



One Sealaska Plaza, Ste. 200, Juneau, AK 99801

P: (907)790-5300, F: (907)463-5480 www.arsstc.org

Alaska Remote Seller Sales Tax Commission
Board of Directors Meeting
December 15, 2021 10:00am – 12:00pm
Virtual via Zoom

Board of Director Attendees:

- Jeff Rogers
- Stephanie Queen
- Scott Bloom
- Melissa Haley
- Troy Tankersley
- Brandi Harbaugh
- Xavier Mason

1. Call to order
2. Approval of the Agenda
3. Approval of the Minutes
 - a. 11.17.2021 Annual Meeting minutes
4. Public participation on Non-Agenda Items
5. Official Business
 - a. Conduct Election of remaining Officers Seats
 - i. Secretary
 - ii. Treasurer
 - b. Committee chairman appointments
 - i. Finance Committee
 - ii. Policy Committee
 - c. Additional Finance Committee members / participants
 - d. Discussion on increasing economic nexus threshold
 - i. Kenai Borough Assembly Resolution
 - ii. Economic Nexus Thresholds by state
 - e. FY22 Financials update
6. Comments
7. Adjournment



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Alaska Remote Seller Sales Tax Commission
Annual Meeting Minutes
November 17, 2021 12:00pm – 1:00pm
(In-person @ Hotel Captain Cook, Anchorage
Also Virtual via Zoom)

Board of Director Attendees:

- Jeff Rogers
- Stephanie Queen
- Scott Bloom
- Melissa Haley
- Troy Tankersley

Board of Director Absentees:

- Mike Tvenge
- Brandi Harbaugh

Commission Member Jurisdictions in Attendance

- Aleknagik, City of
- Anchorage, Municipality of
- Aniak, City of
- Bethel, City of
- Craig, City of
- Dillingham, City of
- Haines Borough
- Juneau, City and Borough of
- Kenai Peninsula Borough
- Kenai, City of
- Ketchikan, City of
- Kodiak, City of
- Kotzebue, City of
- Nome, City of
- Petersburg Borough
- Seldovia, City of
- Seward, City of
- Sitka, City and Borough of
- Soldotna, City of
- Unalaska, City of
- Wasilla, City of
- Wrangell, City and Borough of



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- Yakutat, City and Borough of
- 1. Call to order
 - 12:19pm – Quorum to conduct business
- 2. Approval of the Agenda
 - Motion by Scott Bloom, no objection
- 3. Approval of the Minutes
 - 10.20.2021 Board Meeting minutes
 - i. Motion by Melissa Haley, no objection
- 4. Updates
 - a. Program & Policy Updates - AMSTP staff

Presentation by Clinton Singletary, AMSTP Director

- b. Financial Business
 - a. FY21 Audit & Financials
 - b. Budget

FY21 Audit findings and budget discussed briefly by Clinton Singletary. Each of the items were previously approved / reviewed by the Board, so presented here specifically for members.

- 5. Official Business
 - Conduct Election of Board Members – no objection to electing the members below.
 - i. Jeff Rogers
 - ii. Stephanie Queen
 - iii. Scott Bloom
 - iv. Floor Nomination(s)
 - 1. Nomination of Xavier Mason, City of Bethel Finance Director
 - Conduct Election of Officers Seats
 - i. President: Nomination of Jeff Rogers – no objection, re-elected
 - ii. Vice-President: Nomination of Stephanie Queen – no objection, re-elected
- 6. Member Comments
 - Jeff Rogers – discussed Board plans for renegotiating administrative costs of program with MUNIREvs.
 - Stephanie Queen – thankful for opportunity to continue serving on Board.
 - Melissa Haley – growth in revenues from ARSSTC beneficial to Sitka due to loss of tourism revenues over the last year.



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7. Adjournment

- Motion by Stephanie Queen, no objection. Adjourned at 12:54pm.

DRAFT



To: ARSSTC Board

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: December 15, 2021

Re: Committee chairman appointments & Finance Committee members

The ARSSTC Board of Directors bylaws calls for a chairman to be appointed for each standing Commission committee. The chairman is to be appointed by the President for a one-year term, with approval from the Board of Directors. Any active Commission member is eligible to serve as chairman.

Policy Committee

Currently, the Policy Committee does not have an appointed chairman, though Maureen Graham w/ City of Wasilla has been serving as a liaison between the Policy Committee and the Board of Directors.

