



Alaska Remote Seller Sales Tax Commission
Board of Directors Meeting
March 18, 2026 10:00 am – 12:00 pm
Virtual via Zoom

Board of Director Attendees:

- **Jennifer Anderson**, City of Kenai
- **Libby Bakalar**, City of Bethel
- **Brandi Harbaugh**, Kenai Peninsula Borough
- **Ruth Kostik**, City & Borough of Juneau
- **Julie Liew**, City of Kodiak
- **Lana Metcalf**, City of Soldotna
- **Ben Sadler**, City of Gustavus

1. Call to order
2. Approval of the Agenda
3. Public participation
4. Official Business
 - a. Marketplace Facilitator Revisions
 - i. Memo outlining proposed changes **(pgs 2-3)**
 - ii. Draft Revised Intergovernmental Agreement **(pgs 4-13)**
 - iii. Draft Revised Uniform Code **(pgs 14-36)**
 - b. FY27 Budget Review / Approval
 - i. FY26 Budget Memo **(pg 37)**
 - ii. FY26 Projections **(pgs 38-39)**
 - iii. FY27 Budget Memo **(pg 40)**
 - iv. FY27 Budget Proposal **(pgs 41-42)**
5. Comments
6. Adjournment



To: ARSSTC Board of Directors

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: March 18, 2026

Re: Proposed Marketplace Facilitator Changes

Following is a summary of the proposed changes to the Intergovernmental Agreement and the Uniform Remote Seller Sales Tax code to update treatment of certain marketplace facilitators.

Intergovernmental Agreement

- ***Opening paragraph*** – added clarifying language around intent of Agreement and local authority.
- ***Article 1*** – primary change in paragraph 6, granting authorization for a member jurisdiction to allow the Commission to collect from marketplace facilitators.
 - This is the requested “Opt-In” language for members.
- ***Remainder of agreement*** – minor additions to add clarity around rentals and marketplaces.

Summary: Opt-in language included in Article 1. Additional clarification added addressing marketplace facilitators, as original agreement did not have much language around marketplaces.

Uniform Code

- Primary edits are in Sections 040, 050 and 090
- The language “unless a member jurisdiction provides otherwise in its sales tax code” is the Opt-In provision requested by members.
 - If a member jurisdiction wishes to hold these marketplaces responsible for collection through the ARSSTC, certain local code changes will need to be adopted.
- Numerous definitions added in Section 280:
 - Accommodation
 - Accommodation fee
 - Accommodations intermediary
 - Accommodations provider
 - Discount Room charge
 - Room charge
 - Transient
- Definition of “Point of Delivery” also modified to include guidance for accommodations rentals.

Next Steps

- Will continue work with Karl to develop a model ordinance for members to adopt the necessary language into their local sales tax and bed tax code if they wish to Opt-In.
 - Updating local code will be the trigger for marketplaces to turn on collection and remittance through the ARSSTC.



- Even if a member does not wish to Opt-In to these changes, they will still need to adopt the updated Intergovernmental Agreement as members of the ARSSTC.
- Members must be given at least 10 days' written notice of the meeting to vote on these changes.
 - The special meeting will need to be on or after March 30th to meet this requirement.
- Required quorum to conduct business at the special meeting is no fewer than 15 members in attendance.
- Staff will make extra effort to contact members to ensure this minimum quorum is met.

Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL

October 11, 2019

Alaska Intergovernmental Remote Seller Sales Tax Agreement

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration, ~~of collection, remittance, and enforcement of remote~~ sales tax ~~from remote sellers and marketplace facilitators- collection and remittance.~~ Except with respect to marketplace facilitators, The provisions of the Agreement do not apply to ~~administration and collection of sales taxes for the sales of goods, and services, and rentals~~ originating from within the boundaries of a member municipality, ~~nor does this.~~ The provisions of this Agreement do not restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The provisions of this Agreement do apply to the administration, collection, remittance, and enforcement of sales taxes for the sales of goods, services, and rentals facilitated by a marketplace facilitator. The authority to set rates and exemptions is maintained by the member municipality.

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Font:

Article I. Background Principles.

