date. This ordinance shall take effect upon January 1, 2012.

POSTPONED INDEFINITELY by the Wasilla City Council on August 8, 2011.

VOTE: Harris, Holler, Menard, Sullivan-Leonard and Woodruff in favor.
Katkus opposed.

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




**CITY OF WASILLA
LEGISLATION STAFF REPORT**

ORDINANCE SERIAL NO. 11-28: AMENDING WMC 5.16.035 AND 5.16.100B.2, TO CHANGE THE CAP PER TRANSACTION THAT IS SUBJECT TO SALES TAX FROM \$500 TO \$1,000.

Agenda of: August 8, 2011

Date: July 27, 2011

Originator: Council Member Katkus

Route to:	Department	Signature/Date
	Chief of Police	
X	Finance Director	
X	Interim Deputy Administrator	
X	City Clerk	

REVIEWED BY MAYOR VERNE E. RUPRIGHT: _____

FISCAL IMPACT: yes \$ or no

Funds Available yes no

Account name/number: none

Attachments: Ordinance Serial No. 11-28 (2pp)

SUMMARY STATEMENT: The proposed amendment of the Wasilla Code provides for a change of the maximum sales tax due per transaction from \$500 to \$1,000. Under the current city code, sales tax is only due on the first \$500 of each sale.

This amendment is to increase the amount of a sales transaction that is subject to the city sales tax from \$500 to \$1,000. This section also provides that single payment for the sale of rental of property, or the rendering of a service, over a period exceeding one month shall be allocated pro rata to each one-month period or part thereof during the term of the transaction. The allocated pro rata amount of the sale that is subject to city sales tax is amended from \$500 to \$1,000.

STAFF RECOMMENDATION: Introduce and set for public hearing Ordinance Serial No. 11-28.