Here is a current list of Policy Committee members for reference:

- Camie Gillen, Petersburg Borough
- Erin Russell, City & Borough of Juneau
- Julie Liew, City of Kodiak
- Justin Harris, City & Borough of Sitka
- Lauri Lingafelt, Kenai Peninsula Borough
- Maureen Graham, City of Wasilla
- Majorie Veeder, City of Unalaska
- Karl Kaufman, Landye Bennett Blumstein LLP

Finance Committee

The Finance Committee is currently chaired by Brandi Harbaugh, who has served in that role since the Committee's inception. There is currently only one other member of the Finance Committee: Jila Stuart, Finance Director w/ Haines Borough.

AMSTP staff is requesting the following from the Board:

1. Appoint chairman for the Policy Committee.
2. Appoint chairman for the Finance Committee.
3. Advise AMSTP staff on adding additional members to the Finance Committee.



To: ARSSTC Board

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: December 15, 2021

Re: Increasing economic nexus threshold

On August 17, 2021 the Kenai Peninsula Borough (KPB) Assembly passed Resolution 2021-060 supporting an increase to the economic nexus threshold outlined in the Uniform Code. The KPB Assembly supported an increase from \$100,000 to \$250,000 for the gross sales measure, to “relieve the burden on small business owners providing remote sales in the State of Alaska”.

AMSTP staff will soon begin working with the Policy Committee on possible Uniform Code amendments for presentation to the ARSSTC Board for review and approval. However, the topic of increasing the economic nexus threshold seems most appropriate to start at the Board of Directors level, rather than Policy Committee.

For reference, I have included a current list of states and their respective threshold levels for remote sellers. This list is published by the Streamlined Sales Tax Governing Board here: <https://www.streamlinedsalestax.org/for-businesses/remote-seller-faqs/remote-seller-state-guidance>

Here is a brief breakdown of the threshold levels across the country:
\$100,000 sales – 41 states; varied between gross sales or taxable sales
\$250,000 sales – 2 states; Alabama & Mississippi
\$500,000 sales – 2 states; California & New York

It is worth noting that several states originally adopted higher threshold levels such as \$250k or \$500k for the first year or two but have since reduced their threshold to \$100k.

Before the Policy Committee proceeds with working through a possible increase to the economic nexus threshold, AMSTP staff is seeking direction from the Board as follows:

- 1) Does the Board wish to increase the economic threshold?**
- 2) If so, what level of increase should be studied further by the Policy Committee and AMSTP staff?**

Introduced by:	Mayor
Date:	08/17/21
Action:	Adopted as Amended
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2021-060**

**A RESOLUTION SUPPORTING THE ALASKA REMOTE SELLERS SALES TAX
COMMISSION’S PROPOSED INTERPRETATION OF THE DEFINITION OF POINT
OF DELIVERY AS IT RELATES TO SOURCING FOR SALES TAX LEVIED ON
SERVICES**

- WHEREAS,** in 2019 and 2020 numerous local taxing jurisdictions within Alaska worked together to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the “Commission”) in order to implement a single-level statewide sales tax administration; and
- WHEREAS,** the function and powers of the Commission are set forth in the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the “Agreement”), a cooperative agreement between the Commission members; and
- WHEREAS,** as part of the process to implement a remote seller sales tax code and pursuant to Resolution 2019-056, the borough signed the Agreement and is currently a full member of the Commission; and
- WHEREAS,** five of the incorporated cities within the borough are members of the Commission; and
- WHEREAS,** representatives from the borough, the City of Soldotna, and the City of Kenai also currently hold three of the seven Board of Director seats on the Commission; and
- WHEREAS,** the contractor for the Commission, Alaska Municipal League “AML”, has proposed that the definition of “Point of Delivery” be interpreted to mean the location at which the goods or service is delivered or otherwise received by the purchaser; and
- WHEREAS,** if the service is not received by the purchaser at a business location of a remote seller, the service is considered delivered to the location where the purchaser receives the service; and
- WHEREAS,** products or services transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery of the sale to be the billing address of the buyer; and

WHEREAS, receive or receipt for purposes of the definition of “point of delivery” means taking possession of property or product or making first use of services;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Borough Assembly supports the Alaska Remote Sellers Sales Tax Commission’s proposed interpretation of the definition of “point of delivery” in determining the point of taxation for sales tax to mean the location at which property or a product is delivered or service is rendered and receipt means taking possession of property or product or making first use of services.

