



FAQs: Sellers

Are businesses filing taxes with the State of Alaska? Is this part of the Streamlined Sales Tax Governing Board?

No. The State of Alaska does not have a sales tax at this time. The Alaska Remote Seller Sales Tax Commission (the Commission) is an independent governing body that has contracted the Alaska Municipal League to administer the tax collection program on behalf of municipalities across the state of Alaska. The Commission is independent of the Streamlined Sales Tax Governing Board but the Commission has adopted many of the Streamlined Sales and Use Tax Agreement definitions.

Is the sales tax rate the same across the jurisdictions? Are exemptions the same?

No. There are 106 taxing jurisdictions within the state and each sets their own rates and exemptions. The Commission has developed software to assist sellers with tax rate, tax cap and exemption look up. The Commission has streamlined reporting, with a common return and registration.

When does this take effect?

The Commission's software has been ready as of January 31, 2020. As local governments adopt the Code, the software is updated and compliance should occur within 30 days as each jurisdiction adopts. Sales tax collection should begin on April 1, 2020, for sales into communities that have passed the Code. There is no retroactive application or collection of sales tax.

Who must register with the Commission and use the portal to file sales tax for Alaskan municipalities?

Any remote seller who met the criteria/threshold in the previous calendar year and conducts sales in a jurisdiction that has adopted the uniform Alaska Remote Seller Sales Tax Code. The threshold is \$100,000 statewide annual gross sales or 200 individual annual transactions. Sellers may only use the portal for filing taxes for jurisdictions that have adopted the code. Sales in jurisdictions that have not yet adopted the code need to continue to be filed directly with the jurisdiction using their own sales tax forms.

What is a remote seller?

A seller or marketplace facilitator making sales of goods or services delivered within the State of Alaska, without having a physical presence in a taxing jurisdiction or conducting business between taxing jurisdictions, when sales are made by internet, mail order, phone or other remote means. A marketplace facilitator shall be considered the remote seller for each sale facilitated through its marketplace.

The United States Supreme Court decision in *S. Dakota v Wayfair, Inc* focused on state-level taxes. Alaska does not have a state sales tax. How can the court decision be applied to local jurisdictions?

The United States Supreme Court ruled in [South Dakota v. Wayfair](#) on June 21, 2018, that states may require sellers to collect and remit sales or use tax on sales delivered to locations within their state regardless of physical presence if economic nexus exists with the state.

The Commerce Clause regulates commerce between the states, it is not subdivided among local jurisdictions within a states. In *S. Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080 (2018), the Supreme Court identified a statewide threshold test as a safe harbor for meeting the Commerce Clause's substantial nexus retirement. The Supreme

Court in *Wayfair* held that “Here, the nexus is clearly sufficient based on both the economic and virtual contacts respondents have with the State. The [South Dakota] Act applies only to sellers that deliver more than \$100,000 of goods or services into South Dakota or engage in 200 or more separate transactions for the delivery of goods and services into the State on an annual basis.” *S. Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080, 2099 (2018). Accordingly, the economic nexus safe harbor established in *Wayfair* is a state-wide test. The Commerce Clause regulates commerce between the states. Once nexus is established with a state, the inquiry is over and a seller may not refuse to collect sales tax on the basis of lack of nexus.

Does a business need to register with each taxing jurisdiction for which they sell products or services?

One registration with the Commission will cover all licensing requirements with jurisdictions that have adopted the Code. If a seller has transactions in a jurisdiction that has not yet adopted the Code, the seller will need to register directly with that jurisdiction. As jurisdictions adopt the code and register with the Commission, sellers do not need to adjust any account settings and will have permissions updated to file with new jurisdiction. Once registered, sellers will get notices of new Code adoptees.

Do sellers start collecting tax immediately once a jurisdiction adopts the Code?

Upon adoption of the Remote Sales Tax Code by a local government, remote sellers will receive notification that they have 30 days to begin collection and remittance. Remote sellers are encouraged to begin collecting sales tax immediately upon registration and are required to collect after the 30-day registration period expires. The 30-day registration period begins on the effective date that the jurisdiction adopts the Code. The Commission has implemented a grace period to allow for an extension to the next 1st of the month after the 30-day period. There is no retroactive collection of tax.

How often do sellers file?

