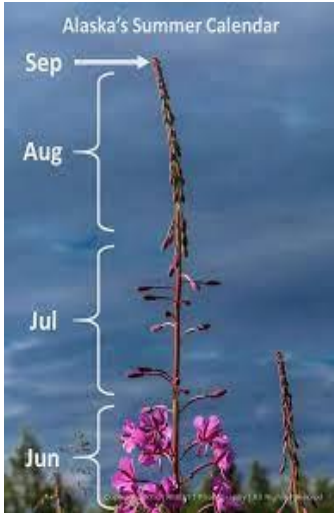




NEWS NOTES

2023 Quarter 3

ALASKA'S SUMMER CLOCK IS TICKING



Fireweed is an iconic flower of Alaska, so endeared it is called “Alaska’s Summer Clock” because of the long bloom and seed season, which tapers out shortly before the snow starts flying. In early summer, the flowers begin to bloom from the lower stem and progress up the stalk throughout the following months. The flowers then turn to cotton-like seeds. As the saying goes: “when fireweed turns to cotton, summer will soon be forgotten.” Right now, most of our fireweed has turned to cotton, and we turn our attention the upcoming fall. According to the clock, the snow will start in about six weeks!

The Alaska Municipal Sales Tax Program extends its sincere condolences to Alaska Representative Mary Peltola and her family for their loss of Eugene “Buzzy” Peltola Jr.

Alaska’s Clock photo courtesy of The Alaska Life

Alaska PFD



Alaskans will receive their Permanent Fund Dividends (PFD) in early October. The PFD is an annual dividend paid to Alaskan residents from investment earnings of mineral royalties. This year’s PFD is \$1,312. Alaskans use their PFD to buy essential items such as food, fuel, and housing. We also use it to pay medical bills, credit card debt, purchase equipment, and travel. Purchases can extend to remote shopping and there may be a bump for Alaskan sales over the next few months!

Alcoholic Beverage Tax Lines

Eight Alaska communities have a separate tax on alcoholic beverages. Depending on the community, the tax will be in addition to the regular sales tax or it can be in lieu of the sales tax. For remote sellers, this affects primarily beer and wine clubs. **Reporting on the alcoholic beverage tax lines should only be for alcohol sales.** Numerous businesses report sales on the Anchorage Alcoholic Beverage line when they are clearly not in the business of selling alcohol. Anchorage does not have a regular sales tax, so only beer and wine clubs should report for Anchorage. Check your filings and contact us if you need to amend.



Sales Tax Updates

- City of Homer and Kenai Peninsula Borough** seasonal sales tax exemption for non-prepared foods effective 9/1/23.
- City of Ketchikan** seasonal sales tax rate of 3% effective 10/1/23.
- City of Old Harbor** adopted the remote sales tax rules effective 9/1/2023.
- City of Seldovia** seasonal sales tax rate of 2% effective 10/1/23.
- City Borough Sitka** will have a sales tax holiday on 11/24 and 11/25/2023.
- City of White Mountain** adopted the remote sales tax rules effective 7/1/2023.

ARSSTC Meetings Open to Public



The ARSSTC is comprised of member communities and our communities receive a quarterly update regarding the sales tax collection. The member communities also elect a Board of Directors and the Board meets virtually every six weeks. Both the quarterly update to member communities and the board meetings are open to the general public. Please find more information and meeting links here:

<https://arsstc.org/meetings/>.

Digital Goods are Taxable

All digital goods and services delivered into ARSSTC jurisdictions should be assessed sales tax (following tax-exempt rules for entities). Digital goods and services include the categories listed below. The ARSSTC has clarification regarding digital goods which can be found here: [2021.03 Digital Goods and Services](#). The interpretation states that if a product or service is transferred electronically, the buyer’s billing address is to be used as the point of delivery to determine the appropriate sales tax rate.

- Software downloads
- Specified digital products
- Access to cloud-based software (SaaS)
- Streaming services
- Subscription based access to the above
- Other online or digital services

Account Balances

The ARSSTC has implemented a new policy regarding credit balances. If a business accrues credit due to amended returns, over-payments, or double payments, the ARSSTC will inform the business to use the credit with the next filing. If a business does not use the credit, ARSSTC will refund the credit back to the company via ACH Credit or physical check payment. Balance owed should be paid within 30 days to prevent further action. More information about actions for delinquent balance-owing accounts will be forthcoming.

ARSSTC Fiscal Year 2023 Update
 We are pleased to share our FY23 numbers
(July 1, 2022 – June 30, 2023)

Sellers Registered in FY23: 1127
 Total Sellers by end of FY23: 3152

Jurisdictions Joined in FY23: 5
 Total Jurisdictions by end of FY23: 48

Tax Revenue Collected in FY23: \$23,724,134.71
 Total Revenue by end of FY23: \$52,252,738.95

| Sales Tax Jurisdiction | Effective Date |
|---------------------------|----------------|
| City of White Mountain | 9/1/2023 |
| City of Shungnak | 7/1/2023 |
| City of White Mountain | 7/1/2023 |
| City of Galena | 12/1/2022 |
| City of Unalakleet | 11/1/2022 |
| Excursion Inlet | 5/1/2022 |
| City of Quinhagak | 5/1/2022 |
| City of Pelican | 2/1/2022 |
| 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 |

| Alcoholic Beverage Jurisdiction | Effective Date |
|---------------------------------|----------------|
| City of Galena | 12/1/2022 |
| City of Kotzebue | 1/1/2022 |
| 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 |