SECTION 2. That the assembly recommends that the Alaska Remote Sellers Sales Tax Commission begin an audit and compliance program to ensure not only revenue collection but compliant revenue collection.

SECTION 3. That the assembly supports increasing the obligation to collect tax threshold from \$100,000 to \$250,000 to relieve the burden on small business owners providing remote sales in the State of Alaska.

SECTION 4. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF AUGUST, 2021.



Brent Hibbert, Assembly President

ATTEST:


Jonni Blankenship, MMC, Borough Clerk

Yes: Bjorkman, Carpenter, Chesley, Cox, Dunne, Elam, Johnson, Hibbert

No: None

Absent: Derkevorkian

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
Alabama	10/1/2018	Sales of TPP of <i>more than \$250,000</i> in prior calendar year; No transaction threshold Seller must also engage in or conduct certain other activities in Alabama in addition to having more than \$250,000 in sales.
Alaska	4/1/2020	Statewide gross remote sales <i>meets or exceeds \$100,000</i> or 200 transactions in the current or previous calendar year
Arizona	10/1/2019	Annual gross retail sales or income from online sales into Arizona is <i>more than \$200,000 in 2019, \$150,000 in 2020 and \$100,000 in 2021</i> and thereafter.
Arkansas	7/1/2019	Sales <i>exceed \$100,000</i> or 200 transactions during the current or preceding year.
California	4/1/2019	The total combined sales <i>exceed \$500,000</i> during the preceding or current calendar year
Colorado	12/1/2018	Taxable sales of <i>more than \$100,000</i> in past calendar year
Connecticut	12/1/2018	7/1/2019 Threshold change: \$100,000 <i>or more</i> in gross receipts and 200 <i>or more</i> retail transactions 12/1/2018 Threshold: \$250,000 <i>or more</i> in gross receipts and 200 <i>or more</i> retail transactions

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
Delaware		
District of Columbia	1/1/2019	Had in the previous calendar year or will have in the current calendar year, more than \$100,000 of gross receipts from retail sales or <i>more than 200</i> separate retail sales
Florida	7/1/2021	Taxable sales of tangible personal property <i>in excess</i> of \$100,000 in the previous calendar year.
Georgia	1/1/2019	<i>Effective 1/1/2020:</i> Gross Revenue <i>exceeding</i> \$100,000 or 200 <i>or more</i> separate retail sales in the previous or current calendar year. 1/1/2019 to 12/31/2019: Gross Revenue <i>exceeding</i> \$250,000 from retail sales <i>or 200 or more</i> separate retail sale transactions in the previous or current calendar year
Hawaii	7/1/2018	\$100,000 <i>or more</i> in gross income or 200 <i>or more</i> transactions
Idaho	6/1/2019	Sales that <i>exceed</i> \$100,000 in the current or previous year.
Illinois	10/1/2018	Either cumulative gross receipts from Illinois sales of \$100,000 <i>or more</i> , or 200 <i>or more</i> separate Illinois transactions
Indiana	10/1/2018	Gross revenue <i>exceeding</i> \$100,000 <i>or 200 or more</i> separate transactions in the previous calendar year or current calendar year
Iowa	1/1/2019	Gross revenue from sales of \$100,000 in previous or current calendar year

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
Kansas	7/1/2021	Cumulative gross receipts in excess of \$100,000 in current or preceding calendar year
Kentucky	10/1/2018	Gross receipts of \$100,000 or more or 200 or more sales based on previous or current calendar year sales
Louisiana	7/1/2020	Deliver <i>more than</i> \$100,000 of goods or services into the state or engage in 200 or more separate transactions for the delivery of good or services in the state
Maine	7/1/2018	Gross revenues from Maine sales of tangible personal property, products transferred electronically, or taxable services <i>exceeded</i> \$100,000 or <i>at least</i> 200 separate transactions during the current or previous calendar year
Maryland	10/1/2018	Gross revenue <i>exceeds</i> \$100,000 or 200 or more separate transactions during the previous or current calendar year
Massachusetts	10/1/2019	Massachusetts sales <i>exceeding</i> \$100,000 during current or previous calendar year
Michigan	10/1/2018	Taxable and non-taxable sales <i>exceeding</i> \$100,000 or 200 or more separate transactions in the previous calendar year
Minnesota	10/1/2018	October 1, 2019: Retail sales of more than \$100,000 or 200 or more separate retail transactions in any 12 consecutive months. 10/1/2018 to 9/30/2019: Retail sales of more than \$100,000 in 10 or more transactions or 100 or more separate retail transactions in any 12 consecutive months.

