

**EXEMPTION APPLICATION**

DATE: \_\_\_\_\_  
NAME OF BUSINESS: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ CITY \_\_\_\_\_ ST \_\_\_\_\_ ZIP \_\_\_\_\_  
OWNER(S) OF BUSINESS: \_\_\_\_\_  
PHONE NUMBER \_\_\_\_\_  
STATE OF AK BUSINESS LICENSE NUMBER: \_\_\_\_\_  
CITY & BOROUGH OF YAKUTAT BUSINESS LICENSE: \_\_\_\_\_

CBY Code 6.40.040 The burden of establishing any tax exemption is on the claimant.

A. No seller may allow an exemption for the reasons hereinafter stated unless the buyer first obtains a certificate of exemption and presents it to the seller at the time of the sale or identifies the certificate by giving its number. The person making the purchase must be the person in whose name the certificate is issued, or a person authorized in writing by the certificate holder to make such purchases under the certificate. In the case of an exemption contained in subsection (H), (K), (L) or (V) of Section 6.40.030 of this Chapter, the seller shall first obtain a certification of exemption.

**WHICH EXEMPTION ARE YOU APPLYING FOR?**

**BUILDING MATERIALS**

6.40.030.A. Building materials purchased locally for construction to be performed within the Borough limits are taxable on the first \$3000.00 only, with any balance over \$3000.00 to be exempt. This exemption is applicable to each buyer on an annual basis beginning Jan. 1 and expiring on Dec. 31 of each year.

**NON-PROFIT**

6.40.030.C. Sales, service and rentals to any non-profit corporation organization or institution which has obtained a certificate of exemption as being organized exclusively for religious or charitable purposes are exempt, except where the sale, rental or service is incidental to business for profit.

**RESALE**

6.40.030 R. A sale of a goods made in contemplation of resale is exempt, including a good which is contemplated to be used as a part or ingredient in another good, provided that the end user pays sales tax under this Chapter on such good or on the final good.

**RESIDENTIAL RENTALS**

6.40.030.S.

1. The rental of a house or apartment, or room in a house or apartment, to any person for residential purposes is exempt.

2. A rental is for residential purposes if the rental use to that person continues for thirty or more consecutive days.

3. A rental is presumptively not for residential purposes if the rental use to that person is for less than thirty (30) consecutive days.

**OTHER**

State the paragraph number of 6.40.030 under which you are applying for an exemption and the facts supporting said exemption.

**CERTIFICATE OF EXEMPTION**

Certificate Number \_\_\_\_\_

The applicant for exemption is granted on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

This exemption expires on December 31, of current year and must be renewed yearly.

By: \_\_\_\_\_ Title \_\_\_\_\_

**6.40.030 Exemptions.** The following sales are exempt from taxation: A. Building materials purchased locally for construction to be performed within the Borough limits are taxable on the first \$3,000 only, with any balance over \$3,000 to be exempt. This exemption is applicable to each buyer on an annual basis, beginning on January 1 and expiring on December 31 of each year. B. Casual sales. A casual and isolated sale not made in the regular course of business is exempt. C. Sales, service and rentals to any non-profit corporation, organization or institution which has obtained a certificate of exemption as being organized exclusively for religious or charitable purposes are exempt, except where the sale, rental or service is incidental to business for profit. D. Court fixed fees. Any sale where the price is fixed by law, by a court of competent jurisdiction, or by other authority beyond the control of the seller, and where, if the tax were applied, its effect would become an income tax upon the seller, is exempt. E. Dues and fees. Dues or fees paid to clubs, labor unions and fraternal organizations are exempt. F. Exports. A sale made to a foreign citizen where delivery is made to a foreign country is exempt. G. Federal and state prohibitions. A sale which the Borough is prohibited from taxing under the Constitution and laws of the United States or the Constitution and laws of the State of Alaska is exempt. H. Freight and wharfage. Freight and wharfage charges, whether arising out of foreign, interstate or intrastate commerce, are exempt. Warehouse and storage services are taxable. The servicing, including freezing, storing, handling and wharfing, of fish awaiting shipment or in the process of being shipped is exempt. I. Governmental agencies. A sale directly to the United States government, the state of Alaska and its political subdivisions, the Borough or any departments thereof, is exempt. J. Insurance. The sale of insurance policies, guaranty bonds and fidelity bonds are exempt. K. Loans. The loaning of money and interest charged for loans is exempt. L. Funeral charges and services, professional services and supplies by a state licensed or certified medical doctor, dentist, osteopath, optometrist, psychologist, naturopath, audiologist, midwife, birthing center, acupuncturist, occupational or physical therapist, nurse's aide, registered or licensed practical nurse, or chiropractor, provided that the sale is within the scope of the state license or certificate, and hospital services, are exempt. M. Contractors. Services under a building or construction contract or subcontract are exempt. This does not exempt construction or building activities which are incidental to, and/or performed to enable, performance or completion of, a contract or contracts whose primary or substantial purpose is not to build or construct and which is otherwise subject to the sales tax. N. Newspapers. The sale of newspapers and periodicals by a carrier is exempt. O. Nursery and baby-sitting services are exempt. P. Public food. The sale of food and beverages to the public in high school cafeterias or lunchrooms which are operated primarily for teachers and students and not for a profit is exempt. Q. Purchases made with food coupons, food stamps, or other type of allotments issued under 7 U.S.C. 2011-2036 (Food Stamp Program) or food instruments, food vouchers, or other type of certificate issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants and Children), are exempt. For purposes of this subsection, the value of a food stamp allotment paid in the form of a wage subsidy as authorized under AS 47.25.975(b) is not considered to be an allotment issued under 7 U.S.C. 2011-2036 (Food Stamp Program). R. Resale. A sale of a good made in contemplation of resale is exempt, including a good which is contemplated to be used as a part or ingredient in another good, provided that the end user pays sales tax under this Chapter