The default filing deadline is monthly, consistent with national trends and best practices. Sellers will have the option to file quarterly upon approval by the Commission. Filing is due by midnight Alaska Standard Time of the last day of the month following the period. Filings are required even if no transactions occurred during the reporting period.

What happens if a seller files after the deadline?

There are multiple charges for late filing:

- 1) Late filing fee of \$25 per jurisdiction for each late filing regardless if sales tax is due
- 2) Penalty of 5-20% of the delinquent tax (5% the first month late, and an additional 5% per month of delinquency until the maximum 20% is reached)
- 3) Interest of 15% per annum of delinquent tax
- 4) A buyer, remote seller, or marketplace facilitator who knowingly or negligently submits false or concealed information in a document filed with the Commission is subject to a penalty of \$500

What about companies that file taxes on behalf of one or more other companies?

There are instructions specifically for bulk filers at the Commission’s Business Center/Quick Links. These bulk filers must register each individual company with the system and can use the provided XML Schema to register these companies all at once. Once registered, bulk filers can use the XML Schema for filing.

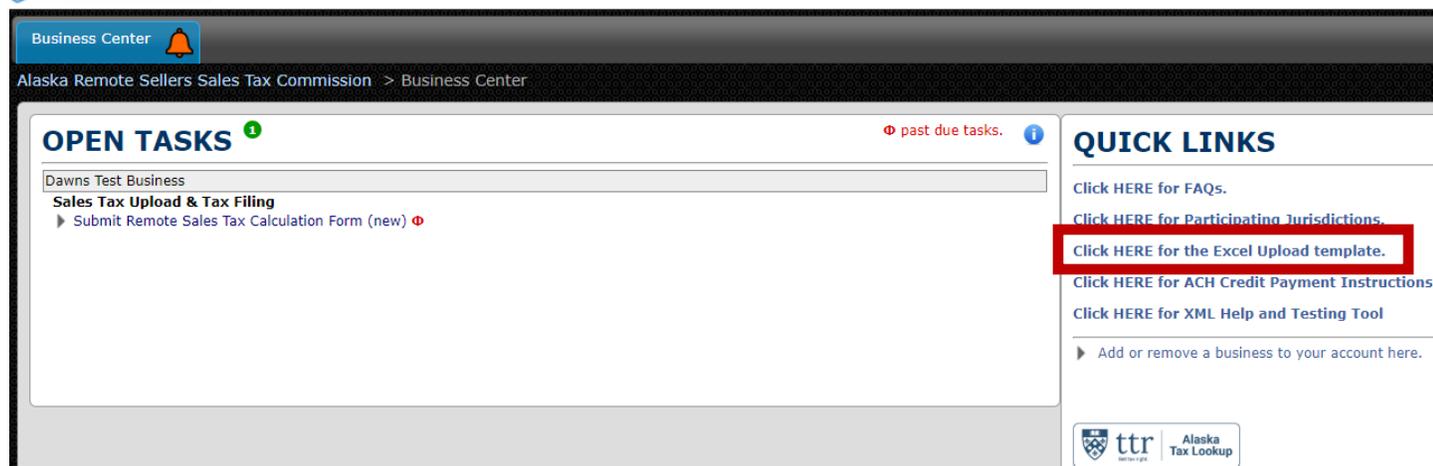
How will taxes and exemptions be calculated?

The Commission has contracted with TTR to provide GIS-located addresses for all of Alaska and apply the correct tax variability data to those addresses. Deliveries to post office boxes are treated as taxable, based on their physical location as the point of delivery. Tax rates for sales of non-tangible services should be determined by mailing address if available or billing address if not. Sellers will have access via an API connection or can manually look up an address and its rates on the TTR map: <https://alaska.ttr.services/>
A seller is held harmless for any tax, charge or fee liability to any taxing jurisdiction if TTR is utilized.

How does a seller file their returns?

Access the tax filing portal via www.ARSSTC.org or directly at www.arsstc.munirevs.com. You must be registered to submit tax returns.

A return cannot be filed for a municipality that is not part of the Commission and has not adopted the Remote Sales Tax Code. The seller will download the current Excel Upload template from the Business Center/Quick Links section of the portal. This spreadsheet is updated as new jurisdictions adopt the Code so please download the most current version with each filing.