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
		<p>When calculating the threshold, include all retail sales made through any Marketplace, your own website, and other sources into Minnesota.</p> <p>Do not include sales where the purchaser is buying for resale.</p>
Mississippi	9/1/2018	Sales <i>exceed</i> \$250,000 for the prior 12 months
Missouri		
Montana		
Nebraska	1/1/2019	<i>Exceeds</i> \$100,000 in <i>Nebraska retail</i> sales <i>or 200 or more</i> separate transactions for delivery into NE in the prior or current calendar year
Nevada	10/1/2018	Gross revenue from retail sales <i>greater than</i> \$100,000 or 200 or more retail sales in the prior or current year
New Hampshire		
New Jersey	11/1/2018	Gross revenue <i>exceeds</i> \$100,000 or 200 or more separate transactions in prior or current calendar year
New Mexico		
New York		Gross receipts <i>exceed</i> \$500,000 and made <i>more than 100</i> sales during preceding four sales tax quarters

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
North Carolina	11/1/2018	Gross sales <i>in excess of</i> \$100,000 or 200 or more separate transactions in previous or current calendar year
North Dakota	10/1/2018	Taxable sales of \$100,000 in previous or current calendar year. Effective 7/1/2019 the threshold of 200 or more transactions was removed.
Ohio	8/1/2019	Gross receipts <i>greater than</i> \$100,000 or 200 or more transactions in the current or preceding calendar year. R.C. 5741.01 utilizes gross receipts; however R.C. 5739.01(I) and R.C. 5739.01(B) defines “receipts” and “sales” to effectually be retail sales. Therefore, only those sales which are considered retail sales are included in the economic nexus threshold calculation. For example, only those enumerated services in R.C. 5739.01(B)(3) are utilized when determining the economic nexus threshold. Additionally, “retail sales” do not include “sales for resale”.
Oklahoma	7/1/2018	<i>Effective November 1, 2019:</i> \$100,000 or more in taxable sales of tangible personal property during the previous or current calendar year. Prior to November 1, 2019: \$10,000 or more in sales subject to sales or use tax during previous 12 months
Oregon		
Pennsylvania	7/1/2019	More than \$100,000 in gross sales in the previous twelve months.
Puerto Rico		

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
Rhode Island	7/1/2019	Gross revenues of \$100,000 or more or 200 or more separate transactions in the previous calendar year
South Carolina	11/1/2018	Gross Revenue from sales <i>exceeds</i> \$100,000 in South Carolina in the previous or current calendar year
South Dakota	11/1/2018	Gross revenue from sales <i>exceeding</i> \$100,000 or 200 or more separate transactions in previous or current calendar year
Tennessee	10/1/2019	Retail sales <i>exceeding</i> \$500,000 during the previous 12-months. Effective 10/1/2020 the retail sales threshold is reduced to \$100,000 during the previous 12 months.
Texas	10/1/2019	Total Texas revenue of \$500,000 or more in the preceding twelve calendar months
Utah	1/1/2019	Gross revenue of <i>more than</i> \$100,000 or <i>more than</i> 200 separate transactions during previous or current calendar year
Vermont	7/1/2018	Sales of <i>at least</i> \$100,000 or 200 individual transactions during any preceding 12 month period
Virginia	7/1/2019	In the previous or current calendar year, either receives greater than \$100,000 in gross revenue from retail sales, or engages in 200 or more separate retail sales transactions, or any software provider acting on behalf of such dealer.
Washington	10/1/2018	Effective January 1, 2020: Gross income of the business exceeding \$100,000 in preceding or current year. October 1, 2018 through December 31, 2019: Gross retail sales <i>exceeding</i> \$100,000 in preceding or