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers and marketplace facilitators. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction. Marketplace facilitators provide a platform that sellers can use to sell or rent their property, products or services to the public.
2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.
3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.
4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.
5. The signatories desire to establish an intergovernmental entity, the Alaska Remote Seller Sales Tax Commission (the "Commission") to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.
- 5-6. The signatories further desire to use allow member jurisdictions to authorize the Commission to enable cooperative centralized centrally administer administration of sales tax- collection, remittance, and enforcement on sales of goods, services or rentals made through a marketplace facilitator.

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Justified, Indent: Left: 0.08", First line: 0.18", No bullets or numbering, No widow/orphan control

Article II. Purpose.

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers [and sales made by marketplace facilitators](#) using a single statewide intergovernmental entity;
2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and
3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

Article III. Definitions.

As used in this Agreement:

1. “Commission” means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.
2. “Local Government” means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.
3. “Member” means a Local Government signatory to this Agreement.
4. “Remote seller” means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.
5. “Sales tax” means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property, [the rental of property](#), or the rendering of services measured by the price of the property transferred or services provided.
6. “Marketplace facilitator” means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale [or rental](#) of the seller’s [property](#), products, or services ~~(excluding lodging and rentals)~~ through a physical or electronic marketplace operated by the person, and engages:
 - a. Directly or indirectly, through one or more affiliated persons in any of the following:
 - i. Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;
 - ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;

- iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or
 - iv. Software development or research and development activities related to any of the activities described in (b) of this subsection (6), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person;
- b. In any of the following activities with respect to the seller's ~~products~~property or services:
- i. Payment processing services;
 - ii. Fulfillment or storage services;
 - iii. Listing products for sale;
 - iv. Setting prices;
 - v. Branding sales as those of the marketplace facilitator;
 - vi. Order taking;
 - vii. Advertising or promotion; or
 - viii. Providing customer service or accepting or assisting with returns or exchanges.

Article IV. The Commission.

1. Organization and Management.

- a. The Alaska Remote Seller Sales Tax Commission (the "Commission") is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member's behalf.
- b. Each Member will be entitled to one vote.
- c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.
- d. No action will be binding unless approved by a majority of the Directors present at a meeting.

- e. The Commission will adopt an official logo.
- f. The Commission will hold an annual meeting ~~rotating the location of the meeting~~ each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.
- g. The Commission will elect annually, from among its members, a ~~Chairman~~President, a Vice ~~Chairman~~President, ~~and~~ a Secretary, ~~and a~~ Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.
- h. The Commission will contract at formation for support and administrative functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.
- i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.
- j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.
- k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite ~~200302~~, Juneau, AK 99801, [or as such location as the Board of Directors designates.](#)
- l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.
- m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

2. Committees.

- a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales

tax on behalf of members.

- b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.
- c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

- a. Study federal, state and local sales tax systems, and particular types of state and local taxes.
- b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.
- c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.
- d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:
 - i. Sue and be sued.
 - ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members
- f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:
 - 1. As provided in its bylaws, hold at least one meeting after due notice to all members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.
 - 2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.
- g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and

procedures.

- h. Amend this Agreement by majority vote of the Members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed amendments.

4. Finance.

- a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.
- b. The Commission will follow a July 1 to June 30 fiscal year.
- c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.
- d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.
- e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.
- f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.
- g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

Article V. Membership Requirements; Remote Seller Sales Tax Code.

- 1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:
 - a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.

2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:
 - a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.
 - b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. ~~The Remote Seller Sales Tax Code is provided as "Addendum A".~~
 - b.c. The member may, at its discretion, adopt provisions in its local sales tax code to extend its local sales tax to sales of goods, services, or rentals through marketplace facilitators.
3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.
4. The Member must provide notice of tax or boundary changes to the Commission and must assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

Formatted: Font: (Default) Times New Roman, 12 pt

Formatted: Justified, Indent: Left: 0.08", First line: 0.18", No bullets or numbering

Article VI. Sales Tax Collection and Administration.

1. Collection; Registration; Remittance.
 - a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand (\$100,000) in annual gross sales ~~or 200 annual transactions~~ occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.
 - b. The Commission will remit and report to Members by the last business day of the month.
 - c. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.
 - d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of

registered sellers ~~in good standing~~ shall be ~~distributed to Members, made public and made~~ available on the Commission's webpage.

