

# Alaska Remote Sellers Sales Tax Commission

2021 Quarter 2 Update and Overview

*April – June*

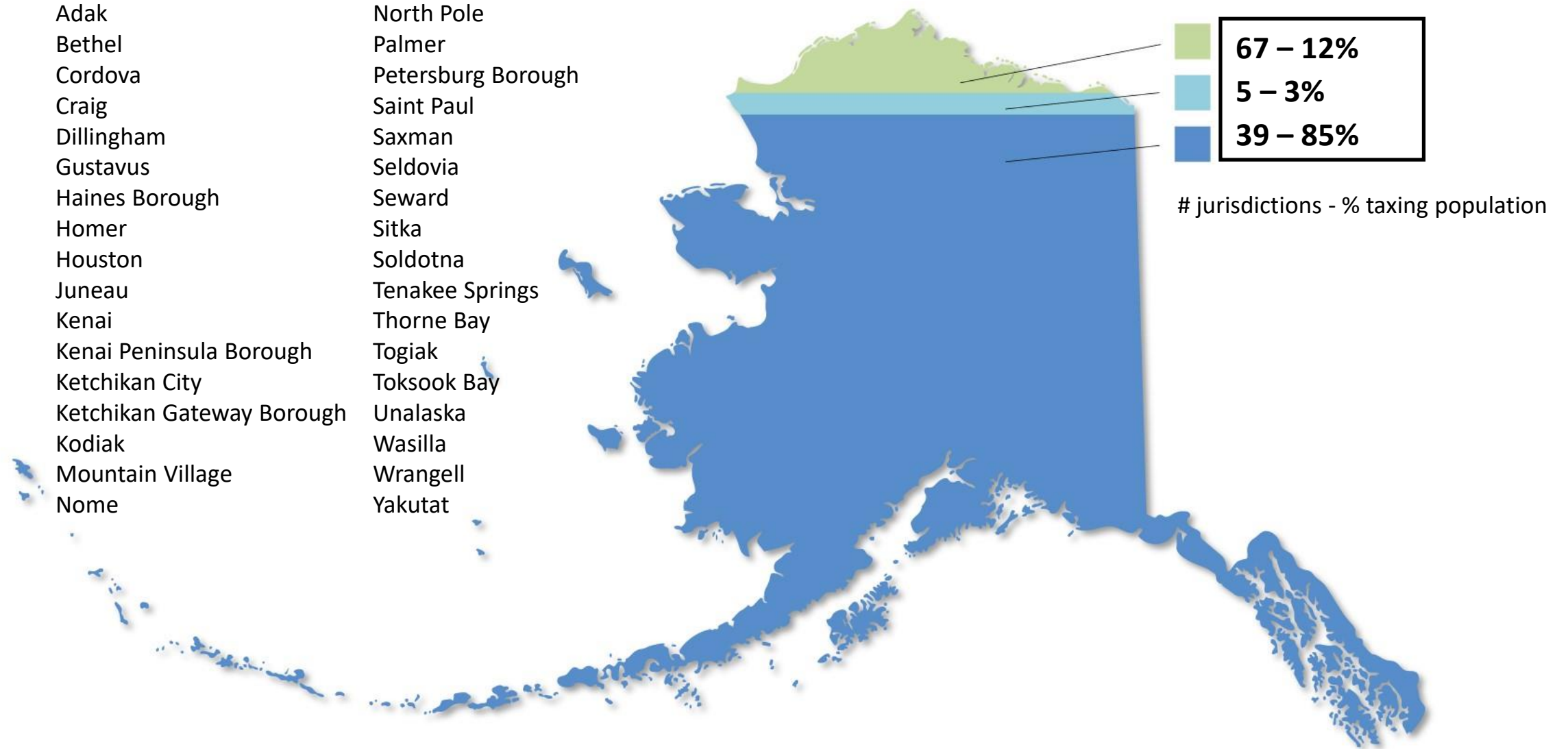
September 7, 2021



# 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  
Saint Paul  
Saxman  
Seldovia  
Seward  
Sitka  
Soldotna  
Tenakee Springs  
Thorne Bay  
Togiak  
Toksook Bay  
Unalaska  
Wasilla  
Wrangell  
Yakutat



# Jurisdictions

- ✓ 112 taxing communities in Alaska

*32% of Alaska's population*

- ✓ 39 communities across Alaska have adopted the Uniform Code

*85% of taxing population*

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

*3% of taxing population*

- ✓ 67 communities ARSSTC is pursuing to join the Commission in 2021

*12% of taxing population*

# Alcohol Jurisdictions to Date

- Anchorage
- Bethel
- Craig
- Dillingham
- Juneau
- North Pole
- \$1,430.24 collected in 2021Q2



