



NEWS NOTES

2025 Quarter 1

THE (LONGEST) LAST GREAT RACE



Charmayne Morrison at the ceremonial Iditarod Start in Anchorage
Photo courtesy of Todd Billingslea

March in Alaska means the Iditarod! The Iditarod, called The Last Great Race, is a sled dog race across Alaska. It follows historic supply routes through roadless wilderness of jagged mountains, frozen rivers, dense forest, and desolate tundra. Due to lack of snow, this year's route was rerouted and is the longest ever, at 1,128 miles. Jessie Holmes won after he and his dogs raced for 10 days, 14 hours, 55 minutes! 2025 is also a special year as we celebrate the 100th anniversary of the Great Race of Mercy. In winter 1925, Nome was suffering a diphtheria epidemic and no ships or planes could get in. Medical officials used sled dog teams to transport 300,000 units of lifesaving serum from Nenana, almost 700 miles away. Seven days later, Balto led the final dog sled team into Nome.

Delivery from “the Lower 48” or Alaskan Hubs



Many companies do not deliver to Alaska. Alaskans, instead, have products delivered to an interstate shipping company (usually) in Washington, which then transports the goods to Alaska. Inside Alaska, companies supplying remote communities deliver the products to a local shipper for delivery. According to [ARSSTC Uniform Code: Point of](#)

Delivery (POD) is the location where the purchaser receives the goods and takes possession of the property. The Code explains that **transferring goods to a shipping company does not constitute receipt**; POD occurs when the shipping company transfers the goods to the purchaser. If the POD is in an Alaskan taxing jurisdiction, the remote seller collects the Alaska taxing jurisdiction's sales tax on the remote sale and remits it through the ARSSTC tax filing portal. Companies may require proof that Washington tax should not be collected. We recommend Alaskan businesses obtain a resale certificate and use that number on the Alaska line of the [Multistate Tax Commission Uniform Sales & Use Tax Resale Certificate](#). For retail buyers, we recommend using the [Washington Buyer's Retail Sales Tax Exemption Certificate](#).

Sales Price Includes Shipping



Should a seller charge sales tax on shipping and delivery charges for a customer in Alaska? For the most part, yes. The [Uniform Code](#) states sales tax is assessed on the sales price; sales price includes delivery charges. Shipping and delivery charges are exempt if the customer or transaction is tax exempt. Some ARSSTC jurisdictions have specific exemptions for freight and shipping and delivery services by a third-party shipping company which are not associated with a sale. The ARSSTC has an interpretation regarding shipping charges which can be found here: [2021.01 Shipping Charges](#).

ARSSTC: Only for Remote Sellers

ARSSTC can process sales tax only for remote sellers, for sales into our member jurisdictions. Businesses with physical presence in a jurisdiction are required to file all local (and any remote sales) directly with that locality. That means, for businesses that have both physical presence and remote sales around Alaska, they must separate their revenue streams and file other remote sales with ARSSTC and physical presence/remotes sales tax directly with the applicable jurisdiction.

What Counts as Physical Presence

We know that a storefront or warehouse establishes physical presence within a community. But physical presence also occurs with equipment rentals such as specialized equipment, hardware, computers, and printers. Independent consultants that host sales parties and facilitate on-line orders also establish physical presence. All sales into communities where a company has presence, even remote sales, are grouped together for tax filing purposes and filed/remitted directly to the relevant jurisdiction.

Companies with consultants in some locations and remote sales into others without consultants will have to separate their revenue streams – filing directly with jurisdictions where they have physical presence and filing with the Commission for remote sales. Economic threshold is calculated on the remote sales outside the jurisdictions where the consultants are located. Contact the [appropriate jurisdiction](#) for questions about physical presence.

Equipment Rental
Office
Distribution House
Warehouse
Storefront
Employees
Service Agents
Sales Agents
Independent Consultants
Other Representatives

Alcoholic Beverage Tax Lines

Eight member jurisdictions have a separate sales tax specifically for 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. These sales are tracked separately and entered on the appropriate jurisdiction alcoholic beverage line of the ARSSTC tax filing template. **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.

Alcoholic Beverage Jurisdiction	Tax Rate	Effective Date
City of Bethel	15%	5/1/2021
City of Craig	6%	2/1/2021
City of Dillingham	10%	5/1/2021
City of Galena	6%	12/1/2022
City Borough Juneau	3%	2/1/2021
City of Kotzebue	6%	1/1/2022
City of North Pole	6%	4/1/2021
Municipality of Anchorage	5%	2/1/2021

Seasonal Sales Tax Communities

General Sales Tax		
Craig	April – September	7%
Ketchikan City	April – September	5.5% ⁺
Seldovia	April – September	6.5% [*]
Sitka	April – September	6%
Skagway	April – September	5%
<small>⁺ Ketchikan City is a nested jurisdiction within the Ketchikan Borough. Don't forget to add the 2.5% Ketchikan Borough tax. [*]Seldovia is a nested jurisdiction within the Kenai Borough. Don't forget to add the 3% Kenai Borough tax</small>		

Sales Tax Updates

City of Napaskiak adopted remote sales tax rules effective 2/1/2025, sales tax of 3%.

City of Scammon Bay adopted remote sales tax rules effective 4/1/2025, sales tax of 6%.