



**Alaska Remote Seller Sales Tax Commission**  
**Board of Directors Meeting Minutes**  
**July 19, 2023 10:00 am – 12:00 pm**  
*Virtual via Zoom*

Board of Director Attendees:

- Melissa Haley
- Brandi Harbaugh
- Ruth Kostik
- Joan Miller
- Janette Bower
- Vacant seat – Bethel
- Absent - Scott Bloom

1. **Call to order** – 10:04 am

2. **Approval of the Agenda**

- a. Motion to approve by Ruth Kostik; Second by Joan Miller.

3. **Approval of the Minutes**

- a. 5.17.2023 Board Meeting minutes
- b. Motion to approve by Melissa Haley; Second by Joan Miller

4. **Public participation on Non-Agenda Items**

- a. No public participation on non-agenda items.

5. **Official Business**

- a. Board of Directors seats update – Soldotna & Bethel
  - i. Clinton presented update on Board seats. Janette Bower will fill Stephanie Queen’s seat until December 2023 election. Xavier Mason stepped down, and Bethel has not named a replacement yet. Ruth Kostik volunteered to serve as Secretary until December 2023 election.
- b. Policy Committee Report
  - i. Presented by Maureen Graham. The PC met on 5/16/23 and 6/20/23. Discussion around Interpretation 2023.01 for bundled transactions. PC recommended ARSSTC publish guidance for tax cap rules. Policy Committee is forwarding a revision of Interpretation 2023.01 to reference sales tax cap when regarding bundled transactions. Policy Committee is also bringing forward an educational reference for tax cap rules. Staff will review previous interpretations for cross reference for tax cap and other issues.



- ii. ARSSTC will have link to guidance document in Interpretation 2023.01. ARSSTC website does not have a good layout to house these guidance documents, staff is working on incorporating a location into the website.
    - iii. Comments: Ruth Kostik-tax cap guidance is good, unique exemption for Alaska. Melissa halley was comfortable with Interpretation 2023.01.
  - c. Review and approval of Interpretation 2023.01 – Bundled Transactions
    - i. Motion by Melissa Haley to adopt Interpretation 2023.01 as presented. Second by Joan Miller.
  - d. Review and approval of Tax Cap Guidance document
    - i. Motion by Melissa Haley to adopt Tax Cap Guidance as presented. Second by Joan Miller.
  - e. Review and approval of updated Fund Balance Policy
    - i. The Finance Committee met on 5/11/23 & 7/13/23 to revise the fund balance policy and review the projected FY23 fund balance. The FC discussed the possibility of refunding excess unassigned fund balance to communities. Board has authority to approve decision to refund and assign dedicated fund lines. Net income projecting to be approx.\$400,000 more than anticipated. Have already assigned funds to legal defense fund and software enhancements and conversions. Legal defense fund is dedicated to resolving litigation to constitutionality of ARSSTC. Board does not see driving need to assign funds to another line or dedication. Board can possibly strengthen language to better protect dedicated goals of funds through having flexibility is helpful to address unanticipated expenses.
    - ii. Motion by Joan Miller to amend the proposed revised fund balance policy to include “Board” after “The Commission” on page two. Motion seconded by Melissa Haley.
    - iii. Motion by Joan Miller to approve Fund Balance Policy as amended.
  - f. ARSSTC Delinquencies and Account Balances
    - i. Staff presented a detail memo discussing the ARSSTC return filing & payment process, which provided the foundation for a discussion on how staff handles ACH Credit non-payments, E-Check bounces, Account Balances and Delinquent Filers.
    - ii. Staff is working on a better presentation of account balances i.e. receivables in the ARSSTC Financial Statements.
  - g. Collections enforcement actions memo and discussion
    - i. Staff walked through memo from Landye Bennett Blumstein which outlined collections actions that can be taken against remote sellers. No specific recommendations from Board for the Policy Committee to consider. Staff will work through developing a collections policy with the Policy Committee.
  - h. FY23 Financials Update



- i. FY23 revenues are projecting significantly higher than budgeted. May 2023 filings came in a record high. Through May 2023, we are approx. 440,000 excess of net income. Staff is anticipating that once FY23 is finalized, refunds can be issued to members to bring down fund balance. More impactful solution than adjusting ARSSTC fee rate.
- ii. Board requested that the Finance Committee meet during August to develop a recommendation for the Board to consider, prior to finalizing the ARSSTC audit.


6. Comments

- a. Layton Lockett w/ City of Adak thankful for the opportunity to attend the Board meeting. Janette Bower commented that she learning a lot being a member of the Board.

7. Adjournment

- a. Adournment at 11:45am.

Respectfully submitted, Clinton Singletary, AMSTP Sales Tax Director

<b>Approved:</b>		<b>Oct 25, 2023</b>
<b>By:</b>	<b>Ruth Kostik, ARSSTC Board Secretary</b>	<b>Date</b>






# MInutes\_7.19.23 Board Meeting\_final

Final Audit Report

2023-10-25

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