

**CITY OF WASILLA  
ORDINANCE SERIAL NO. 11-27**

**AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.16, SALES TAX, TO ALLOW FOR A SENIOR SALES TAX EXEMPTION FOR THE SALES OF GOODS, SERVICES AND RENTALS THAT ARE SOLELY FOR PERSONAL USE, OR CONSUMPTION, BY A SENIOR CITIZEN.**

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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.** WMC 5.16.020, Definitions, is hereby amended by adding a definition for:

**“Senior citizen” means a person who is a resident of the state of Alaska and is 65 years of age or older; where both conditions are satisfied by presentation of a valid state of Alaska drivers license or identification.**

**Section 3. Amendment of subsection.** WMC 5.16.050.A, within Sales Tax, Exemptions, is hereby amended to read as follows:

A. The following transactions are exempt from sales tax:

1. Sales of real property, and interests in real property. Whether a transaction is a sale of real property is determined as of the time of the transaction, and without reference to whether what is sold later will be incorporated into real property.

2. Casual and isolated sales, rentals or services, not made in the ordinary course of business.

3. Sales of securities, insurance and bonds of guaranty and fidelity.

4. The following fees charged by banks, savings and loan associations, credit unions and investment banks:

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

a. Fees associated with deposit accounts, including service fees, monthly account fees, NSF fees, and attachment fees.

b. Fees for the purchase of bank checks, money orders, travelers checks, foreign currency and similar products for payments.

c. Fees for, or commissions on, the sale, exchange or transfer of currency, stocks, bonds and other securities.

d. Fees for the use of automatic teller machines and for transactions made through automatic teller machines, notary fees and overdraft protection fees.

5. Contracts to transport elementary or secondary school students to and from school.

6. Sales of food in lunchrooms or cafeterias in elementary, secondary or post-secondary schools that are operated primarily for the convenience of school students and faculty, and not operated for profit.

7. Sales, rentals or services which the city is prohibited from taxing by the constitution or statutes of the United States or the state of Alaska.

8. Sales of newspapers and other periodicals that are made directly by carriers to consumers or users.

9. Sales, rentals and services to the United States, the state of Alaska, and any of their agencies, instrumentalities, or political subdivisions.

10. Dues or fees to clubs, labor unions or fraternal organizations.

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

11. Sales of admission to school entertainments, school athletic events, and events conducted for the benefit of charitable or community organizations. This exemption does not apply to sales of gaming property.

12. Sales of air, train, boat, cruise line or bus tour transportation, car rentals, accommodations, or admission to entertainment events, where the service is provided outside the city, and fees or commissions related to such sales.

13. Sales related to orbital space facilities, space propulsion systems, space vehicles, satellites or stations, to the extent of the exemption required by AS 29.45.650(h).

14. Sales of property purchased with food coupons, food stamps, or other certificates issued under 7 U.S.C. 2011-2025 (Food Stamp Act) or food instruments, food vouchers, or other certificates issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants and Children).

15. Residential rentals for a term of thirty (30) or more consecutive days.

16. Child day care, pre-elementary school and babysitting services.

17. Sales of cemetery plots, and sales of caskets, funeral- and burial-related goods and services by a funeral home.

18. Sales of property and services required in the course of mental or physical treatment by a health care provider licensed by the state of Alaska, and sales of property and services pursuant to a prescription or written order from such a person.

19. Sales and rentals of hearing aids, crutches, wheelchairs and personal apparatus specifically manufactured for a patient.

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

20. Sales of goods, services and rentals, with the exception of alcoholic beverages, that are solely for personal use or consumption by a senior citizen, provided that:

a. No person authorized to use a senior citizen sales tax exemption may use it to obtain such tax exemption when the sales, services or rentals are for use in any trade or business, or are used or consumed by any person other than the senior citizen;

b. If a senior citizen is an invalid or is otherwise physically deterred from purchasing their own goods, services or rentals, the finance director will issue a card authorizing another person to purchase goods, services or rentals on behalf of the senior citizen.

**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. 11-27: AMENDING WMC 5.16, SALES TAX, TO ALLOW FOR A SENIOR SALES TAX EXEMPTION FOR THE SALES OF GOODS, SERVICES AND RENTALS THAT ARE SOLELY FOR PERSONAL USE, OR CONSUMPTION, BY A SENIOR CITIZEN.**

**Agenda of:** August 8, 2011

**Date:** July 26, 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. 11-27 (2 pp)

**SUMMARY STATEMENT:** The proposed amendment of the Wasilla Code Provides for an exemption from sales tax for state residents who are age 65 or older. The amendment/revision is offered because many older residents have fixed incomes that do not rise with the cost of goods and services.

The amendment is offered for consideration by the Wasilla City Council with intent that there be ample opportunity for public comment by senior citizens, business owners and operators and others who may be impacted.

WMC 5.16.020: Adds a definition for senior citizen and sets the criteria therein.

WMC 5.16.050.A.20: Provides for senior citizens to be exempt from sales tax within City limits when purchasing goods, services or rentals for personal use. However, sales of alcoholic beverages are not included within the types of goods that may be exempt.

WMC 5.16.050.A.20.a: Clarifies that the exemption may not be used for sales, services or rentals for use in a trade or business or for use or consumption by an person other than the resident or their spouse.

WMC 5.16.050.A.20.b: Provides special card for a senior citizen sales tax exemption by the finance director so that a person other than the exempted person may use it on the exempted person's behalf if the exempted person is invalid or otherwise physically unable to use the exemption.

**STAFF RECOMMENDATION:** Introduce and set for public hearing Ordinance Serial No. 11-27.