# Sellers

**Sellers Registered to date:  
1,260**

- September: 12
- August: 66
- July: 54
- June: 81
- May: 53
- April: 77
- March: 65
- February: 61
- January: 87

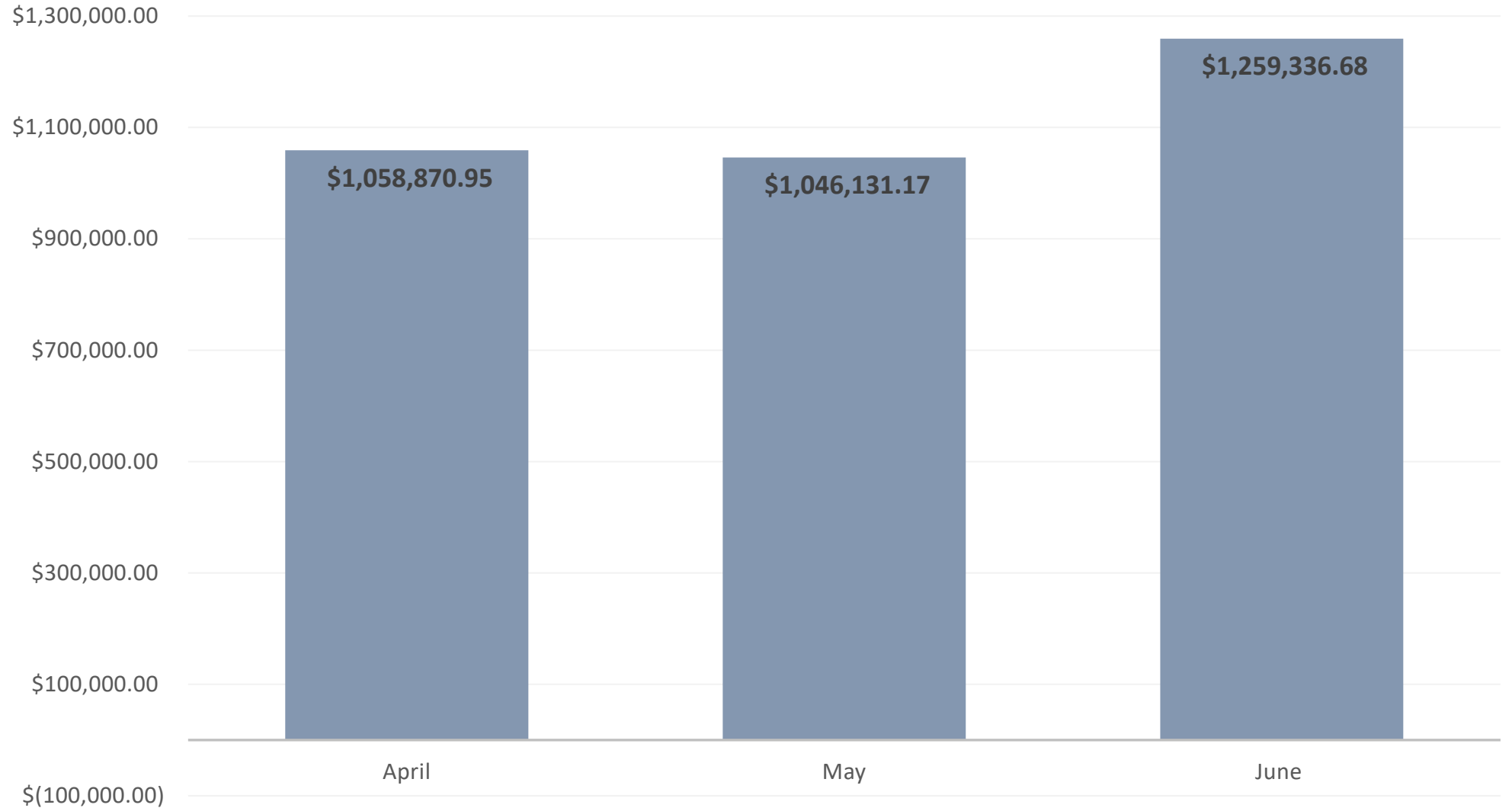
2020 Total: 704



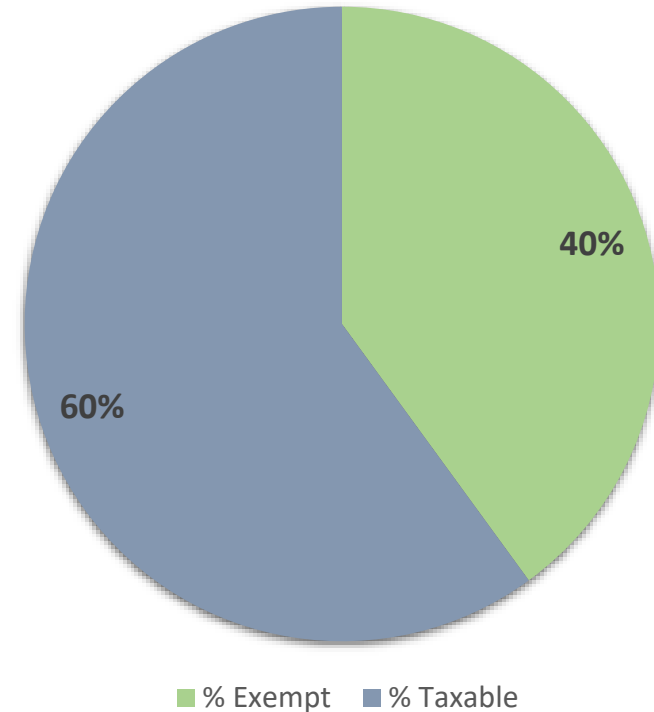
# Top Sellers for 2021Q2

1. Amazon.com Services LLC (MPF)
2. Apple, Inc.
3. Microsoft Corporation
4. Etsy Inc.
5. Ash Grove Cement Company
6. Target Corporation
7. Recreational Equipment, Inc.
8. BestBuy.com, LLC
9. Spenard Builders Supply, LLC
10. Nordstrom, Inc.
11. US Foods Inc
12. Penney OpCo LLC
13. Nike Retail Services, Inc.
14. Poshmark, Inc.
15. Zappos.com, LLC
16. Sysco Seattle Inc.
17. Backcountry.com, LLC
18. QVC, Inc.
19. Zulilly, LLC
20. Cascade Columbia Distribution Company

