

Alaska Remote Sellers Sales Tax Commission

Fourth Quarter Update and Overview

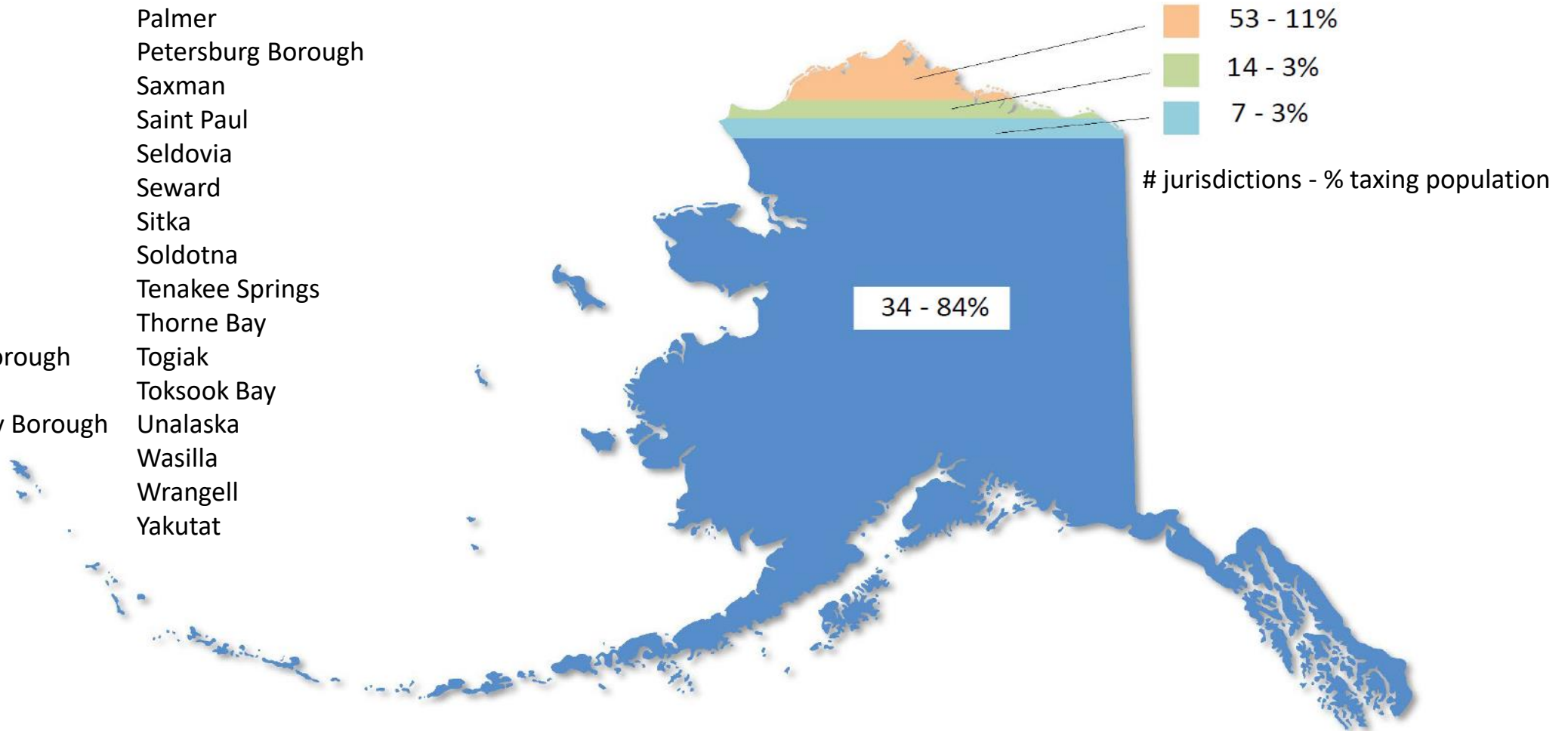
March 8, 2021



Jurisdictions to Date

Adak
Bethel
Cordova
Craig
Dillingham
Gustavus
Haines Borough
Homer
Houston
Juneau
Kenai
Kenai Peninsula Borough
Ketchikan City
Ketchikan Gateway Borough
Kodiak
Mountain Village
Nome

North Pole
Palmer
Petersburg Borough
Saxman
Saint Paul
Seldovia
Seward
Sitka
Soldotna
Tenakee Springs
Thorne Bay
Togiak
Toksook Bay
Unalaska
Wasilla
Wrangell
Yakutat



Jurisdictions

✓ 108 taxing communities in Alaska

32% of Alaska's population

✓ 34 communities across Alaska have adopted the Uniform Code

84% of taxing population

✓ 7 other communities have joined the Commission and are working towards adopting the Uniform Code

