

Alaska Remote Seller Sales Tax Commission

4th Quarter 2023 / Annual 2023

Update and Overview

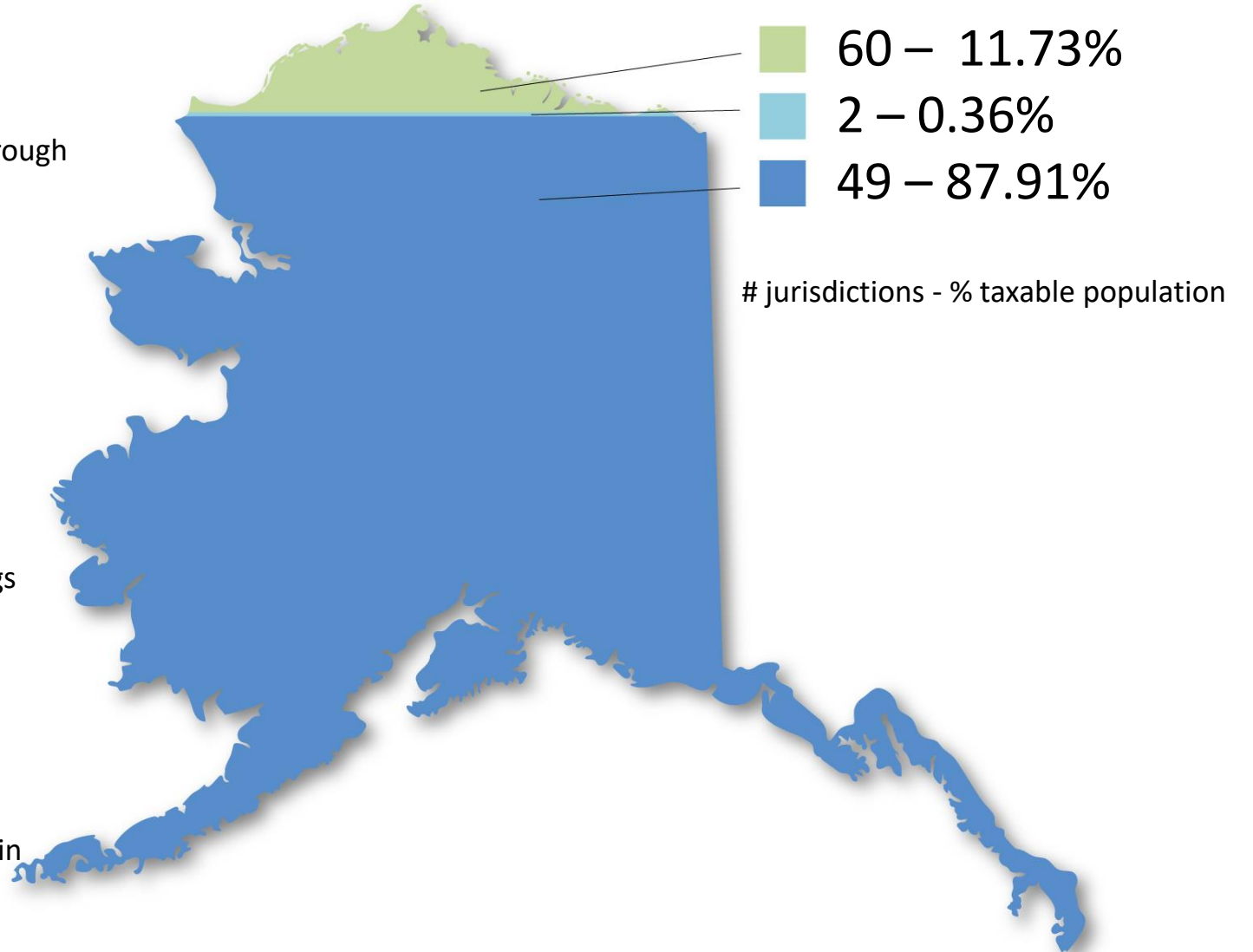
February 28, 2024



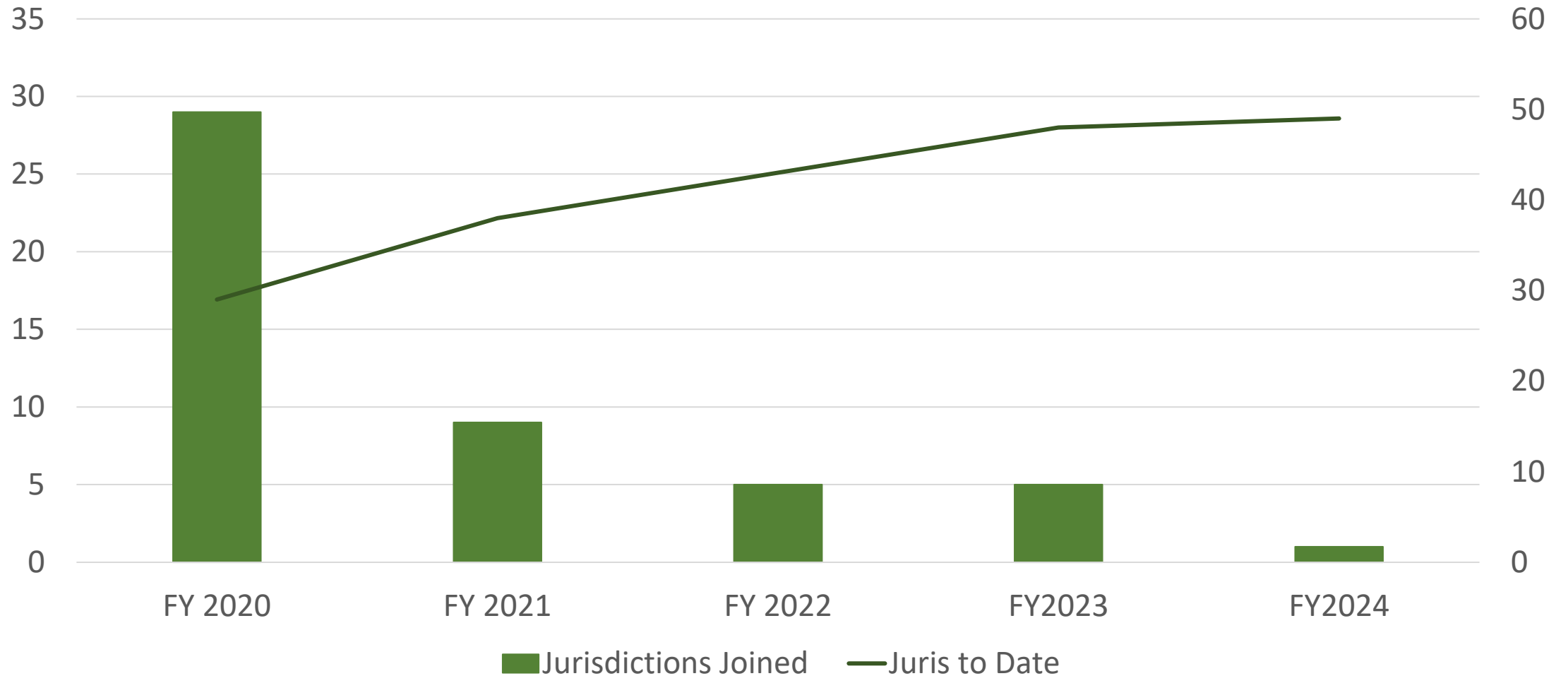
Jurisdictions to Date

Adak
Aleknagik
Anchorage (alcoholic beverage tax only)
Aniak
Bethel (retail and alcoholic beverage)
Cordova
Craig (retail and alcoholic beverage)
Dillingham (retail and alcoholic beverage)
Galena
Gustavus
Haines Borough
Homer
Houston
Juneau (retail and alcoholic beverage)
Kenai City
Kenai Peninsula Borough
Ketchikan City
Ketchikan Gateway Borough
Kodiak
Kotzebue (retail and alcoholic beverage)
Mountain Village
Nenana
Nome
North Pole (retail and alcoholic beverage)
Old Harbor

Ouzinkie
Palmer
Pelican
Petersburg Borough
Quinhagak
Saint Paul
Saxman
Selawik
Seldovia
Seward
Shungnak
Sitka
Skagway
Soldotna
Tenakee Springs
Thorne Bay
Togiak
Toksook Bay
Unalakleet
Unalaska
Wasilla
White Mountain
Wrangell
Yakutat