2. Returns; Confidentiality.

- a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.
- b. All returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
 - i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 - ii. The person supplying such returns, reports and information; or
 - iii. Persons authorized in writing by the person supplying such returns, reports and information.

3. Title; Penalty and Interest; Overpayment.

- a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.
- b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.
- c. Upon request from a buyer or remote seller the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller shall process the refund and amend any returns accordingly.

4. Audit; Compliance and Enforcement.

- a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.
- b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and

penalties, and filing of civil suits and injunctions.

Article VII. Entry into Force and Withdrawal.

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.
2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

Article VIII. Effect on Other Laws and Jurisdiction.

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code changes or demonstrate parity or non-applicability.
2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.
3. Supersede or limit the jurisdiction of any court of the State of Alaska.

Article IX. Construction and Severability.

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.

Table of Contents

SECTION 010 – Interpretation	2
SECTION 020 – Title to Collected Sales Tax	2
SECTION 030 – Collection – Rate	2
SECTION 040 – Obligation to Collect Tax - Threshold Criteria	3
SECTION 050 – Reporting and remittance requirements for local and remote sales	3
SECTION 060. – Bundled Transactions	4
SECTION 070. – No Retroactive Application	4
SECTION 080 – Payment and Collection.....	4
SECTION 090 – Remote Seller and Marketplace Facilitator Registration Requirement	4
SECTION 100 – Tax Filing Schedule	5
SECTION 110 – Estimated Tax	6
SECTION 120 – Returns – Filing Contents	7
SECTION 130 – Refunds	8
SECTION 140 – Amended Returns.....	8
SECTION 150 – Extension of Time to File Tax Return.....	8
SECTION 160 – Audits	9
SECTION 170 – Protests.....	10
SECTION 180 – Penalties and Interest for Late Filing	11
SECTION 190 – Remote Reseller Certificate of Exemption.....	11
SECTION 200 – Repayment Plans	11
SECTION 210 – Remote Seller or Marketplace Facilitator Record Retention	12
SECTION 220 – Cessation or Transfer of Business	12
SECTION 230 – Use of Information on Tax Returns.....	14
SECTION 240 – Violations.....	15
SECTION 250 – Penalties for Violations.....	16
SECTION 260 – Remittance of Tax; Remote Seller Held Harmless.....	16
SECTION 270 – Savings Clause.....	17
SECTION 280 – Definitions	17
SECTION 290 – Supplemental Definitions.....	2322

ALASKA REMOTE SELLER SALES TAX CODE

SECTION 010 – Interpretation

- A. ~~In order to~~To prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person or entity engaging in business are subject to the sales tax.
- B. The application of the tax to be collected under this Code shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax to be collected under this Code shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in the member jurisdiction’s Code.
- D. The scope of this Code shall apply to remote sellers or marketplace facilitators, delivering products or services into ~~m~~Member ~~jurisdictions, municipalities adopting this Code,~~ ~~within the state of Alaska.~~

SECTION 020 – Title to Collected Sales Tax

Upon collection by the remote seller or marketplace facilitator, title to collected sales tax vests in the Commission for remittance to the member jurisdiction. The remote seller or marketplace facilitator remits collected sales tax to the Commission on behalf of the member jurisdiction, from whom that power is delegated, in trust for the member jurisdiction and is accountable to the Commission and member jurisdiction.

SECTION 030 – Collection – Rate

- A. To the fullest extent permitted by law, the sales tax levied and assessed by the member jurisdiction shall be collected on all remote sales where delivery is made within the member jurisdiction, within the state of Alaska.
- B. The applicable tax shall be added to the sales price as provided in the member jurisdiction’s sales tax code, based on Point of Delivery and based on the date the property or product was sold or the date the service rendered was received.
- C. An Address and Tax Rate Database will be made available to remote sellers and marketplace facilitators, indicating the appropriate tax rate to be applied.
- D. The tax assessed shall be consistent with relevant jurisdictional tax caps, single unit sales, and exemptions.
- E. When a sale is made on an installment basis, the applicable sales tax shall be collected at each payment, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered, based on the member jurisdictions’ Code(s).
- F. When a sales transaction involves placement of a single order with multiple deliveries made at different points in time that are separately invoiced, the applicable sales tax shall be collected on each separately invoiced delivery, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered.
- G. The sales tax levied and assessed by the member jurisdiction may be included in the sales price on taxable sales where buyer and seller convenience would be substantially enhanced, provided the seller clearly communicates to the buyer that sales tax is being imposed.