3% of taxing population

✓ 14 communities ARSSTC is targeting as candidates interested in joining in 2021

3% of taxing population

✓ 53 communities ARSSTC will conduct additional outreach for joining in 2021

10% of taxing population

Sellers

Total Sellers Registered in 2020: 751

- December: 85
- November: 54
- October: 75
- September: 62
- August: 69
- July: 86
- June: 71
- May: 65
- April: 56
- March: 114
- February: 14

January 2021: 94 (not included in 2020 total)



Top Sellers for 2020 Q4

1. Amazon.com Services LLC (MPF)
2. Microsoft Corporation
3. Cascade Columbia Distribution
4. Target Corporation
5. Nordstrom, Inc.
6. Recreational Equipment Inc.
7. BestBuy.com LLC
8. L.L.Bean Inc.
9. Shutterfly, LLC
10. Backcountry.com, LLC
11. Kohl's Inc.
12. Michelin North America Inc
13. Zulilly, LLC
14. Nike Retail Services, Inc.
15. QVC Inc.
16. Zappos.com, LLC
17. ContextLogic Inc.
18. Poshmark, Inc.
19. Vitacost.com, Inc.
20. VF Outdoors, LLC

Top Sellers for December 2020

1. Amazon.com Services LLC (MPF)
2. Microsoft Corporation
3. Target Corporation
4. Michelin North America Inc
5. Cascade Columbia Distribution
6. Recreational Equipment Inc.
7. Nordstrom, Inc.
8. BestBuy.com LLC
9. Shutterfly, LLC
10. L.L.Bean Inc.
11. VF Outdoors, LLC
12. Kohl's Inc.
13. Nike Retail Services, Inc.
14. Backcountry.com, LLC
15. QVC Inc.
16. Thermal Supply, Inc.
17. Zulilly, LLC
18. PPG Industries, Inc.
19. Lbrands Direct Fulfillment, LLC
20. Zappos.com, LLC

Top Sellers for all 2020

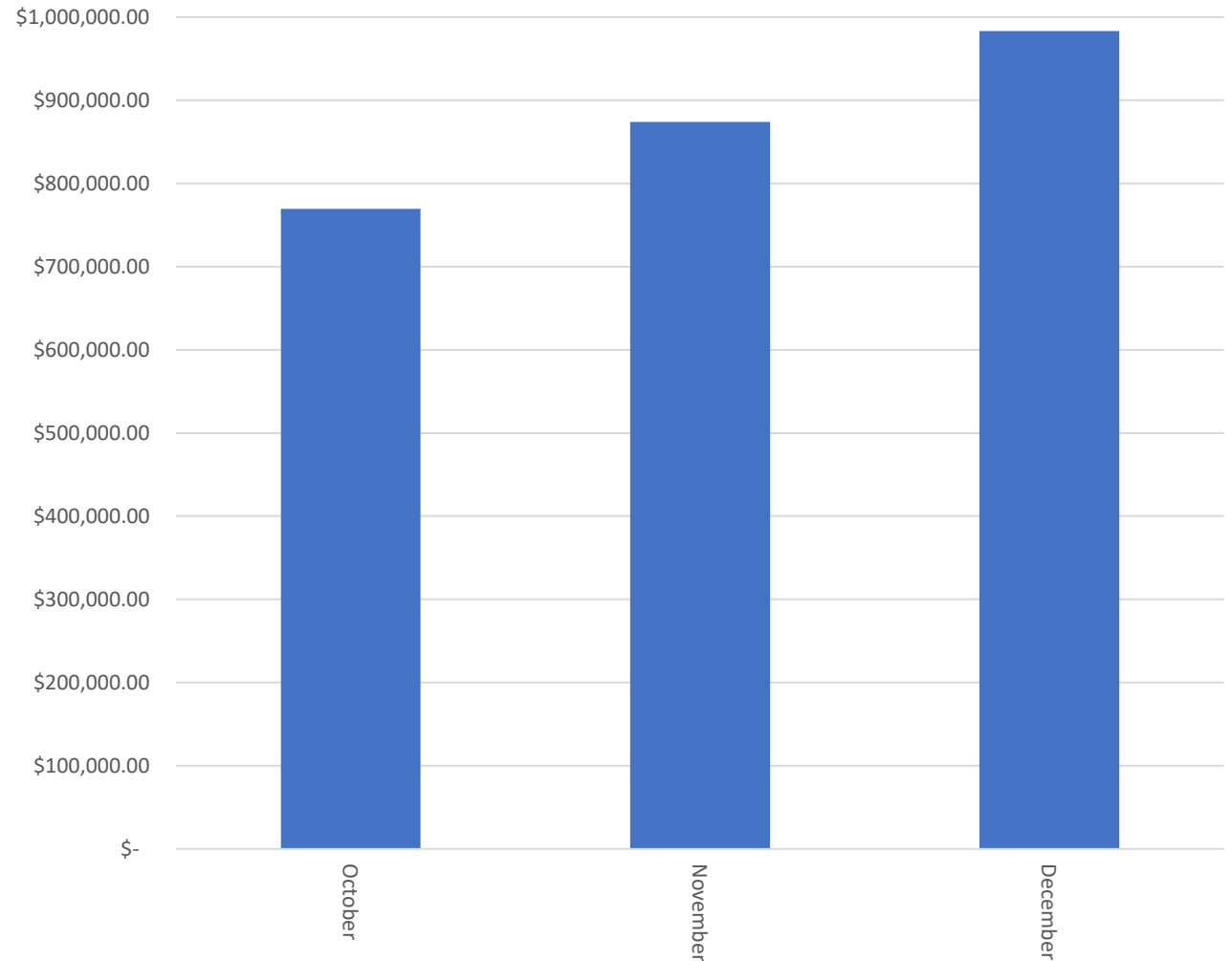
1. Amazon.com Services LLC (MPF)
2. Microsoft Corporation
3. Nordstrom, Inc.
4. Target Corporation
5. BestBuy.com LLC
6. Cascade Columbia Distribution
7. Recreational Equipment Inc.
8. Poshmark, Inc.
9. L.L.Bean Inc.
10. Henry Schein Inc.
11. ContextLogic Inc.
12. Zappos.com, LLC
13. Zulilly, LLC
14. Kohl's Inc.
15. QVC Inc.
16. DoTerra International, LLC
17. Shutterfly, LLC
18. Backcountry.com, LLC
19. Plexus Worldwide, LLC
20. Thermal Supply, Inc.