# 2021Q2 Sales Tax Revenue (by filing period)

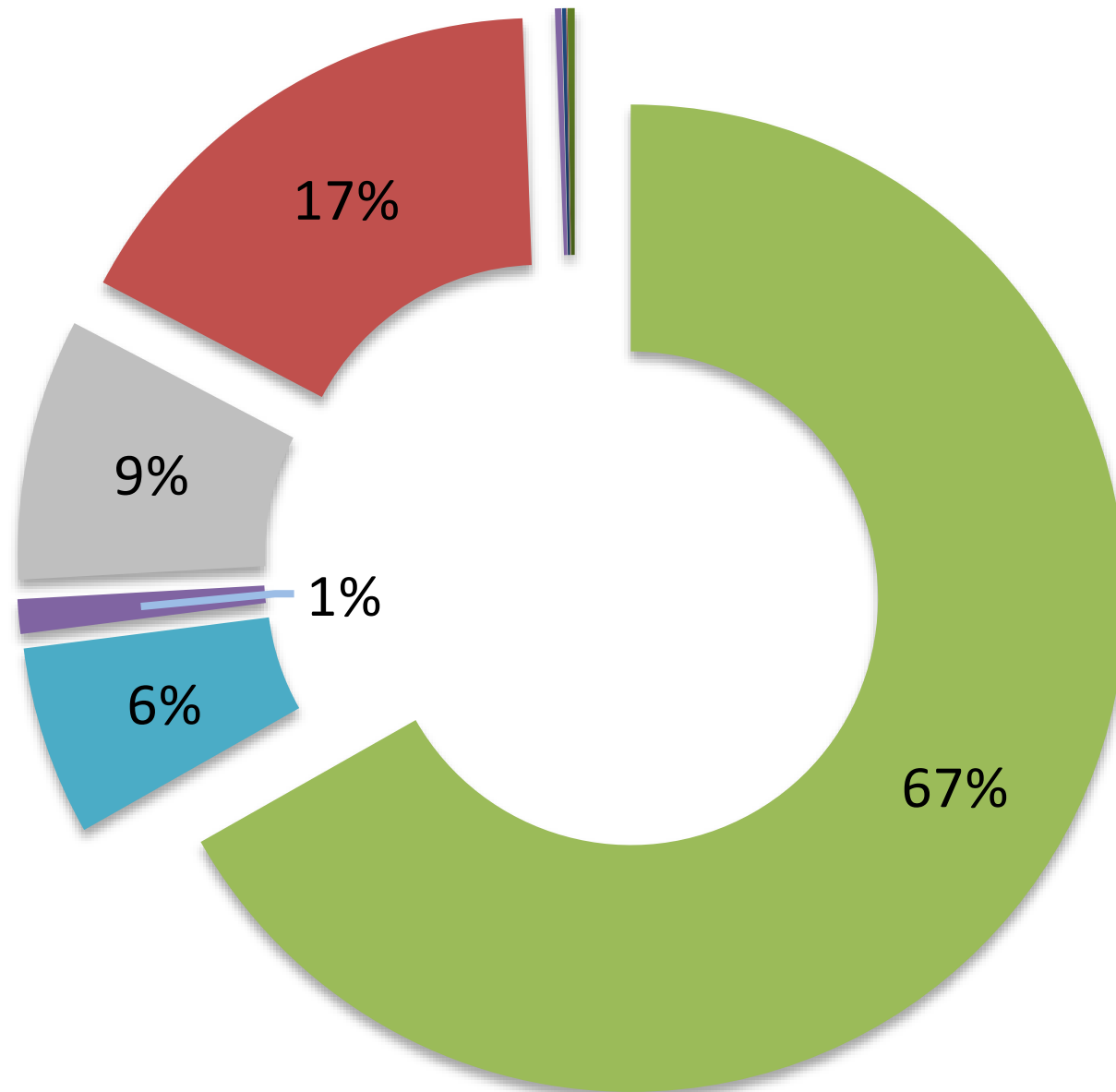


# 2021Q1 Exempt versus Net Taxable (by filing period)





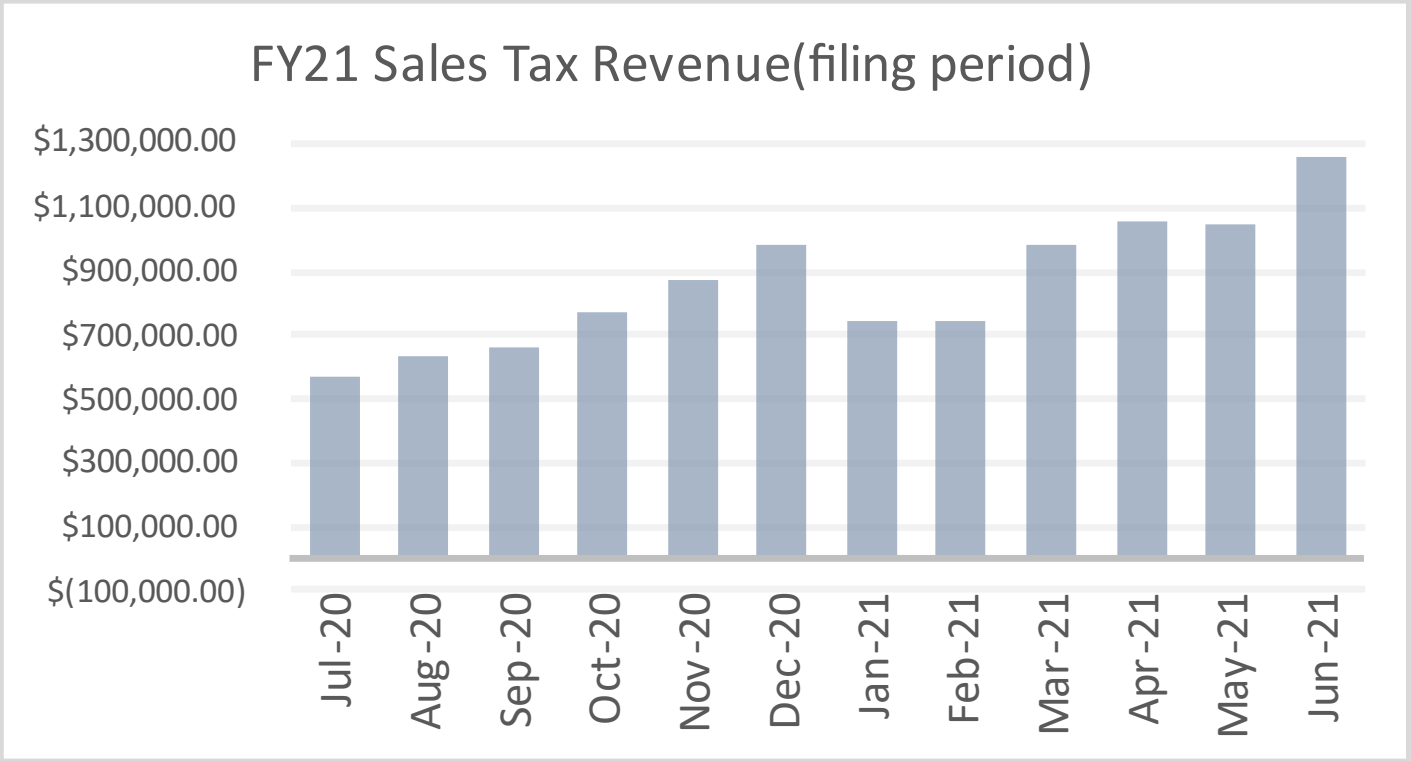
# 2021Q2 Exemption Breakdown



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

# FY21 Revenue

<b>Filing Period</b>	<b>Total Revenues</b>
July 2020	\$572,368
August 2020	\$632,325
September 2020	\$662,707
October 2020	\$769,706
November 2020	\$874,031
December 2020	\$981,897
January 2021	\$741,849
February 2021	\$746,298
March 2021	\$980,823
April 2021	\$1,058,871
May 2021	\$1,046,131
June 2021	\$1,259,337
<b>12 Month FY21 total:</b>	<b>\$10,326,344</b>



# 2021Q2 Updates and Successes

## TTR Updates

- Working with Avalara to address information provided to sellers for local level taxes
  - Shipping
  - Tax cap
- Working to address ZIP+4 challenges
  - Not all ZIP codes in AK have a +4 that coincides with municipal tax boundaries
  - Continuing outreach to USPS for solutions
  - Creating +4 internal to TTR and applying to large sellers
- Outreach to Shopify to help create own tax database
- Outreach with eBay

# 2021Q2 Updates and Successes

## **MUNIREvs Updates**

- Acquired by GovOS, no changes to our support team
- Improved MUNIREvs reporting
  - Jurisdiction Batch Summary report
    - Revised layout
  - Improved accuracy / functionality of other reports
- Amendment Module
  - Seller can amend a single jurisdiction once per filing period
  - System creates balance or credit that resides on AML line