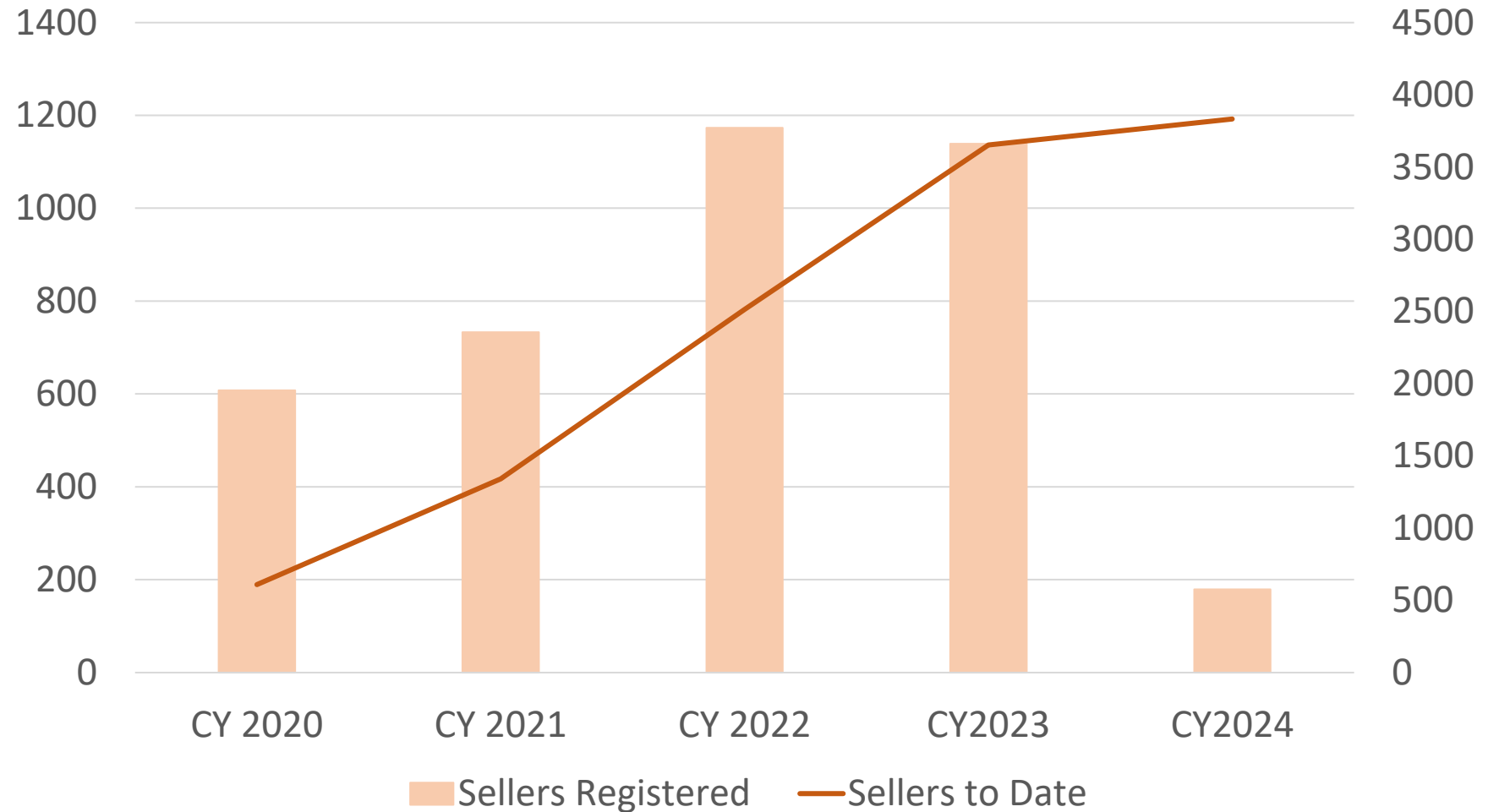


Member Jurisdictions Over the Years



Registered Sellers over the Years

CY24 to Date: 179
CY23 Total: 1139
CY22 Total: 1173
CY21 Total: 733
CY20 Total: 608
= 3,832 registered sellers



Top 20 Sellers for 2023Q4

1. Amazon.com Services, LLC (MPF)
2. Apple, Inc.
3. Google LLC
4. eBay, Inc.
5. *Papaya Gaming Inc.*
6. *Cisco Systems, Inc.*
7. *Whaleco, Inc.*
8. Etsy, Inc.
9. Hulu, LLC
10. Microsoft Corporation
11. Intuit, Inc.
12. Recreational Equipment, Inc.
13. Target Corporation
14. *Groceryworks.com*
15. *Walmart.com USA*
16. Stitch Fix, Inc.
17. Nike Retail Services Inc.
18. *Crisis Prevention Institute Inc*
19. *Disney Platform Distribution Inc*
20. *BestBuy.com LLC*