Tax Revenue 2020 Q4

2020 Q4 Sales Tax (filing month)

Tax Revenue

- October 2020: \$769,705.55
- November 2020: \$874,031.19
- December 2020: \$983,182.37

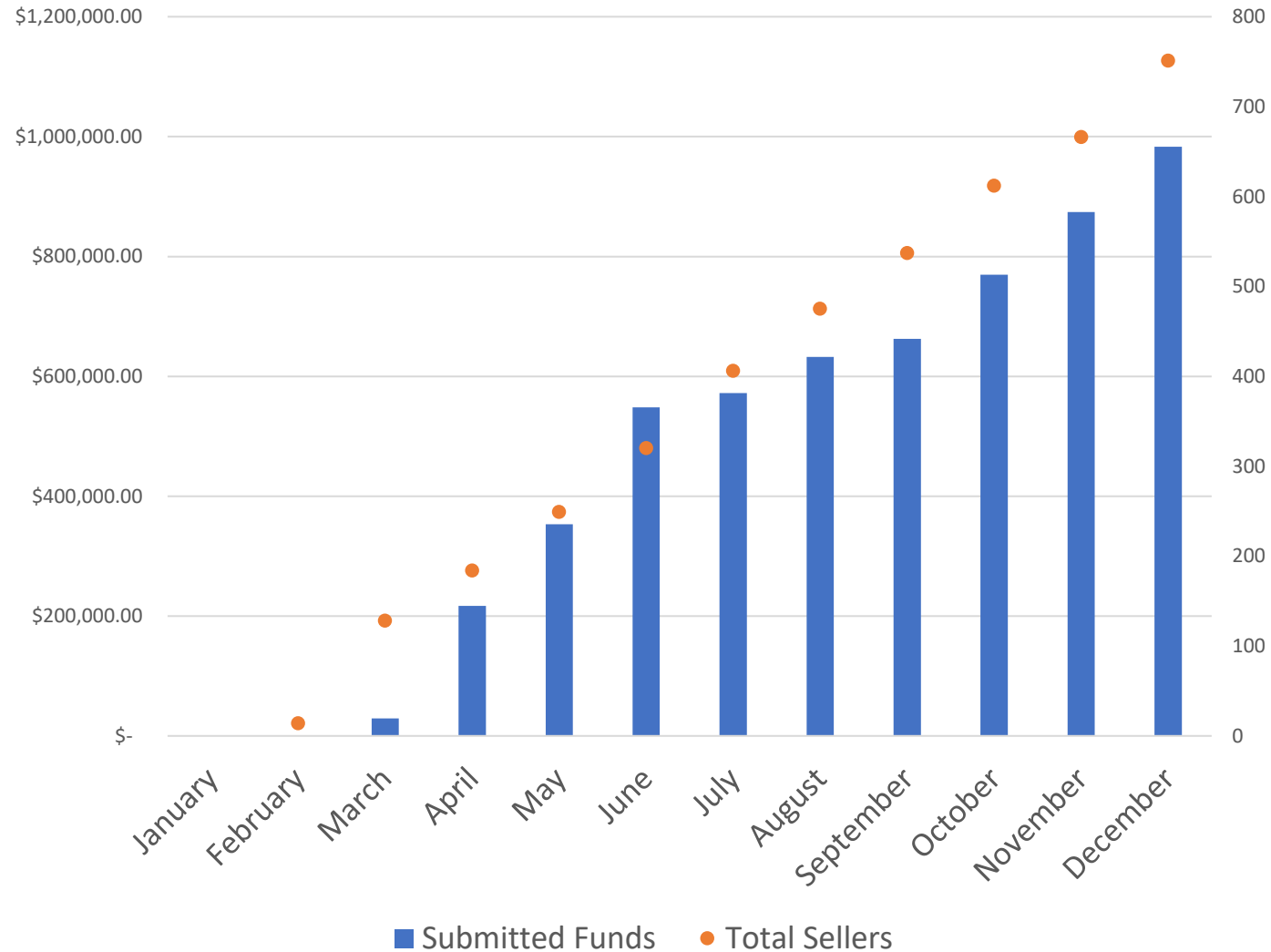


Tax Revenue 2020

2020 Sales Tax (filing month) and Sellers Registered

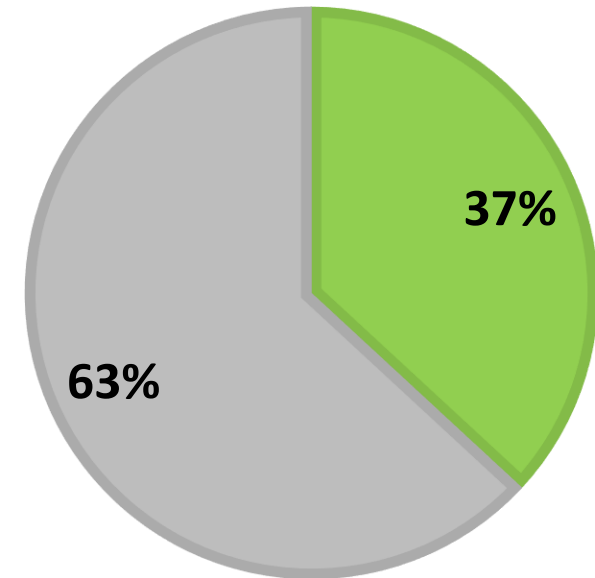
Tax Revenue by filing month

- February 2020: \$221.03
- March 2020: \$29,190.21
- April 2020: 217,049.21
- May 2020: \$353,114.95
- June 2020: \$548,205.97
- July 2020: \$572,368.03
- August 2020: \$632,325.55
- September 2020: \$662,707.28
- October 2020: \$769,705.55
- November 2020: \$874,031.19
- December 2020: \$983,182.37



