

memo

Petersburg Borough

To: Borough Assembly
From: Jody Tow
CC: Borough Manager Giesbrecht
Date: March 25, 2019
Re: Sale Tax Ordinance Update

Comments: You will find that the sales tax ordinance language update found in the assembly packet is updating the code to include broader language regarding sales to include internet sales of goods and services.

At this time no Alaskan municipality can mandate an internet vendor to collect sales tax on behalf of the borough without having a physical presence. However, an online vendor may voluntarily collect and remit sales tax to the Petersburg Borough and although our current tax code doesn't disallow it, we thought it would be a good time to expand language in the code to include any sale of a good and service **constitutionally permissible** into the sales tax code language.

This language update does not affect any exemption or the tax rate in anyway.