



## **Memo: Levy vs. Collected – Edits for Parity - January 14, 2020**

The Uniform Code passed by the Alaska Remote Seller Sales Tax Commission (ARSSTC) is not meant to replace the municipality's authority to levy its existing rate, set the exemptions, and/or set tax caps. The Code is intended to extend the municipality's reach in collecting taxes where they did not have the ability to enforce previously; namely, to remote sales. Through the formation of the Commission and the adoption of the Uniform Tax code, municipalities are now able to require remote sellers to collect and remit taxes through the ARSSTC, while still adhering to their already established Tax Code. The ARSSTC follows *Wayfair's* protocol of providing a streamlined, centralized administration for remote sellers to submit returns and remit taxes.

While the intent is not to levy a new tax, some municipalities may have a different interpretation of the verbiage within the Code as it relates to the following sections. The ARSSTC has determined that these edits suggested below offer parity – with the same intent in their interpretation. Participating members may use this language instead of what's in the Uniform Code, at their discretion.

### **SECTION 010 – Interpretation**

- A. In order to prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person or entity engaging in business are subject to the sales tax.
- B. The application of the tax to be **collected** ~~levied~~ under this Code shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax **to be collected** ~~levied~~ under this Code or from the taxing jurisdiction shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this Code or the taxing jurisdiction's Code.

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### **Section 030 – Imposition **and Collection** – Rate**

- A. To the fullest extent permitted by law, **the sales tax of [insert municipality name here] shall be collected** ~~a sales tax is levied and assessed~~ on all remote sales where delivery is made within the local taxing jurisdiction(s) that is a Member, within the state of Alaska.