Exempted vs Taxable Sales Q4 2020

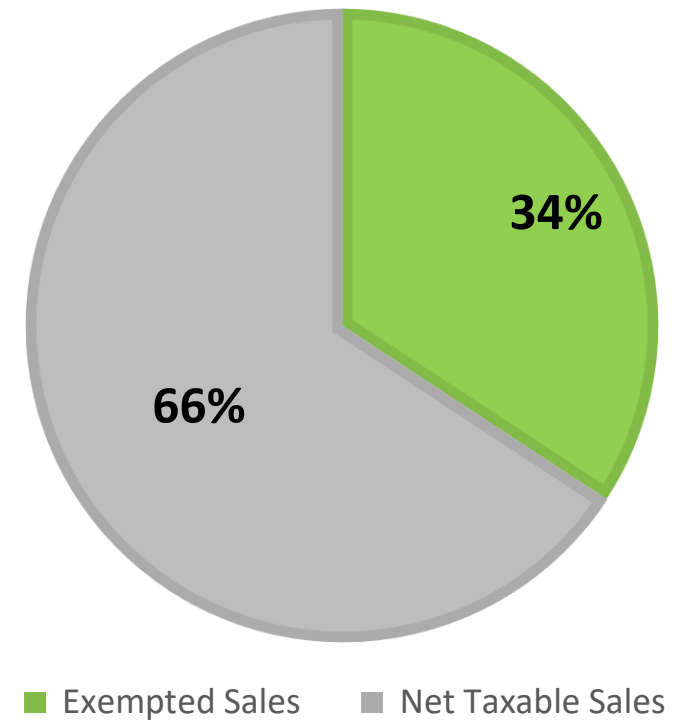
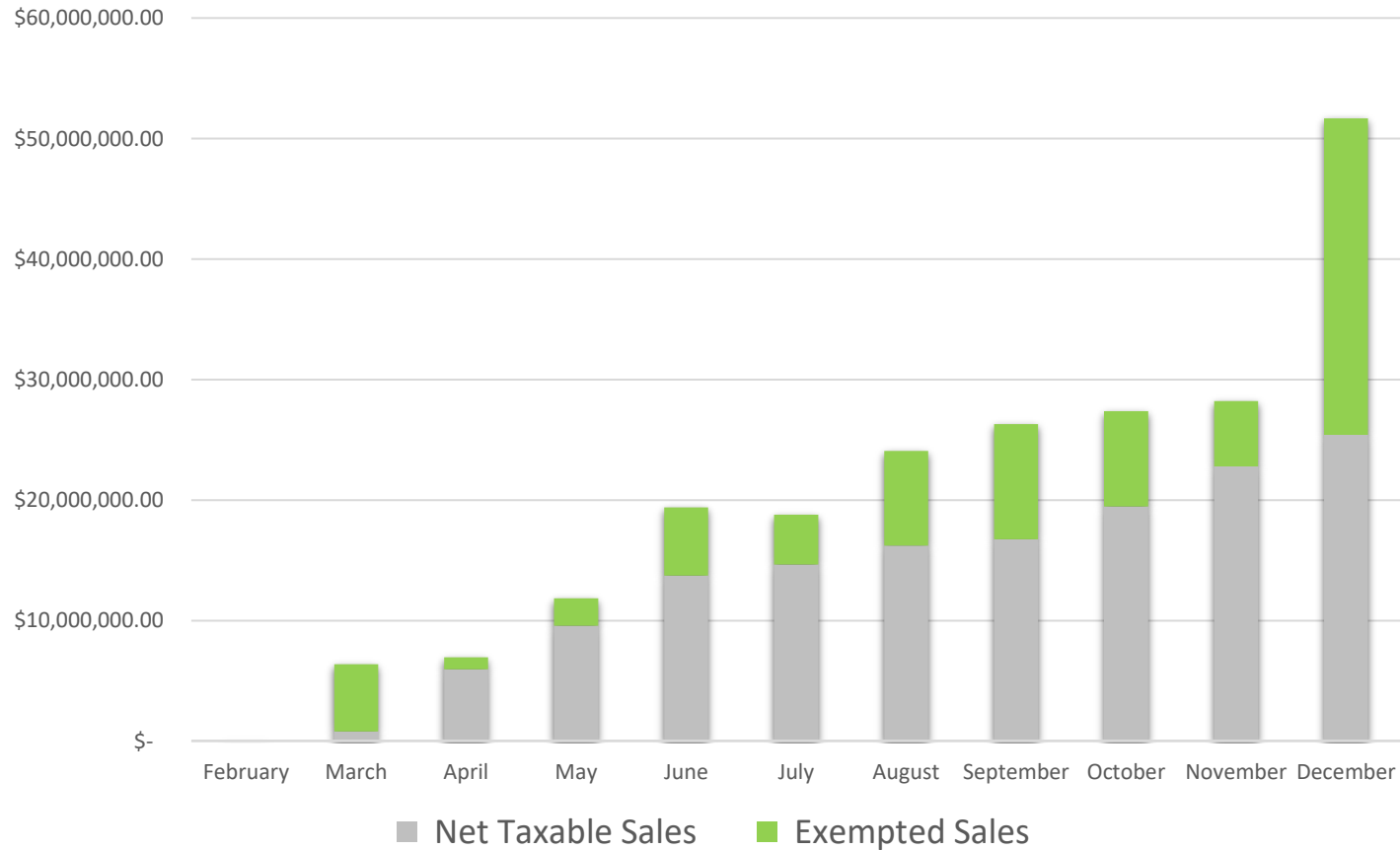
Exempted versus Taxable Sales (filing month)



