



NEWS NOTES

2022 Quarter 1

HERE COMES THE SUN AGAIN!

Alaskans greatly appreciate the first months of the year as the days start to get longer. Our northernmost community, Kotzebue, began 2022 with 2 hours and 23 minutes of daylight. By the end of March, the sun shines 13 hours and 41 minutes. To help us get through the long winter, we have fun celebrations during the first quarter. Events include Fur Rendezvous in Anchorage (which kicks off the Iditarod sled dog race), the World Ice Art Championships in Fairbanks, and the Iceworm Festival in Cordova. The Iditarod sled dog race marked its 50th anniversary this year. Congratulations to first place musher, Brent Sass, and all the other participants. Brent mushed the roughly 1,000-mile trail with 11 dogs for eight days, 14 hours and 38 minutes. He completed the race on March 15, 2022.



Jessie Holmes runs on the Bering Sea coming into Nome Photo courtesy of Jeff Schultz



Filing Frequency Updates

The ARSSTC board of directors approved new guidelines for quarterly filing. If a seller has less than \$100,000 in taxable sales annually, they qualify for quarterly filing. If a seller has all tax-exempt sales, they qualify for annual filing. Contact AMSTP@akml.org to request a change to your filing frequency. Please provide business name and account number.

Seasonal Sales Tax Communities

Quarter 2 brings seasonal sales tax rate changes for three of our communities:

Seldovia	4.5%	April – September	2%	October – March
Sitka	6%	April – September	5%	October – March
Nome	7%	May – August	5%	September – April

How Do You Pronounce that Name?

Just like any other state, Alaska has communities with names that may be difficult to pronounce. Here is a quick guide to some of our more confusing names. All of our communities stand on traditional Alaskan Native ground.

- Aleknagik:** ah-lek-na-gik. The Yup'ik name is *Alaḡnaḡiq*
- Gustavus:** gus-tay-vus. The Lingít name is *Wanachích T'aak Héen*
- Juneau:** joo-noh. The Lingít name is *Dzánti K'ihéeni*
- Kenai:** key-nye. The Dena'ina name is *Shk'ituk't*

- Kotzebue:** kots-a-bew. The Iñupiaq name is *Qikiḡtaḡruk*
- Nenana:** nee-nan-ah. The Lower Tanana name is *Toghotili*
- Ouzinkie:** u-zink-ee. The Alutiiq name is *Uusenkaaḡ*
- Selawik:** sell-ah-wick. The Iñupiaq name is *Siilivik*
- Toksook Bay:** took-sook bay. The Yup'ik name is *Tuqsuḡ* (source Wikipedia)

Sales Tax Jurisdiction	Effective Date
City of Kotzebue	1/1/2022
City of Aniak	10/1/2021
City of Nenana	10/1/2021
City of Selawik	8/1/2021
City of Ouzinkie	7/1/2021
City of Aleknagik	5/1/2021
City of North Pole	4/1/2021
City of Houston	11/1/2020
City of Ketchikan	11/1/2020
City of Saxman	11/1/2020
City of Bethel	10/1/2020
Ketchikan Gateway Borough	9/1/2020
City of Thorne Bay	9/1/2020
City of Mountain Village	8/1/2020
City of Saint Paul	8/1/2020
City of Togiak	8/1/2020
City of Toksook Bay	8/1/2020
City of Craig	7/1/2020
City of Dillingham	7/1/2020
City of Tenakee Springs	7/1/2020
City & Borough Yakutat	7/1/2020
City of Cordova	6/1/2020
City of Gustavus	6/1/2020
City of Kodiak	6/1/2020
Petersburg Borough	6/1/2020
City & Borough Sitka	6/1/2020
City of Unalaska	6/1/2020
City of Adak	5/1/2020
City & Borough Haines	5/1/2020
City of Nome	5/1/2020
City of Palmer	5/1/2020
City of Homer	4/1/2020
City & Borough Juneau	4/1/2020
City of Kenai	4/1/2020
Kenai Peninsula Borough	4/1/2020
City of Seldovia	4/1/2020
City of Seward	4/1/2020
City of Soldotna	4/1/2020
City of Wasilla	4/1/2020
City & Borough Wrangell	4/1/2020

Alcoholic Beverage Jurisdiction	Effective Date
City of Dillingham	5/1/2021
City of Bethel	5/1/2021
City of North Pole	4/1/2021
Municipality of Anchorage	2/1/2021
City of Craig	2/1/2021
City Borough Juneau	2/1/2021

Haines Borough Update

Effective March 1, 2022, ARSSTC and Haines Borough made changes to Haines jurisdiction codes and associated tax rates to better reflect delivery within Haines. Previously, sellers had to charge separate rates, one for the borough (4%) and one for the city (1.5%), totaling 5.5%. Through our audit inquiries, we learned that many sellers were not charging both rates. Since most deliveries into Haines fall within the 5.5% boundary, we updated the code for Haines to be the 5.5% rate and created a new jurisdiction called Haines Rural for the handful of delivery addresses that truly fall outside of the city boundaries.

Haines Rural (4%) addresses are:
HC 60 Box XXX Haines AK 99827
HC 60 Box XXX Klukwan AK 99827
 All other Haines addresses should be charged the Haines Borough rate of 5.5%

These new codes are six digits:
 800032 Haines Borough: 5.5%
 800034 Haines Rural: 4%

Tax Caps

Many Alaskan communities impose a cap on the amount of sales tax to be collected on a sale – tax can only be assessed on the amount of the selling price that is below the tax cap. The remainder of the selling price over the cap should be tax exempt and be reported in the “Over Threshold” category.

Depending on the community, there may be different rules regarding caps for items, services, or transactions. The tax cap may be applied to only a single item or service, or a package deal that includes a main item and integrated and interdependent parts, or an invoice consisting of multiple independent items. Please refer to a jurisdiction’s municipal code for specifics on what is included under their tax cap rules. Some communities have additional tax caps for sales of vehicles, snowmachines, ATVs, or boats.

When a sales transaction involves the placement of a single order with multiple deliveries made at different times and are separately invoiced, the sales tax shall be collected on each invoice and the tax cap applied to each invoice.

We list the tax cap rules in the tax map lookup: <https://alaska.ttr.services/> and on the Tax Rate Sheet (third tab of spreadsheet): <https://arsstc.org/business-sellers/tax-rates/>.

Don't forget to download the filing template each month. The system cannot accept previous months' templates.