Top 20 Sellers

Annual 2023

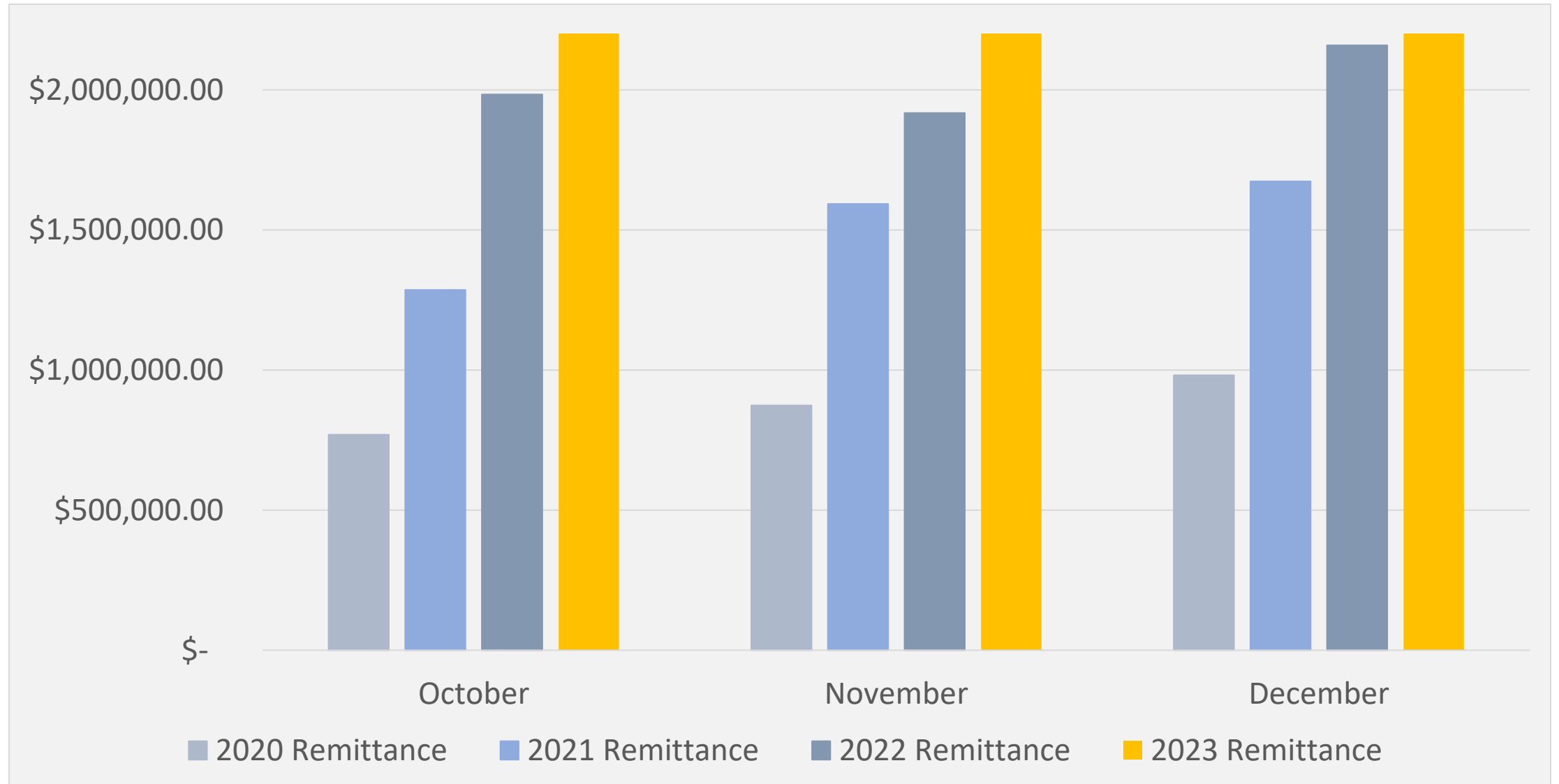
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2. Apple, Inc.
3. eBay, Inc.
4. Google LLC
5. Hulu, LLC
6. Microsoft Corporation
7. Intuit, Inc.
8. Etsy, Inc.
9. Space Exploration Technology Corporation
10. ADP, Inc
11. Stitch Fix, Inc.
12. Whaleco, Inc.
13. Adobe Inc.
14. Ash Grove Cement Company
15. Groceryworks.com
16. Recreational Equipment, Inc.
17. Papaya Gaming Inc.
18. Cisco Systems, Inc.
19. Target Corporation
20. Sysco Seattle Inc

Top 20 Business Comparison

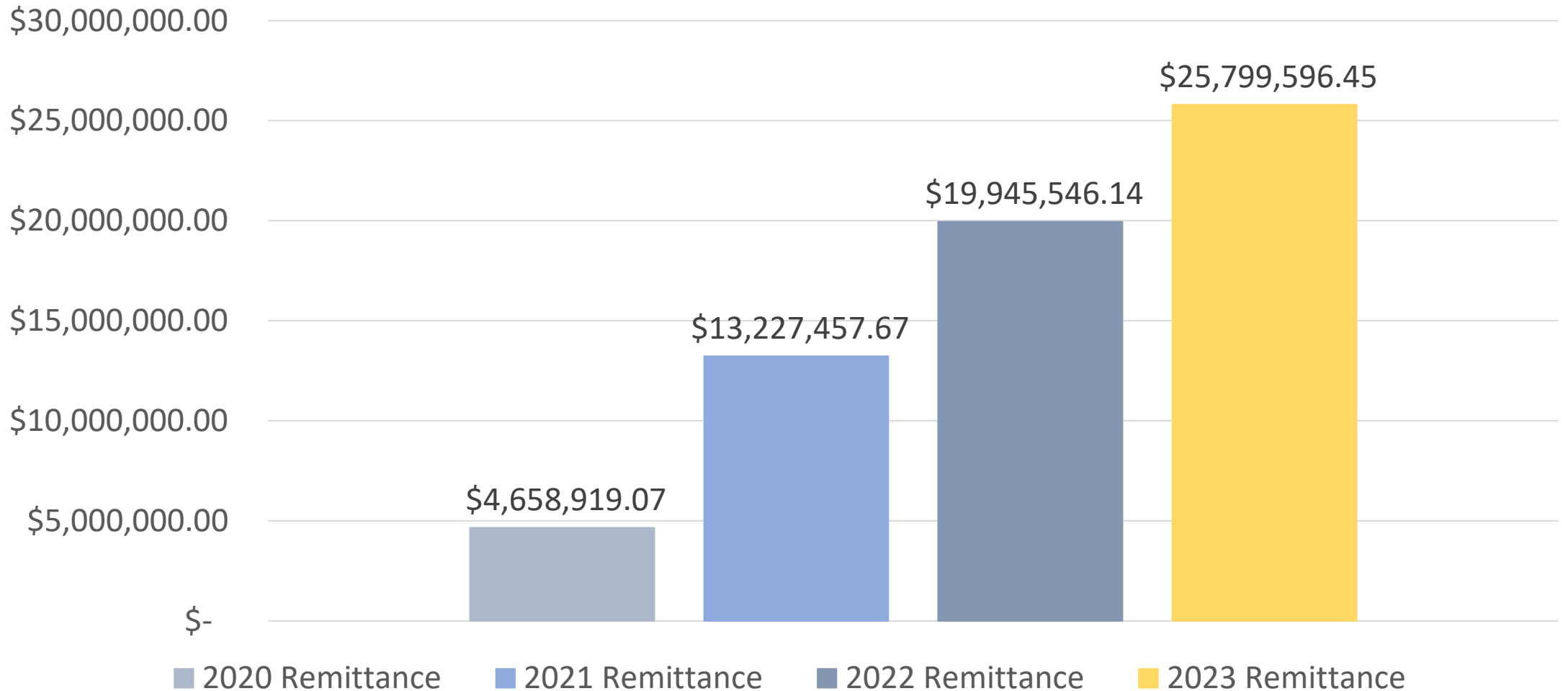
Year	2022	2023
Total 4Q Revenue:	\$ 5,836,983	\$ 7,017,772
Revenue from Top 20:	\$ 3,821,404	\$ 4,320,162
Top 20 as % of Revenue:	65.47%	61.56%