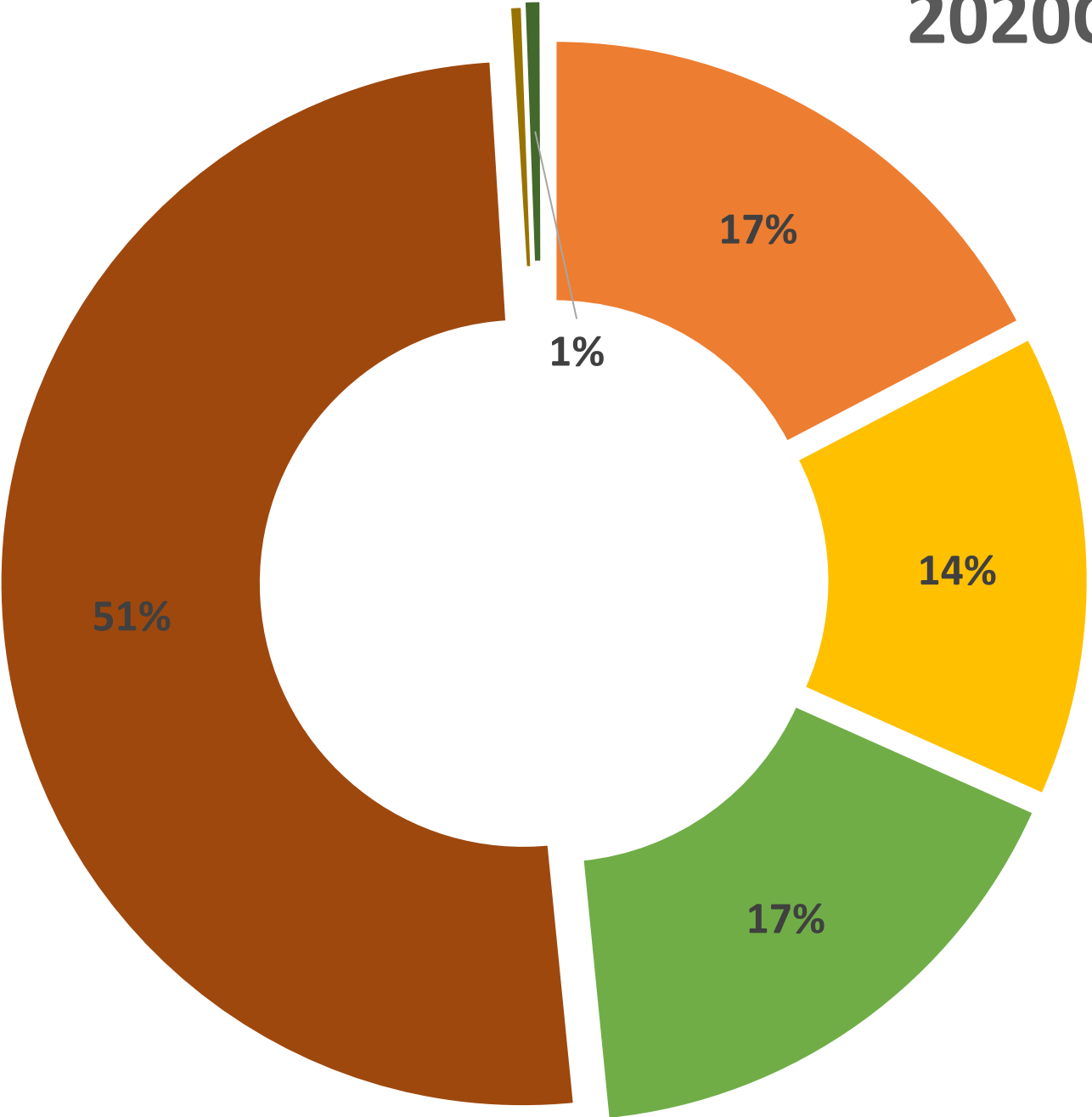
■ Exempted Sales ■ Net Taxable Sales

Exempted and Net Remote Sales 2020

Exempted versus Taxable Sales (filing month)

