



ARSSTC Penalty Waiver Policy

The Uniform Code allows for waivers of the late filing fee and late payment penalty provided for in Section 170. The Uniform Code requires that any waiver request be submitted within 45 days after the date of delinquency. The request must be submitted with full payment of taxes, interest and any penalty otherwise owed by the seller.

In addition, a maximum of one waiver may be granted in any one calendar year.

Following is a more detailed waiver policy that will be applied in accordance with the above Uniform Code guidelines.

Waiver Policy

The Commission will only approve penalty waiver requests for one of the following two reasons:

- History of good compliance or,
- Circumstances outside the control of the seller directly leading to the delinquency.

Waiver for history of good compliance

If a seller has a history of filing and remitting in full and in a timely manner, a waiver of the late payment penalty and/or late filing fee may be granted within the following guidelines:

- Waiver request must be submitted within 45 days of the date of delinquency,
- Taxes and interest must be paid in full with the waiver request and,
- Within the prescribed look-back periods below, seller **must not have**:
 - Been assessed any late filing fees or late payment penalty or,
 - Received any waiver of late filing fees and/or late payment penalty.
- If multiple filings are submitted delinquent, at the same time or in the same month, a waiver may only be granted on the most delinquent filing.

Look-back periods for Good Compliance Waiver	
Filing Frequency	Period
Monthly	Preceding 12 calendar months
Quarterly	Preceding 2 calendar years (24 months)
Annual	Preceding 3 calendar years (36 months)

Waiver for circumstances outside the control of the seller

A seller may request a waiver for delinquencies caused by circumstances outside the control of the seller. These circumstances are generally immediate, unexpected, or emergency in nature.

The following circumstances **are not** considered beyond the control of the seller:

- Financial hardship,
- Misunderstanding or lack of knowledge of tax liability,
- Mistakes or misconduct on the part of employees or other persons contracted with the seller.

The following circumstances **are acceptable** as occurring beyond the control of the seller:

- Death or serious illness of the seller or the seller's family
- Death or serious illness of the seller's accountant or tax preparer or their respective families
- Unavoidable absence of the seller or key employee immediately prior to the filing. "Unavoidable absence" does not include absences such as business trips, vacations, personnel turnover, or termination.
- Destruction by fire or natural disaster of the seller's place of business or business records.

A request for waiver due to circumstances beyond the control of the seller should include all pertinent facts and information necessary to prove the circumstances in question. Requests should be made in writing and submitted within 45 days of the date of delinquency. Waivers due to circumstances beyond the control of the seller are not subject to the above lookback periods; however only one waiver of this type may be allowed every 12 calendar months.

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Physical Presence Evaluation Form

The Uniform Code requires sellers who have a physical presence in a member jurisdiction, report any sales delivered into the member jurisdiction directly with the jurisdiction itself.

Sales delivered into member jurisdictions where the seller **does not** have physical presence should be reported through the Alaska Remote Seller Sales Tax Commission (ARSSTC).

This form is used to help determine a seller’s reporting requirements when there are questions regarding the seller’s physical presence within member jurisdiction(s). The Uniform Code defines *Physical presence* as follows:

“Physical Presence” means a seller who established any one or more of the following within a local taxing jurisdiction:

1. *Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the member jurisdiction;*
2. *Solicits business or receives orders through any employee, agent, salesman, or other representative within the boundaries of the member jurisdiction;*
3. *Provides services or holds inventory within the boundaries of the member jurisdiction;*
4. *Rents or leases property located within the boundaries of the member jurisdiction.*

A seller that establishes a physical presence within the member jurisdiction in any calendar year will be deemed to have a physical presence within the member jurisdiction for the following calendar year.

Seller Information

Account #:		Company Name:		
Mailing Address:				
Phone:		Email Address:		
Company Representative:			Title:	

Please list all Alaska jurisdictions in which your company has physical presence (*attach additional sheets as necessary*):

Describe how your company established the physical presence: _____

Remote Sales Threshold Questions	YES	NO
In the previous calendar year, did your company sell into other Alaska jurisdictions where it <u>does not</u> have physical presence? If yes, please list:	<input type="checkbox"/>	<input type="checkbox"/>
Were there 200 or more individual transactions into these jurisdictions?	<input type="checkbox"/>	<input type="checkbox"/>
Was there \$100,000 or more in gross sales into these jurisdictions?	<input type="checkbox"/>	<input type="checkbox"/>

The ARSSTC will review the above information in consultation with the affected jurisdictions(s). You will then be notified in writing of your filing requirements. Please return this completed form to the ARSSTC via email at amstp@akml.org

I certify that the above information is true and correct. I understand that the written filing guidance that will be provided will be based solely on the above information provided to the ARSSTC.

Signature:		Date:	
Printed Name:		Title:	

Interpretation 2021-01

Shipping & Delivery Charges

Issue:

Are shipping and delivery charges that a seller passes on to its customer subject to sales tax?

Discussion:

Under the Uniform code, sales tax is assessed on the sales price of all remote sales where delivery is made into a member taxing jurisdiction. (Section 030)

Sales price is then defined as: the total amount of consideration, including cash, credit, property, products, and services, for which property, products, or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- A. The seller's cost of the property or product sold;
- B. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- C. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- D. Delivery charges;
- E. Installation charges; and
- F. Credit for any trade-in, as determined by state law.

Determination:

Based on the definition of sales price, shipping / delivery charges are part of the sales price, and as such are subject to sales tax based on the jurisdiction's rate where the property is delivered.

Summary:

- Shipping / Delivery charges should be taxed even if the charges are separately stated.
 - Exception-some jurisdictions do not tax shipping / delivery charges when:
 1. The seller charges its customer the exact amount of the shipping costs incurred by the seller **and**
 2. The shipping / delivery charges are separately stated.
 - Please visit <https://alaska.ttr.services/> to look up each jurisdiction and their treatment of shipping / delivery charges.
 - Under the General merchandise section, look for:
 - "Shipping Charges – Separately Stated-Associated with a Sale of Taxable Items"
- Shipping / Delivery charges should be exempted as a part of the sales price of the good(s) if the customer or transaction is otherwise exempt.
- Shipping / Delivery charges are considered part of the sales price of good(s) sold for purposes of determining a sales tax cap or maximum sales tax due on a transaction.



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Remote Seller Account Closure / Physical Presence Declaration Form

Part A - Closure Information

Account #:		Company Name:	
Account Closure Effective Date:			
Reason for Account Closure (<i>select all that apply</i>):			
<input type="checkbox"/>	No longer making remote sales into Alaska		
<input type="checkbox"/>	Threshold Criteria not met in current or prior calendar year		
<input type="checkbox"/>	Only making sales into Alaska jurisdictions where Company has physical presence- also complete Part B below		
<input type="checkbox"/>	Company is a marketplace seller only; all sales reported by marketplace facilitator(s)		

Part B – Physical Presence Declaration (*if applicable*)

List all jurisdictions where this Company has established physical presence (use additional sheets as necessary): _____

Describe the type of physical presence this Company has across the above jurisdictions: _____

Part C – Contact information & signature

Mailing Address:			
Phone:		Email Address:	
Company Representative:		Title:	
<i>Under penalties of perjury, I affirm that the information provided above is true and correct.</i>			
Signature:		Date:	