SECTION 040 – Obligation to Collect Tax - Threshold Criteria

- A. Any remote seller or marketplace facilitator must collect and remit sales tax in compliance with all applicable procedures and requirements of law, provided the remote seller or marketplace facilitator has met one of the following Threshold Criteria (“Threshold Criteria”) in the current or previous calendar year:
 - 1. The remote seller’s statewide gross sales, including the seller’s marketplace facilitator’s statewide gross sales, from the sale(s) of property, products or services delivered in the state meets or exceeds one hundred thousand dollars (\$100,000).
- B. For purposes of determining whether the Threshold Criteria are met, remote sellers or marketplace facilitators shall include all gross sales, from all sales of goods, property, products, or services rendered within the state of Alaska.
- C. Unless a member jurisdiction provides otherwise in its sales tax code, ~~the~~ the following marketplace facilitators are excluded from the obligation to collect tax outlined in this section:
 - 1. Delivery network companies that deliver tangible personal property on behalf of a marketplace seller that is engaged in business in a member jurisdiction,
 - 2. Accommodations intermediaries that facilitate ~~Marketplaces that facilitate~~ the rental of transient lodging accommodations in hotels, commercial transient lodging facility, homes, apartments, cabins or other residential dwelling units, and
 - 3. Marketplaces that facilitate or perform travel agency services.

SECTION 050 – Reporting and remittance requirements for local and remote sales

- A. Sellers with a physical presence in a member jurisdiction conducting only local sales shall report and remit to, and comply with standards of, including audit authority, the member jurisdiction.
- B. Sellers with a physical presence in a member jurisdiction that also have remote or internet-based sales where the Point of Delivery is in a different Member Jurisdiction shall (i) report and remit the remote or internet sales to the Commission; and ii) report and remit the local sales to the Member Jurisdiction.
- C. Sellers with a physical presence in a Member Jurisdiction that also have remote or internet-based sales where the Point of Delivery is in the same Member Jurisdiction shall report and remit those remote sales to the Member Jurisdiction.
- D. Sellers and marketplace facilitators that do not have a physical presence in a Member Jurisdiction must report and remit to the Commission all remote sales where the Point of Delivery is in a Member Jurisdiction.
- E. A marketplace facilitator is considered the remote seller for each sale facilitated through its marketplace and shall collect, report, and remit sales tax to the Commission.
- F. Unless a member jurisdiction provides otherwise in its sales tax code, ~~the~~ the following marketplace facilitators shall report and remit to, and comply with standards of, including audit authority, the member jurisdiction:
 - 1. Delivery network companies that deliver tangible personal property on behalf of a marketplace seller that is engaged in business in a member jurisdiction,
 - 2. Accommodations intermediaries that facilitate ~~Marketplaces facilitating~~ the rental of transient lodging accommodations in hotels, commercial transient lodging facility, homes, apartments, cabins or other residential dwelling units, and

3. Marketplaces that facilitate or perform travel agency services.

SECTION 060. – Bundled Transactions

- A. If the sales price of a bundled transaction is attributable to products or services that are taxable and products or services that are nontaxable, the portion of the sales price attributable to the nontaxable products may be subject to tax unless the seller can identify the nontaxable portion by reasonable and verifiable standards using its books or records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes.
- B. A bundled transaction as defined in Section 270 does not qualify for exemption under a member jurisdiction's single item cap or single service cap exemption.
1. A seller may separate the respective portions of a bundle for purposes of applying a member jurisdiction's single item or single service tax cap to each respective portion.
 2. The seller should identify the sales price attributed to each portion by reasonable and verifiable standards using its books or records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes.

SECTION 070. – No Retroactive Application

The obligations to collect and remit sales tax required by this chapter are applicable at the effective date of the member jurisdiction's ordinance adopting the Alaska Remote Seller Sales Tax Code.