on such good or on the final good. S. Residential Rentals. (1) The rental of a house or apartment, or room in a house or apartment, to any person for residential purposes is exempt. (2) A rental is for residential purposes if the rental use to that person continues for thirty (30) or more consecutive days. (3) A rental is presumptively not for residential purposes if the rental use to that person is for less than thirty (30) consecutive days. The presumption that the rental is not for residential purposes can be overcome by presentation of evidence that the renter currently resides in the Borough and presently intends to reside in the Borough indefinitely. Under this provision, unless the renter first obtains a certificate of exemption pursuant to section .040 of this Chapter, the tax due shall be collected and paid and an application for a tax refund sought thereafter pursuant to section .050 of this Chapter. T. Sales of real property are exempt, however services performed by a real estate broker or agent are not exempt. U. Salaries and wages received by an employee from an employer are exempt, but this exemption shall not apply to the gross remuneration for furnishing labor and materials for accomplishing a specified result. V. Sales of advertising time or space and advertising services on or in radio, newspaper, television, movie theaters, telephone directories, programs and periodicals are exempt. W. Student transportation. The service of transporting students to and from a school in vehicles is exempt. X. Yakutat Fuel Dock. Sale or resale of any product or commodity for which the Borough has received, or is entitled to receive, a royalty by virtue of said product or commodity being delivered at the Yakutat Fuel Dock located in proximity to the Delta Western Tank Farm. Y. Utility service provided by the Borough for sewer and water is exempt. Z. Fees charged by a Bank for maintaining or servicing deposits or bank accounts. AA. The fuel surcharge imposed on electrical utility usage, until the final billing cycle of fiscal year 2009.

**6.40.040 Exemption Procedures.** The burden of establishing any tax exemption is on the claimant. A. No seller may allow an exemption for the reasons hereinafter stated unless the buyer first obtains a certificate of exemption and presents it to the seller at the time of the sale or identifies the certificate by giving its number. The person making the purchase must be the person in whose name the certificate is issued, or a person authorized in writing by the certificate holder to make such purchases under the certificate. In the case of an exemption contained in subsection (H), (K), (L) or (V) of Section 6.40.030 of this Chapter, the seller shall first obtain a certification of exemption. B. The seller shall indicate the certificate number on the sales slip and account for these sales on seller's sales tax return in the manner required. In addition, in the case of a sale for which an exemption under subsection (R) of Section 6.40.030 of this Chapter is claimed, the buyer must possess a valid Borough business license, and the seller must maintain a written record of that sale which includes the following information: the date of sale, description of item(s) purchased, name of person making the purchase, the CBY business license number of the buyer, specific resale intended, and the amount of the sale. That record shall be signed and sworn to by the buyer and submitted by the seller to the borough with the seller's return under Section 6.40.080. C. Application for exemption certificate shall generally be signed by the buyer. In the case of an exemption contained in subsection (H), (K), (L) or (V) of Section 6.40.030 of this Chapter, an application for exemption certificate shall be signed by the seller. The application shall contain the information reasonably required by the Mayor.