



Karas Test Business
2806 John Street 4
Juneau, AK 99801

01-31-2023

On January 18, 2023, the ARSSTC Board of Directors approved a revision to Interpretation 2020.05 – Sourcing of Goods. The revision provides additional clarification around sales of goods that are delivered to a 3rd party freight forwarder (usually located in WA state), for subsequent delivery to the customer in Alaska.

To summarize, if a remote seller is aware that 1) they are delivering a purchase to a 3rd party freight forwarder for subsequent shipping to Alaska, and that 2) the customer will take possession of the purchase in Alaska, the remote seller must collect sales tax based on the final delivery in Alaska. Collecting sales tax based on the location of the freight forwarder would not be appropriate in accordance with both the Alaska Uniform Remote Seller Sales Tax code and Washington State’s WAC 458-20-193.

As you are aware, failing to correctly determine the point of delivery on a transaction could lead to negative financial impacts in the case of a sales tax audit. It is imperative that you review Interpretation 2020.05-Sourcing of Goods in its entirety and contact the ARSSTC for any clarification that you may need. Interpretation 2020.05 can be found on our website here: <https://arsstc.org/interpretations/>.

Feel free to contact the ARSSTC directly at amstp@akml.org or 907-790-5300 with any additional questions or clarification you might need.

Clinton Singletary
Statewide Municipal Sales Tax Director
Alaska Remote Seller Sales Tax Commission