SECTION 080 – Payment and Collection

Pursuant to this Code, taxes imposed shall be due and paid by the buyer to the remote seller or marketplace facilitator at the time of the sale of property or product or date service is rendered, or with respect to credit transactions, at the time of collection. It shall be the duty of each remote seller or marketplace facilitator to collect the taxes from the buyer and to hold those taxes in trust for the taxing authority of the member jurisdiction. Failure by the remote seller or marketplace facilitator to collect the tax shall not affect the remote seller's, or marketplace facilitator's, responsibility for payment to the Commission.

SECTION 090 – Remote Seller and Marketplace Facilitator Registration Requirement

- A. If a remote seller's gross statewide sales meets or exceeds the Threshold Criteria from Section 040, the remote seller shall register with the Commission. If the remote seller is a marketplace seller and only makes sales in Alaska through a marketplace, the marketplace seller is not required to register with the Commission. The marketplace seller must submit an affidavit attesting to these facts on a form provided by the Commission.
- B. If a marketplace facilitator's gross statewide sales meets or exceeds the Threshold Criteria from Section 040, the marketplace facilitator shall register with the Commission. Unless a member jurisdiction provides otherwise in its sales tax code, ¶this requirement does not apply to the following marketplace facilitators:
1. Delivery network companies that deliver tangible personal property on behalf

- of a marketplace seller that is engaged in business in a member jurisdiction,
2. ~~Accommodations intermediaries that facilitate Marketplaces facilitating the rental of transient lodging accommodations, in hotels, commercial transient lodging facility, homes, apartments, cabins or other residential dwelling units, and~~
 3. Marketplaces that facilitate or perform travel agency services.
- C. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the effective date of this Code or within thirty (30) calendar days of meeting the Threshold Criteria whichever occurs second. Registration shall be to the Commission on forms prescribed by the Commission.
 - D. An extension may be applied for and granted based on criteria established by the Commission, based on evidence produced to describe time necessary to update software or other technical needs, not to exceed ninety (90) days.
 - E. Upon receipt of a properly executed application, the Commission shall confirm registration, stating the legal name of the remote seller or marketplace facilitator, the primary address, and the primary sales tax contact name and corresponding title. The failure of the Commission to confirm registration does not relieve the remote seller or marketplace facilitator of its duty to collect and remit sales tax.
 - F. Each business entity shall have a sales tax registration under the advertised name.
 - G. The sales tax certificate is non-assignable and non-transferable.
 - H. The sales tax certificate satisfies a member jurisdiction's requirement to obtain a municipal business license, provided the seller does not have a physical presence in that member jurisdiction.

SECTION 100 – Tax Filing Schedule

- A. All remote sellers or marketplace facilitators subject to this Code shall file a return on a form or in a format prescribed by the Commission and shall pay the tax due.
- B. Filing of sales tax returns are due monthly; quarterly or less frequent filing is optional upon application and approval by the Commission, consistent with the code of the member jurisdiction.
- C. A remote seller or marketplace facilitator who has filed a sales tax return will be presumed to be making sales in successive periods unless the remote seller or marketplace facilitator files a return showing a termination or sale of the business in accordance with this Code.
- D. The completed and executed return, together with the remittance in full for the tax due, shall be transmitted to and must be received by the Commission on or before midnight Alaska Standard Time on the due date. Monthly returns are due the last day of the immediate subsequent month. Quarterly returns are due as follows:

Quarter 1 (January – March)	April 30
Quarter 2 (April – June)	July 31
Quarter 3 (July – September)	October 31
Quarter 4 (October – December)	January 31
- E. Any remote seller or marketplace facilitator holding a remote seller registration shall file

a sales tax return even though no tax may be due. This return shall show why no tax is due. If the remote seller or marketplace facilitator intends to continue doing business a return shall be filed reflecting no sales and a confirmation of the intent to continue doing business and shall continue to do so each filing period until the entity ceases doing business or sells the business. If the remote seller or marketplace facilitator intends to cease doing business, a final return shall be filed along with a statement of business closure.