Year	2022	2023
Total Annual Revenue:	\$ 19,955,789	\$ 25,801,817
Revenue from Top 20:	\$ 13,595,864	\$ 16,355,433
Top 20 as % of Revenue:	68.13%	63.39%

2023Q4 Sales Tax Revenue (by filing period)

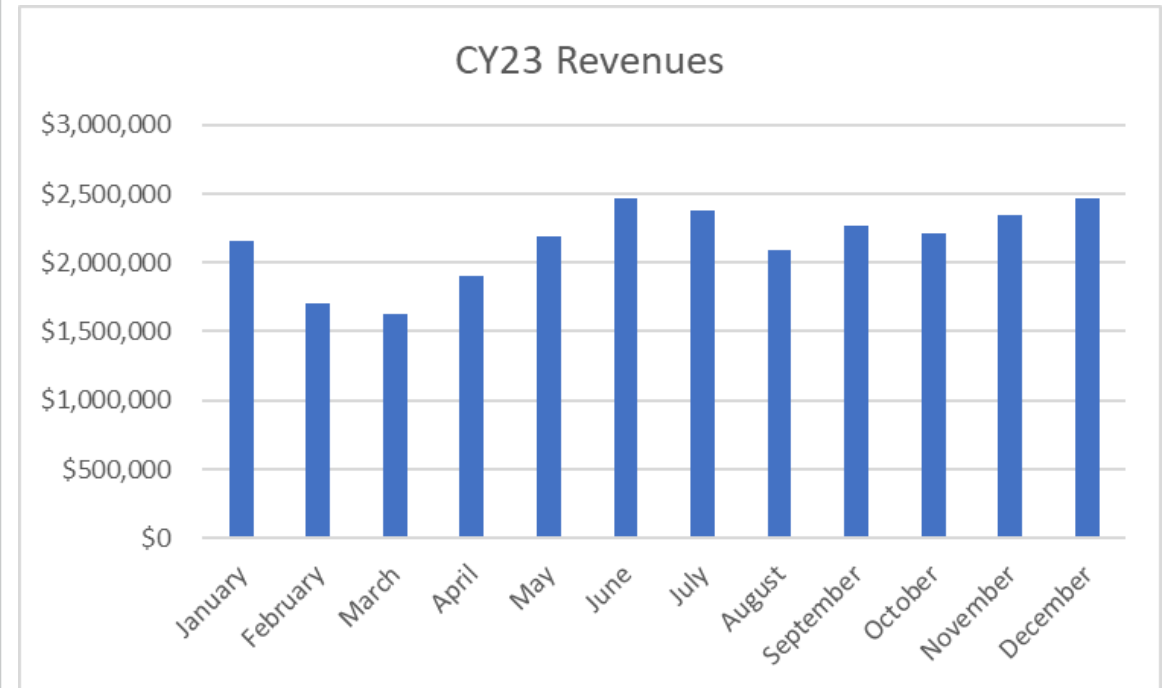


Tax Revenue Over the Years

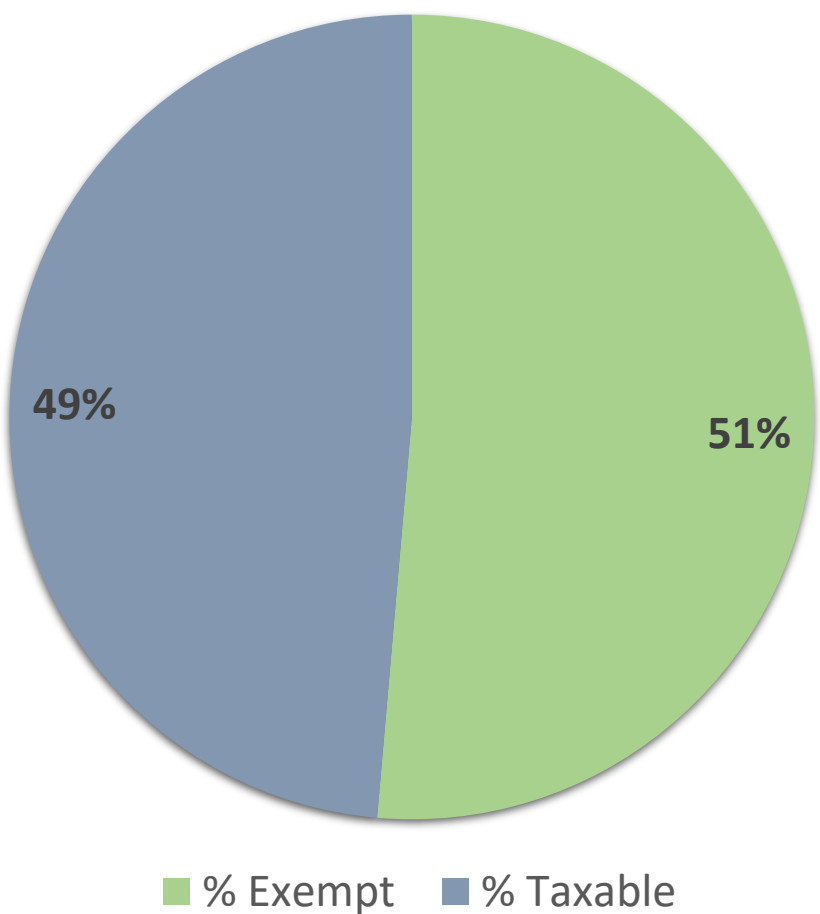
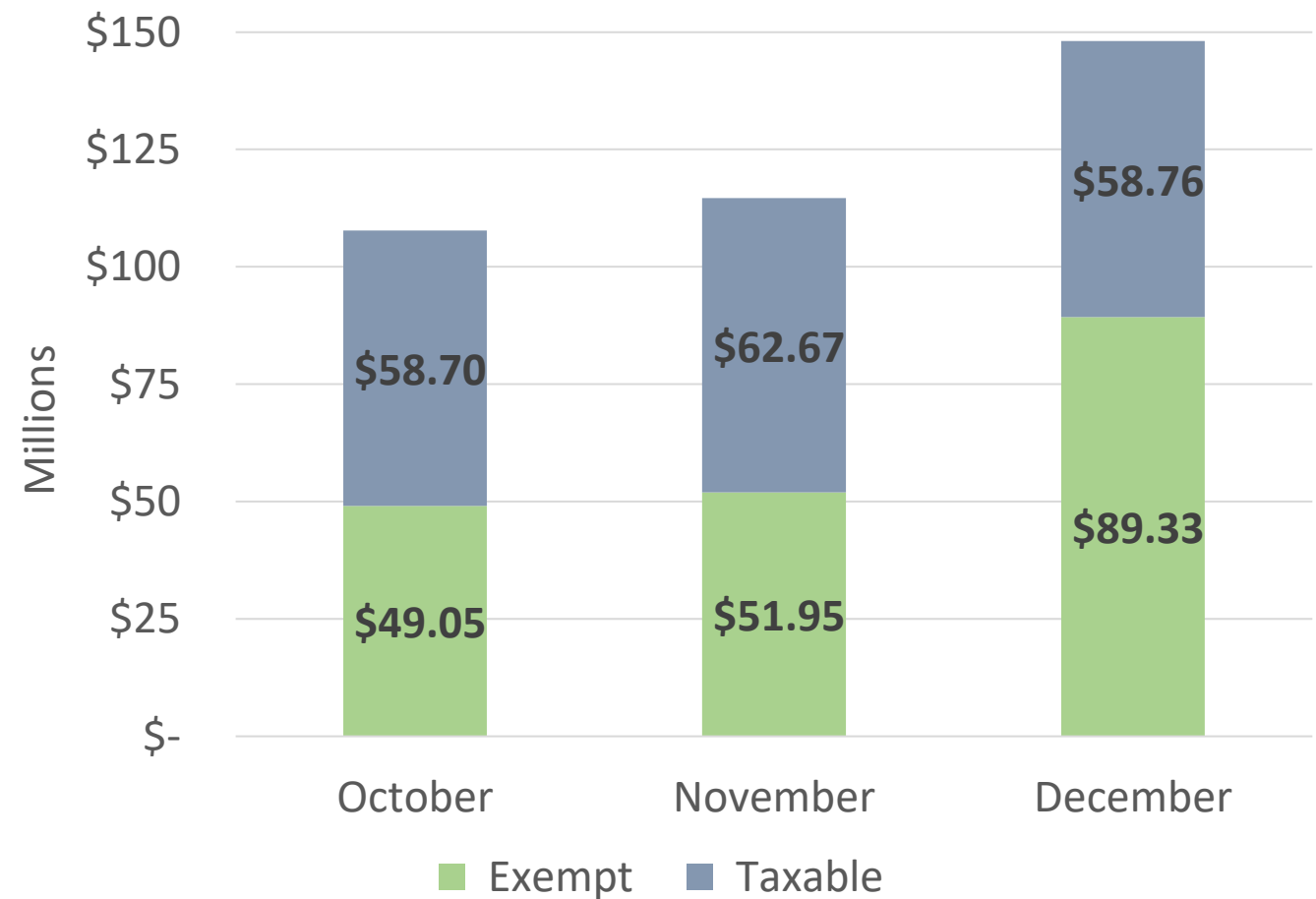


