



FAQ: Benefits to Alaska

How will local Governments benefit?

- Municipalities will maintain their taxing authority
- Municipalities will maintain their tax rate and exemptions
- Delegating administration to AML avoids any additional or duplicative costs
- Municipalities can decide to participate or not, it's voluntary
 - Opt-in = you take advantage of Wayfair and possibly increase tax revenue
 - Opt-out = residents don't pay sales tax on remote sales
- Levels the playing field for local business – increases local economic activity
- Increased revenue for education, public safety, roads and public works
- Increases ability to respond to State cost-shifting or cuts
- Replaces revenue eroded with the decrease to Community Assistance over the years

Benefits to Alaskan Businesses

- Levels the playing field for local businesses – increases local purchase potential by ensuring that local retailers aren't penalized for collecting a tax they are required to, while remote retailers have an unfair advantage in not
- These aren't new taxes – these are taxes that local residents are already paying, collected by local businesses, but not collected by remote retailers
- Keeps tax rates stable – instead of increasing taxes, applying the existing tax to remote sellers ensures that local tax rates stay stable
- Maintains current local exemptions – necessary for local control
- Local revenues improve communities – enables greater investment in local infrastructure, which supports economic activity
- On par with other states – businesses across the U.S. are complying, so Alaska is expecting similar compliance by those businesses that make sales into or within Alaska
 - This is very quickly become common practice
- Strengthens local governments – greater capacity within local governments leads to greater efficiencies
- Local taxpayers, local budgets – residents help shape annual budgets, informed by economic development

Benefits to Alaskans

- Protects residents outside boundaries – right now Alaska hasn't set up any rules of the road when it comes to remote commerce, and without a tax look up map Alaska residents may be getting taxed where they aren't supposed to



- Consistent with activities in majority of U.S. – this puts Alaska on track with the activities of other states that are benefiting from this opportunity.
- Simplifies validation of exemptions, and access for remote sellers – single point of entry and delivery for exemption certificates