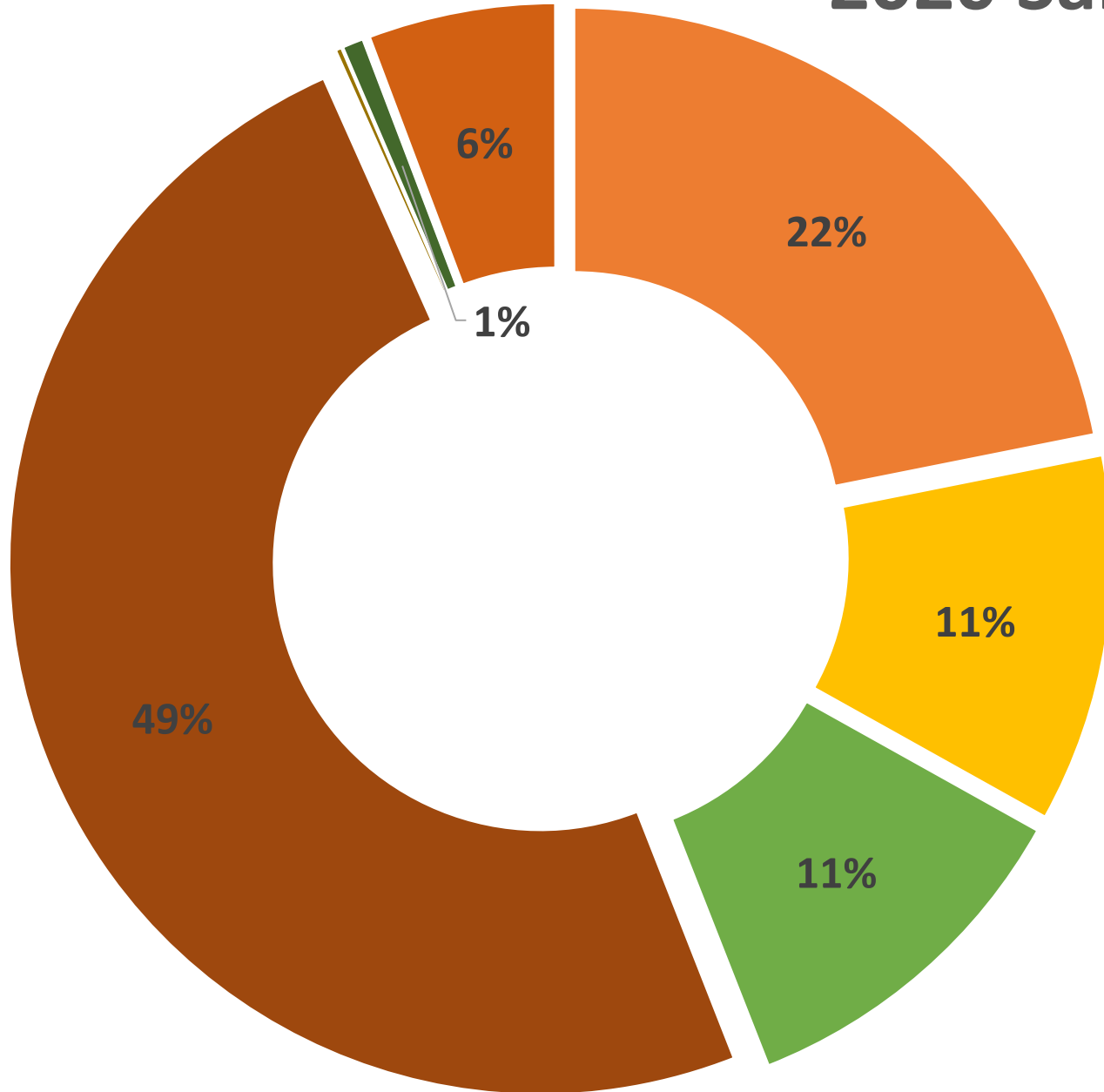


2020Q4 Exemption Breakdown



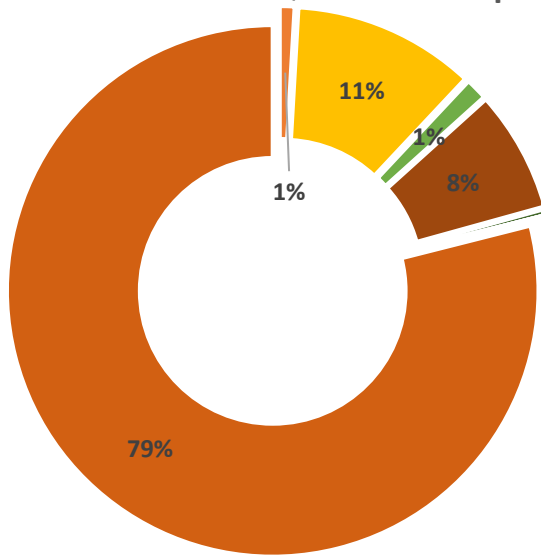
- Government
- Other
- Purchase Threshold
- Resale
- Construction/ Contractor
- Non-Profit
- Senior Citizen
- Tax Free day
- Tax in Gross
- Outside Jurisdiction
- Long Term Rental