CY23 Revenues

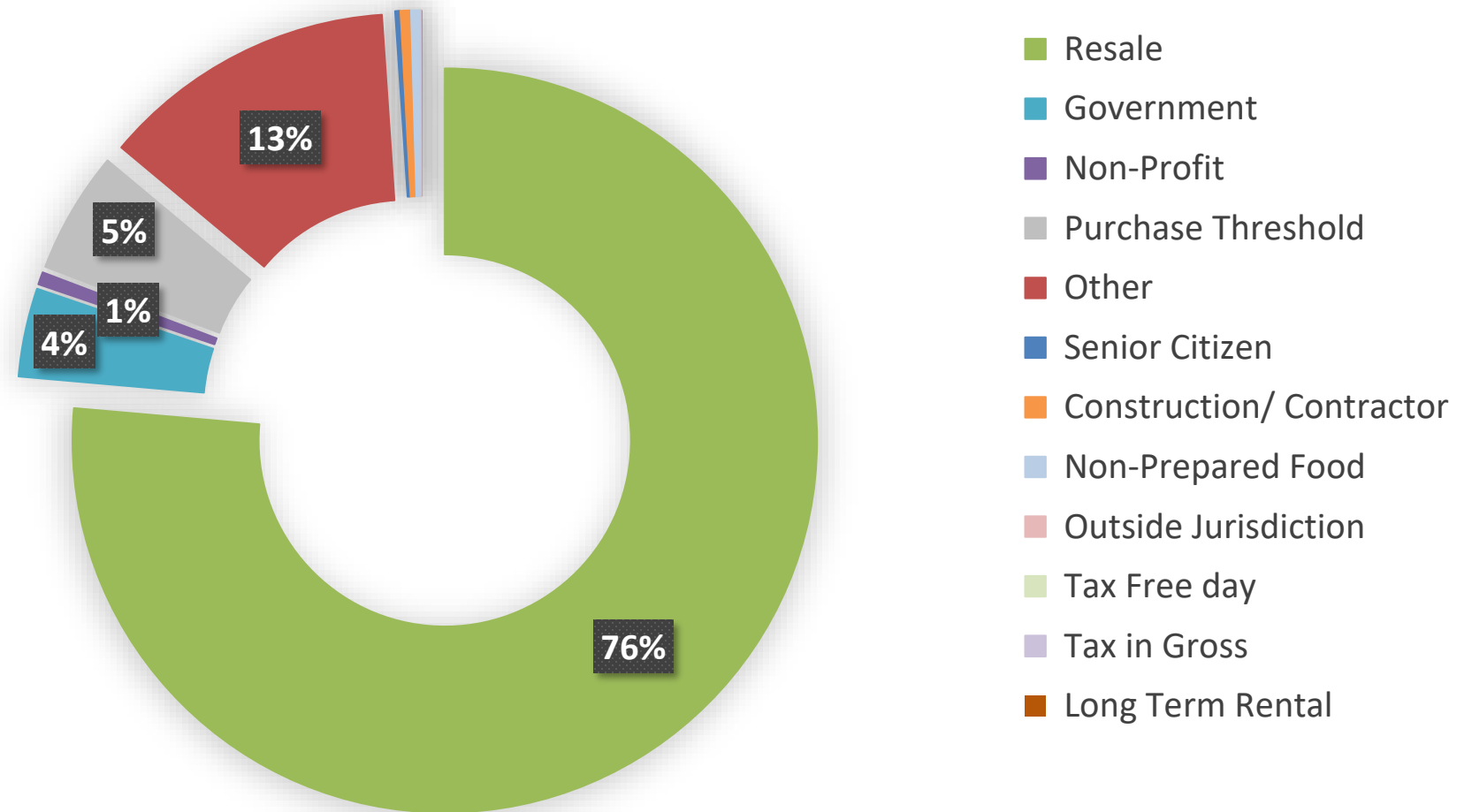
Completed Month	CY23 Revenues
January	\$2,159,423
February	\$1,702,415
March	\$1,632,168
April	\$1,900,775
May	\$2,190,387
June	\$2,463,075
July	\$2,372,829
August	\$2,095,195
September	\$2,267,778
October	\$2,208,385
November	\$2,345,041
December	\$2,464,346
CY23 Total:	\$25,801,817



2023Q4 Exempt versus Net Taxable (by filing period)



2023Q4 Sales Tax Exemption Breakdown



ARSSTC Member Fees

- Service provider fees dropped to their lowest possible rate in 2023Q4 once we reached \$20 million on 10/23/23:
 - GovOS: 4%
 - TTR: 0.75%
- The ARSSTC rate remains the same at 2.25%
 - This rate will remain unchanged heading into CY24.
- Total effective fee rate for CY23: 11.94%
- Starting January 2024, the GovOS fees revert to their top rate of 12% and the ATR (previously TTR) has a new payment structure of a fixed annual fee.
- For the remainder of FY24 members will be charged 1.7% for ATR.