Revenue Department Website	Remote Seller Compliance Date	Remote Seller Threshold
		<p>current year</p> <p>From October 1, 2018 through March 14, 2019, sellers that have 200 or more transactions but do not exceed the \$100,000 retail sales were required to collect and report sales tax to Washington.</p> <p>Remote sellers with annual retail sales of \$10,000 or more were required to make an election to collect sales tax or do use tax notice and reporting between January 1, 2018 and June 30, 2019 if the remote seller was not directly required to collect sales or use tax. As of July 1, 2019 the requirement to make an election was eliminated.</p>
West Virginia	1/1/2019	Sales <i>equal to or exceeding</i> \$100,000 or makes West Virginia sales in 200 or more separate transactions for an immediately preceding calendar year or a current calendar year.
Wisconsin	10/1/2018	Gross sales <i>exceed</i> \$100,000 in the previous or current calendar year. Effective 2/20/2021, the threshold of 200 or more transactions was removed.
Wyoming	2/1/2019	Gross revenue from sales of TPP, admissions or services of <i>more than</i> \$100,000 or 200 or more separate transactions in prior or current year

Alaska Remote Sellers Sales Commission

Balance Sheet

As of September 30, 2021

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
1000 AMLIP (Fund Balance)	7,808
1005 ARSSTC Depository	250,630
1010 ARSSTC Disbursement	52,424
1015 Northrim Sweep Account	896,036
Total Bank Accounts	<u>1,206,898</u>
Other Current Assets	
1020 Prepaid Insurance	2,167
1105 Sales Tax Receivable from Prior EOM	1,229,684
1110 Prepaid	0
Total Other Current Assets	<u>1,231,851</u>
Total Current Assets	<u>2,438,749</u>
TOTAL ASSETS	<u>2,438,749</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable (A/P)	2,307,536
Total Accounts Payable	<u>2,307,536</u>
Other Current Liabilities	
2005 Due to AML	0
2010 Due to AML - TTR Fee	0
2015 MUNIREvs Fee Payable	235
2020 TTR Fee Payable	-5
2040 Other Current Liabilities	0
2045 Sales tax payable	0
2060 Unearned Income	1,000
Total Other Current Liabilities	<u>1,230</u>
Total Current Liabilities	<u>2,308,766</u>
Total Liabilities	<u>2,308,766</u>
Equity	
3000 Retained Earnings	76,112
Net Income	53,871
Total Equity	<u>129,983</u>
TOTAL LIABILITIES AND EQUITY	<u>2,438,749</u>

Alaska Remote Sellers Sales Commission

Profit and Loss by Month

July - September, 2021

	Jul 2021	Aug 2021	Sep 2021	Total
Income				
4000 Commission Fee Income	45,793	46,059	49,052	140,904
4005 Net Sales Tax collected from MUNIREvs	1,086,033	1,128,089	1,172,174	3,386,296
4100 Late Fees	2,750	3,175	1,950	7,875
4200 Reprocessing Fees	225	100	75	400
4300 Credit Card Fees	15	68	166	248
4400 Other Income	1,189	269	-270	1,188
Total Income	1,136,004	1,177,759	1,223,147	3,536,911
Gross Profit	1,136,004	1,177,759	1,223,147	3,536,911
Expenses				
5000 AML Operating Expenses				0
5003 Legal	1,748	3,496		5,244
5004 Personnel Expenses				0
5004A Salaries	17,523	22,011	19,704	59,237
5004B Payroll Taxes	1,315	1,699	1,507	4,522
5004C Health Insurance	3,994	4,616	4,348	12,959
5004D Nationwide Retirement	818	1,101	985	2,903
Total 5004 Personnel Expenses	23,650	29,426	26,545	79,621
5005 Insurance				0
5005B Cyber	542	542	542	1,625
5005C SLIP	512	512	512	1,535
Total 5005 Insurance	1,053	1,053	1,053	3,160
5006 Audit Services			3,000	3,000
5007 8% Overhead Expense	2,090	2,680	2,413	7,183
Total 5000 AML Operating Expenses	28,541	36,656	33,012	98,209
5008 Bank Fees		52	52	104
5009 Merchant Services Fees	497	721	581	1,799
5010 Member Tax Revenue Expense	947,370	952,844	1,029,520	2,929,734
5020 MUNIREvs Expense	137,884	138,610	133,481	409,975
5030 TTR Fee Expense	14,363	14,439	14,484	43,285
Total Expenses	1,128,655	1,143,322	1,211,130	3,483,107
Net Operating Income	7,349	34,438	12,017	53,804
Other Income				
6000 Interest Earned	27	23	17	67
Total Other Income	27	23	17	67
Net Other Income	27	23	17	67
Net Income	7,376	34,460	12,034	53,871