- F. The remote seller or marketplace facilitator shall prepare the return and remit sales tax to the Commission on the same basis, cash or accrual, which the remote seller or marketplace facilitator uses in preparing its federal income tax return. The remote seller or marketplace facilitator shall sign the return, and transmit the return, with the amount of sales tax and any applicable penalty, interest or fees that it shows to be due, to the Commission.
- G. Remote sellers and marketplace facilitators failing to comply with the provisions of this Code shall, if required by the Commission and if quarterly filing has been chosen, file and transmit collected sales taxes more frequently until such time as they have demonstrated to the Commission that they are or will be able to comply with the provisions of this Code. Six (6) consecutive on-time sales tax filings, with full remittance of the sales taxes collected, shall establish the presumption of compliance and return to quarterly filing.
- H. The preparer of the sales tax return shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases. Documentation for exempted sales should include the number of the exemption authorization card presented by the buyer at the time of the purchase; the date of the purchase; the name of the person making the purchase; the organization making the purchase; the total amount of the purchase; and the amount of sales tax exempted. This documentation shall be made available to the Commission upon request. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

SECTION 110 – Estimated Tax

- A. In the event the Commission is unable to ascertain the tax due from a remote seller or marketplace facilitator by reason of the failure of the remote seller or marketplace facilitator to keep accurate books, allow inspection, or file a return, or by reason of the remote seller or marketplace facilitator filing a false or inaccurate return, the Commission may make an estimate of the tax due based on any evidence in their possession.
- B. Sales taxes may also be estimated, based on any information available, whenever the Commission has reasonable cause to believe that any information on a sales tax return is not accurate.
- C. A remote seller's or marketplace facilitator's tax liability under this Code may be determined and assessed for a period of three (3) years after the date the return was filed or due to be filed with the Commission. No civil action for the collection of such tax may be commenced after the expiration of the three (3) year period except an action for taxes, penalties and interest due from those filing periods that are the subject of a written demand or assessment made within the three (3) year period, unless the remote seller or marketplace facilitator waives the protection of this section.

- D. The Commission shall notify the remote seller or marketplace facilitator, in writing, that the Commission has estimated the amount of sales tax that is due from the remote seller or marketplace facilitator. The Commission shall serve the notice on the remote seller or marketplace facilitator by delivering the notice to the remote seller's or marketplace facilitator's place of business, or by mailing the notice by certified mail, return receipt requested, to the remote seller's or marketplace facilitator's last known mailing address. A remote seller or marketplace facilitator who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.
- E. The Commission's estimate of the amount of sales tax that is due from a remote seller or marketplace facilitator shall become a final determination of the amount that is due unless the remote seller or marketplace facilitator, within thirty (30) calendar days after service of notice of the estimated tax:
 - 1. Files a complete and accurate sales tax return for the delinquent periods supported by satisfactory records and accompanied by a full remittance of all taxes, interest, penalties, costs and other charges due; or
 - 2. Files a written notice with the Commission appealing the estimated tax amount in accordance with the appeal procedures, under the provisions of section .160 of this chapter.
 - 3. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting an appeal of an assessment are:
 - a. The identity of the remote seller or marketplace facilitator is in error;
 - b. The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for appeal); or
 - c. The remote seller or marketplace facilitator disputes the denial of exemption(s) for certain sales.
- F. The amount of sales tax finally determined to be due under this section shall bear interest and penalty from the date that the sales tax originally was due, plus an additional civil penalty of fifty dollars (\$50) for each calendar month or partial month for which the amount of sales tax that is due has been determined.

SECTION 120 – Returns – Filing Contents

- A. Every remote seller or marketplace facilitator required by this chapter to collect sales tax shall file with the Commission upon forms furnished by the Commission a return setting forth the following information:
 - 1. Gross sales;
 - 2. The nontaxable portions separately stating the amount of sales revenue attributable to each class of exemption;
 - 3. Computation of taxes to be remitted;
 - 4. Calculated discount (if applicable) based on member jurisdiction's code; and
 - 5. Such other information as may be required by the Commission.
- B. Each tax return remitted by a remote seller or marketplace facilitator shall be signed (digital or otherwise) by a responsible individual who shall attest to the completeness and accuracy of the information on the tax return.
- C. The Commission reserves the right to reject a filed return for failure to comply with the requirements of this Code for up to three (3) months from the date of filing. The Commission shall give written notice to a remote seller or marketplace facilitator that a

return has been rejected, including the reason for the rejection.