2023Q4 Updates and Successes


ATR

- Assisted new members to develop accurate exemption matrices
 - Skagway
- Updated tax map and tax rate sheets to reflect Juneau updated tax cap
- Ran multiple requests for rate verification of bulk addresses (for audit department)
- Working with internal staff to update Avalara information regarding Alaska remote seller set up in Avalara system
- Finalized (with ARSSTC staff) taxability of sales to tribal members across all jurisdictions

2023Q4 Updates and Successes

GovOS

- Researched and corrected multiple report discrepancies in system
- Assisted in correcting payment amounts for ACH Credit transactions (dozens per month)
- Monthly adjustments to the vendor fee cap for Kenai Peninsula Borough and nested cities (monthly task for multiple businesses)
- Assisted in processing refund requests from sellers (overpayments, double payments, amendments)
- Assisted in processing small balance write-offs (monthly task for multiple businesses)
- Continued QA testing on Returned Goods deduction change order
- Working on adding alternate email for notifications
- Developing new report enabling staff to more readily view gross and exempt sales; jurisdiction or business specific searches

A photograph of the Aurora Borealis (Northern Lights) over a body of water. The aurora displays vibrant green and purple hues, with bright green curtains of light reflecting on the calm water below. The dark silhouette of a mountain range is visible on the horizon under a starry night sky. A large, white, curved graphic element separates the image from the text on the right.

2023Q4 Membership

- New Members to ARSSTC
 - Skagway
- Adopted and Implemented Uniform Code
 - None in 2023Q4

2023Q4

ARSSTC Meetings

ARSSTC meetings are open to Commission members and can be found here:

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

Board Meetings

- Met in November, December
- Review of AML/ARSSTC service agreement renewal
- Review and approval of collections policy
- Board of Directors election

Finance Committee Meetings

- Met in November
- Reviewed FY24 budget progress

Policy Committee Meetings

- Met in October, November, December
- Updated Remote Services interpretation
- Discussion about marketplaces that deal with physical presence
- Discussion about telecom services

2023Q4 Updates and Successes

General Guidance

- Petersburg timely filing discount was not being applied correctly, fixed in system
- Published guidance regarding tax caps

Updates to Sales Tax Rules

- Sitka had tax-free days on November 24-25
- Cordova increased sales tax rate from 6% to 7% effective 1/1/24 (sellers noticed in December for a 2/1/24 implementation date)
- Juneau increased sales tax cap from \$12,800 to \$14,300 effective 1/1/24

Interpretations

- No interpretations approved in 2023Q4

2023Q4 Updates and Successes

Audit / Compliance Program

Zero Filers Review

- Gearing up for review of 2023 zero filers.
- Review of 2022 zero filers brought in approx. \$51k from amended returns.

Exemption Analysis

- Compliance reviews completed in 2023 brought in over \$240k in additional revenues.

Audit

- Multiple audits in progress, set to be completed in 1Q 2024.

VDA Program

- Approved 20 Voluntary Disclosure Agreements in 2023.
- Revenues paid under VDAs totaled \$178k.

Program Goals for CY24

- Improve initial education opportunities for newly registered remote sellers.
- Uniform Code work group
- GovOS:
 - Complete change order for Returned Goods exemption category on filing upload template.
 - Multiple rounds of testing continue to produce errors.
 - Continue work with GovOS to improve reporting abilities in system.
 - Planning for next round programming updates for additional improvements.
- Complete automation process w/ outside vendor for reconciliation process streamlining.
- Continue registration outreach to Alaskan-based remote sellers, starting with professional service providers.
- Continue working with jurisdictions to join ARSSTC and adopt Uniform Code.

ARSSTC Board of Directors

- Brandi Harbaugh – President
 - Kenai Peninsula Borough
- Layton Lockett – Vice President
 - City of Adak
- Ruth Kostik – Treasurer
 - City & Borough of Juneau
- Scott Bloom – Secretary
 - City of Kenai
- Libby Bakalar
 - City of Bethel
- Melissa Haley
 - City & Borough of Sitka
- Cassee Olin
 - City of Wasilla

ARSSTC Committees

Policy Committee

- Camie Gillen, Petersburg Borough
- Maureen Graham, Chair, City of Wasilla
- Justin Harris, City Borough Sitka
- Lauri Lingafelt, Kenai Peninsula Borough
- Karl Kaufman, Landye Bennett Blumstein
- Mandy Judy, City Borough Juneau
- Glenn Steckman, City of Nome

Finance Committee

- Alexandra Batchelor, City of Bethel
- Raven Hanson, City of Pelican
- Jonathan Kelley, Ketchikan Gateway Borough
- Ruth Kostik, Chair, City & Borough of Juneau
- Chelsea Sieh, City of Kotzebue
- Jila Stuart, Haines Borough

Questions?

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