  - Administrator communicates to seller re: balance or credit with instructions
  - Amended returns show in jurisdiction batch reports
- TTR API token integration
- Late fee maximum at \$100
- Quarterly filers/seasonal sales tax
- Prevent unsupported Internet Explorer users from filing
- Work with Vertex, RockAuto on XML upload

# 2021Q2 Updates and Successes

## Program Updates

- Seller registration continues to see positive growth
  - Over 1,200 sellers registered to date
  - Large sellers registered in 2021Q2 include Pryor Learning, Hanesbrands, Candle-lite, Rock Auto, Pac-Rim Building Supply, Uline, Sephora, Columbia Brands, Bonanza.com, Foot Locker, Abercrombie & Fitch, GameFit, Lands End, Barnes & Noble, Yakima Products, Zoom, Spanx, ThredUp, Nook Digital, Banana Republic, Athleta, Old Navy, Gap
- Received National Association of Counties (NaCo) achievement award, best in category for Financial Management
- Clarified rules regarding tax on digital goods and developed outreach materials

# 2021Q2 Updates and Successes

## Program Updates

- Website revision ([www.arsstc.org](http://www.arsstc.org))
  - Updated Sellers page
  - New Buyers page
  - Improved Resources page
- Audit program
  - Nested jurisdiction comparison
  - Unpacking the “Other” category
    - Significant system limitations to categorize exemptions
    - Incorrectly exempted: shipping, digital goods, services
    - Incorrectly categorized: purchase threshold, resale, non-profit, government
    - Correctly categorized: medical equipment, returns
    - Don't need to include: marketplace sales, sales to non-taxable areas

# 2021Q1 Challenges

- Industry-specific accounting/sales software does not accommodate multiple tax rates
  - Some AK sellers are relying on software not designed as a sales tax system, such as Quickbooks
  - Have done outreach to Quickbooks to ask for assistance creating a How-To Guide for setting up Alaska local sales tax in QBO (no progress)
- Nested jurisdiction filing challenges
  - Currently validation occurs at template upload and compares Gross Sales amounts
  - Validation does not carry through exemptions
  - Sellers were previously able to change values in yellow submission form
- Reconciling challenges when the filing due date falls on weekend or holiday
  - Uniform Code allows filing due date to move to the following business day, in the following month.
  - MUNIRevs reports only by completed date.
- Customers located outside jurisdiction boundaries being charged the incorrect rate
- Identifying point of delivery for services

# Program Goals for 2021

- Develop audit / compliance program
- Continue MUNIRevs platform and reporting improvements
- Continue registration outreach to Alaskan-based remote sellers, using an industry-specific approach
- Continue targeting large national remote sellers for registration compliance
- Continue working with jurisdictions to join ARSSTC and adopt Uniform Code



# Questions?

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