The screenshot shows the 'Business Center' interface. At the top, there's a 'Business Center' header with a notification bell. Below it, the breadcrumb 'Alaska Remote Sellers Sales Tax Commission > Business Center' is visible. The main content area is divided into two columns. The left column, titled 'OPEN TASKS' with a '1' indicator, shows a task for 'Dawns Test Business' under the category 'Sales Tax Upload & Tax Filing'. A sub-task 'Submit Remote Sales Tax Calculation Form (new)' is listed with a red circle icon. The right column, titled 'QUICK LINKS', contains several links: 'Click HERE for FAQs.', 'Click HERE for Participating Jurisdictions.', 'Click HERE for the Excel Upload template.' (highlighted with a red box), 'Click HERE for ACH Credit Payment Instructions', and 'Click HERE for XML Help and Testing Tool'. At the bottom right, there are logos for 'ttr' and 'Alaska Tax Lookup'.

There are instructions on the first sheet of the Excel Upload template. Seller will enter sales and exemption information for each member jurisdiction into the second sheet labeled Upload Data.

Once the seller has uploaded their tax data, the system will calculate applicable tax for each jurisdiction and any late filing penalties and fees. The system will display the tax return and the seller must verify the data is correct. Corrections can be made directly in the portal at this point. If the seller prefers to upload a new spreadsheet with the corrections, contact the program administrators for assistance: AMSTP@akml.org or 907-790-5304.

How does a seller remit payment?

After verification, the seller will be taken to the payment page where they can remit the collected tax via Echeck/ACH Debit, ACH Credit or Credit Card. A filing is not considered complete until payment has been made.

- A seller paying with Echeck or ACH Debit will need to enter their bank account information for each remittance. Payment information is not stored in the system.
- A seller paying with a credit card will be assessed a 3% processing fee per transaction.
- A seller paying with ACH Credit can access the Commission account information via the instructions on the portal Business Center/Quick Links section.

Does a business need to use different sales tax forms depending on taxing jurisdiction?

No. The seller will upload sales tax data for all participating jurisdictions directly into the tax filing portal using the Excel Upload template or XML schema. The system will generate the jurisdiction-specific tax forms. The portal cannot accept filings for non-member jurisdictions.

How long does a seller need to keep records of sales tax transactions reported through the portal?

6 years.

How does a seller know to exempt tax from a transaction?

Exemptions can be found on the TTR tax map. For entity-based exemptions, the buyer should provide the seller with a sales tax exemption certificate issued by or consistent with the buyer's local jurisdiction (the Commission is developing an Exemption Certificate Registry to assist with this). The seller is responsible for accommodating the buyer's exemption. The seller should maintain records regarding exemptions that include the exemption card number, date of purchase, name of buyer, and amount of sales tax exempted. This documentation shall be provided to the Commission upon request.

How does a seller close its business?

Seller should notify the Commission at least 10 days before closing or selling their business and then they must file their final return within 30 days of selling or closing their business. The Commission is authorized to disclose the status of the remote seller's or marketplace facilitator's sales tax account to the named buyer or assignee. The Commission has 60 days after notification to close or sell in which to perform a final sales tax audit.

Is business information and sales tax filing confidential?

All returns, reports, and information required to be filed with the Commission shall be kept confidential and shall be subject to inspection only by:

- Employees or agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information
- Person supplying such returns, reports and information
- Persons authorized in writing by the person supplying such returns, reports and information
- Subpoena, order of a court or administrative agency of competent jurisdiction and where otherwise required to do so by law

Publicly available information includes:

- Name and address of sellers
- Whether a business is registered to collect taxes under the uniform Alaska Remote Sellers Sale Tax Code
- Name and address of sellers that are 60 days or more delinquent in filing and/or remitting sales tax
- Statistical information related to sales tax collection without any identifiable information for a specific seller or marketplace facilitator

What if a seller has physical presence in a jurisdiction but sell remotely to other places in Alaska?

The seller will continue to file locally for all sales made within their jurisdiction where they have physical presence. The seller will check to see if any other sales should be considered a remote sale and which falls within a jurisdiction that is registered with the Commission. If so, the seller will charge the appropriate tax rate for the remote delivery address and file and remit the tax to the jurisdiction of the remote sale through the Commission. The criteria threshold applies to these types of sales, as well.

Who does a seller contact with questions about the Portal?

There are various help links on the landing page within the portal. If that does not provide an answer, contact the program administrators for assistance: AMSTP@akml.org or 907-790-5304.