SECTION 130 – Refunds

- A. Upon request from a buyer or remote seller or marketplace facilitator, the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller or marketplace facilitator shall process the refund and amend any returns accordingly.
- B. A claim for refund of sales taxes collected in error shall be denied unless:
 - i. The claimant files a claim for refund with the Commission within one year of the date of sale, on the form prescribed by the Commission; and
 - ii. If the claimant is a remote seller or marketplace facilitator and the tax refund is owed to any buyer, the remote seller or marketplace facilitator submits and the Commission approves a refund plan to all affected buyers.
- C. Interest will not be paid on tax refund requests filed with the Commission.

SECTION 140 – Amended Returns

- A. A remote seller or marketplace facilitator may file an amended sales tax return, with supporting documentation, and the Commission may accept the amended return, but only in the following circumstances:
 - i. The amended return is filed within one (1) year of the original due date for the return for amended returns reducing the originally reported tax due; and
 - ii. The remote seller or marketplace facilitator provides a written justification for requesting approval of the amended return; and
 - iii. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the Commission.
 - iv. An amended return that increases the tax due from the amount originally reported can be submitted by a remote seller or marketplace facilitator at any time.
- B. The Commission shall notify the remote seller or marketplace facilitator in writing (by email or otherwise) whether the Commission accepts or rejects an amended return, including the reasons for any rejection.
- C. The Commission may adjust a return for a remote seller or marketplace facilitator if, after investigation, the Commission determines the figure included in the original returns are incorrect; and the Commission adjusts the return within three (3) years of the original due date for the return.
- D. A remote seller or marketplace facilitator may file a supplemental sales tax return, with supporting documentation, and the Commission may accept the supplemental return, but only in the following circumstances:
 - i. The remote seller or marketplace facilitator provides a written justification for requesting approval of the supplemental return; and
 - ii. The remote seller or marketplace facilitator agrees to submit to an audit upon request of the Commission.

SECTION 150 – Extension of Time to File Tax Return

Upon written application of a remote seller or marketplace facilitator, stating the reasons therefor, the Commission may extend the time to file a sales tax return but only if the Commission finds each of the following:

1. For reasons beyond the remote seller's or marketplace facilitator's control, the remote seller or marketplace facilitator has been unable to maintain in a current condition the books and records that contain the information required to complete the return;
2. Such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon the remote seller or marketplace facilitator;
3. The remote seller or marketplace facilitator has a plan to cure the problem that caused the remote seller or marketplace facilitator to apply for an extension and the remote seller or marketplace facilitator agrees to proceed with diligence to cure the problem;
4. At the time of the application, the remote seller or marketplace facilitator is not delinquent in filing any other sales tax return, in remitting sales tax to the Commission or otherwise in violation of this chapter;
5. No such extension shall be made retroactively to cover existing delinquencies.

SECTION 160 – Audits

- A. Any remote seller or marketplace facilitator who has registered with the Commission, who is required to collect and remit sales tax, or who is required to submit a sales tax return is subject to a discretionary sales tax audit at any time. The purpose of such an audit is to examine the business records of the remote seller or marketplace facilitator in order to determine whether appropriate amounts of sales tax revenue have been collected by the remote seller or marketplace facilitator and remitted to the Commission.
- B. The Commission is not bound to accept a sales tax return as correct. The Commission may make an independent investigation of all retail sales or transactions conducted within the State or member jurisdiction.
- C. The records that a remote seller or marketplace facilitator is required to maintain under this chapter shall be subject to inspection and copying by authorized employees or agents of the Commission for the purpose of auditing any return filed under this chapter, or to determine the remote seller's or marketplace facilitator's liability for sales tax where no return has been filed.
- D. In addition to the information required on returns, the Commission may request, and the remote seller or marketplace facilitator must furnish, any reasonable information deemed necessary for a correct computation of the tax.
- E. The Commission may adjust a return for a remote seller or marketplace facilitator if, after investigation or audit, the Commission determines that the figures included in the original return are incorrect, and that additional sales taxes are due; and the Commission adjusts the return within three (3) years of the original due date for the return.
- F. If after investigation or audit, the Commission determines that the remote seller or marketplace facilitator over-collected sales taxes, the remote seller or marketplace facilitator may request a refund with the submission of a detailed refund plan outlining the process by which the impacted customers will be refunded; the refund plan must be approved by the Commission before the refund will be issued to the remote seller or marketplace facilitator.
- G. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the Commission may conduct investigations, hearings and audits and may examine any relevant books, papers, statements, memoranda, records, accounts or other writings of any remote seller or marketplace facilitator at any reasonable hour on the premises of the remote seller or marketplace facilitator and may

require the attendance of any officer or employee of the remote seller or marketplace facilitator. Upon written demand by the Commission, the remote seller or marketplace facilitator shall present for examination, in the office of the Commission, such books, papers, statements, memoranda, records, accounts and other written material as may be set out in the demand unless the Commission and the person upon whom the demand is made agree to presentation of such materials at a different place.