- Non-Prepared Food

2020 Sales Exemption Breakdown



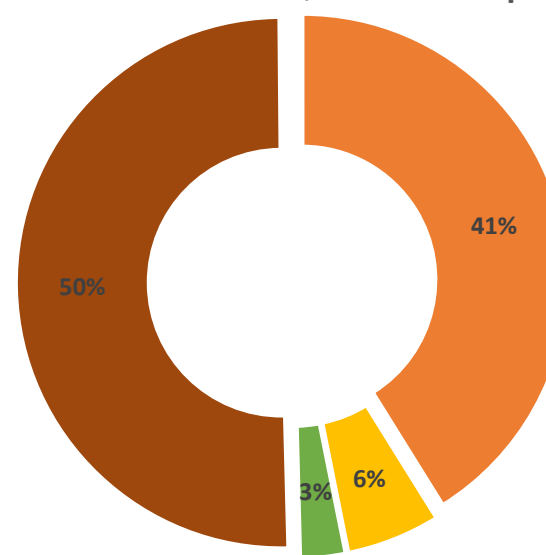
- Government
- Other
- Purchase Threshold
- Resale
- Construction/ Contractor
- Non-Profit
- Senior Citizen
- Tax Free day
- Tax in Gross
- Outside Jurisdiction
- Long Term Rental
- Non-Prepared Food

