



FAQ: Local Governments

Alaska Remote Seller Sales Tax Commission formed on 11.18.2019

- Local government appoints a representative
- Annual meeting and notice of all meetings
- Governed by Bylaws
- Board of seven
 - Oversees administration
 - Approves annual budget
- Develops and passed the Intergovernmental Agreement

Municipalities accept the Intergovernmental Agreement by way of resolution

- The agreement commits the local government to participate in the Commission
- They delegate the Commission as being responsible for collecting sales tax on their behalf
- Through their participation in the Commission, they agree to AML Administering the Program

Municipalities adopt the Unified Code

- The Unified code applies the local jurisdiction's tax rate, cap, and exemptions to remote sales
 - Out of state sales – if the retailer does not have a physical presence in Alaska, they are expected to comply. The Commission anticipates that this applies to between 2,500 and 3,500 retailers.
 - In-state sales – if the retailer sells into your community, collection of sales tax is expected
- Standardizes compliance – reporting, penalties, audits, late filing rules, etc.
- States a Threshold Criteria (otherwise known as economic nexus)
 - \$100,000 in statewide, annual gross sales; and/or
 - 200 transactions annually, in Alaska
- Provides a Hold Harmless provision
 - All retailers who use the Commission's software aren't liable for inaccurate information contained therein
- Defines Remote Seller vs. Physical Presence
 - If the retailer has only a physical presence, remit to the local government
 - If the retailer has a physical presence but also remote sales, continue remitting local taxes to the local government and remote taxes to the Commission
 - If the retailer is a marketplace facilitator, remit to the Commission
 - If the retailer is a marketplace facilitator that provides lodging, remit to the local government
- Standardizes Late filing guidance
 - Late filing fee is paid to the Commission for administrative action
 - Interest owed on taxes collected accrues to the local government
 - Penalty of 5% a month accrues to the local government



- Defines Common definitions
 - The Code provides uniform definitions, including supplemental definitions that apply when a jurisdiction does not have their own.

What Changes need to happen with your current code?

- Necessary - Exemption for remote sales will need to be removed, if applicable
- Optional – update your reporting requirements, definitions, etc. based on the remote sales tax code
- Amended filings, or refunds necessary, will be accounted for on a rolling basis

What happens after the Code is adopted?

- Local government notifies the Commission by contacting Nils Andreassen at nils@akml.org
- The Program Manager will follow up, requesting that you complete a simple form that confirms rates, exemptions, sales tax boundaries, any changes to existing code, remittance preference, etc.
- The Program Manager will ask the local government to confirm all the settings in the software as accurate
- Upon receipt of the registration form, and confirmation that settings are correct, the Commission will notify remote sellers that they will need to comply within 30 days
- The Commission will send the local government representative log-in information for the Alaska Sales Tax Portal, where they can see all returns, and the calculations that go into remittance for up to 2 users.
- Monthly and within 10 days of the last day of the month, the Commission will remit collected taxes to the local government through ACH (An ACH enrollment form will be provided)
- The local government will confirm receipt and accuracy of the filing and remittance
- The local government should review filings, flag any they have questions about, and send the Program Manager questioned filings
- The Program Manager will review questioned filings and upon receipt of more than three of the same vendor, request an audit of their transactions for the applicable jurisdictions

Contact the Program Manager for further assistance, Dawn Wesley (907)790-5304