2020Q1 Sales Exemption Breakdown



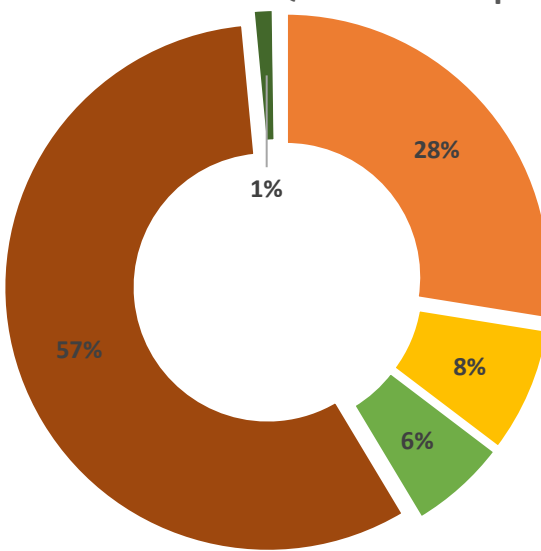
- Government
- Other
- Purchase Threshold
- Resale
- Construction/ Contractor
- Non-Profit
- Senior Citizen
- Tax Free day
- Tax in Gross
- Outside Jurisdiction
- Long Term Rental
- Non-Prepared Food

2020Q2 Sales Exemption Breakdown



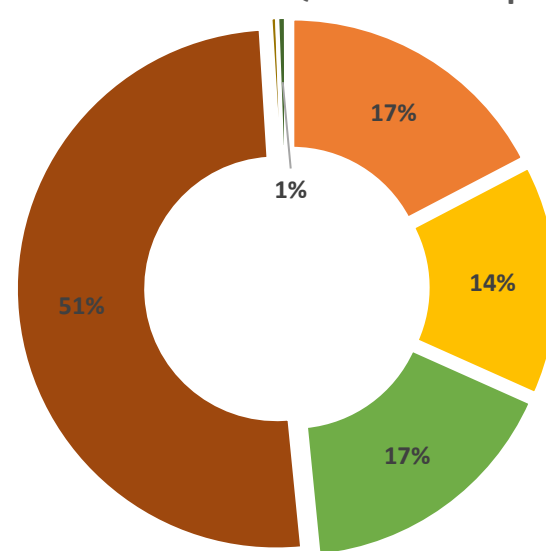
- Government
- Other
- Purchase Threshold
- Resale
- Construction/ Contractor
- Non-Profit
- Senior Citizen
- Tax Free day
- Tax in Gross
- Outside Jurisdiction
- Long Term Rental
- Non-Prepared Food

2020Q3 Sales Exemption Breakdown



- Government
- Other
- Purchase Threshold
- Resale
- Construction/ Contractor
- Non-Profit
- Senior Citizen
- Tax Free day
- Tax in Gross
- Outside Jurisdiction
- Long Term Rental
- Non-Prepared Food

2020Q4 Sales Exemption Breakdown



- Government
- Other
- Purchase Threshold
- Resale
- Construction/ Contractor
- Non-Profit
- Senior Citizen
- Tax Free day
- Tax in Gross
- Outside Jurisdiction
- Long Term Rental
- Non-Prepared Food

Program Successes

- Updates to the Uniform Code
- Reached \$1 million revenues collected in a month (*December filings – collected in January*)
- Resale certificates for remote sellers
- Partnering with Avalara & Vertex

Program Challenges

- Sellers calculating sales tax based on ZIP code
- Compliance from Alaskan remote sellers located in jurisdictions without a sales tax
- Continued outreach to prospective sellers
- Escalated action against sellers that continue to ignore registration requirements

Program Goals for 2021

- Continued growth in registrations from Alaska-based businesses
- Continued growth in member jurisdictions
- Amended return module implementation for sellers
- Establish audit & compliance program
- Big name seller compliance
- Increase national awareness
- Join & participate in national industry groups
- Outreach with 3rd party tax-preparers and software providers
- Liquor taxes from online sellers in several jurisdictions

FY21 Projections

- Anticipate total revenues for FY21 to reach \$9 million
- Holiday spending combined with influx of registered businesses led to significant increases in November & December
- Expect baseline monthly revenues for the next several months to fall in the \$700k - \$800k range
- Continued modest single digit % growth expected as new members and new sellers are added

Questions?

- Clinton Singletary, AMSTP Program Director
907-790-5307
clinton@akml.org
- Kara Johnson, AMSTP Program Administrator
907-790-5303
kara@akml.org