- H. The Commission may issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda. If any remote seller or marketplace facilitator refuses to obey any such subpoena, the Commissioner may refer the matter to the Commission's attorney for an application to the superior court for an order requiring the remote seller or marketplace facilitator to comply therewith.
- I. Any remote seller, marketplace facilitator, or person engaged in business who is unable or unwilling to submit their records to the Commission shall be required to pay the Commission for all necessary expenses incurred for the examination and inspection of their records maintained outside the Commission.
- J. After the completion of a sales tax audit, the results of the audit will be sent to the business owner's address of record.
- K. In the event the Commission, upon completion of an audit, discovers more than five hundred dollars (\$500) in additional sales tax due from a remote seller or marketplace facilitator resulting from a remote seller's or marketplace facilitator's failure to accurately report sales and taxes due thereupon, the remote seller or marketplace facilitator shall bear responsibility for the full cost of the audit. The audit fee assessment will be in addition to interest and penalties applicable to amounts deemed to be delinquent by the Commission at the time of the conclusion of the audit.

SECTION 170 – Protests

- A. If the remote seller or marketplace facilitator wishes to dispute a finding of the Commission involving taxable sales, sales taxes, or penalties and interest, the remote seller or marketplace facilitator must file a written protest with the Protest Review Committee, within thirty (30) calendar days of the date of the written notice of the Commission's findings. The protest must set forth:
 - 1. The remote seller's or marketplace facilitator's justification for reducing or increasing the taxes, penalties or interest due from the Commission's findings; or
 - 2. The remote seller's or marketplace facilitator's reasons for challenging the Commission's findings.
- B. In processing the protest, the Protest Review Committee may hold an informal meeting or hearing with the remote seller or marketplace facilitator, either on its own or upon request of the remote seller or marketplace facilitator and may also require that the remote seller or marketplace facilitator submit to an audit, if one was not previously conducted or a more formal audit, if an estimation audit was previously performed.
- C. The Protest Review Committee shall make a final written determination on the remote seller's or marketplace facilitator's protest and mail a copy of the determination to the remote seller or marketplace facilitator.
- D. If a written protest is not filed within thirty (30) days of the date of the written notice of the Commission's findings, then the findings shall be final, due and payable to the Commission.

SECTION 180 – Penalties and Interest for Late Filing

- A. A late filing fee of twenty-five dollars (\$25) per month, or fraction thereof, shall be added to all late-filed sales tax reports, until a total of one-hundred dollars (\$100) has been reached. An incomplete return shall be treated as the filing of no return.
- B. Delinquent sales tax bear interest at the rate of fifteen percent (15%) per annum until paid.
- C. In addition, delinquent sales tax shall be subject to an additional penalty of 5% per month, or fraction thereof, until a total of 20% of delinquent tax has been reached. The penalty does not bear interest.
- D. Fees, penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected, and applied first to fees, penalties and interest, second to past due sales tax.
- E. The filing of an incomplete return, or the failure to remit all tax, shall be treated as the filing of no return.
- F. A penalty assessed under this section for the delinquent remittance of sales tax or failure to file a sales tax return may be waived by the Commission, upon written application of the remote seller or marketplace facilitator accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the remote seller or marketplace facilitator, within forty-five (45) calendar days after the date of delinquency. A remote seller or marketplace facilitator may not be granted more than one (1) waiver of penalty under this subsection in any one calendar year, in accordance with the Commission's penalty waiver policy. The Commission shall report such waivers of penalty to the member jurisdiction, in writing.

SECTION 190 – Remote Reseller Certificate of Exemption

- A. A remote seller with no physical presence in a member jurisdiction purchasing goods or services for the express purpose of resale to buyer(s) located in that member jurisdiction shall apply for a resale certificate through the Commission.
- B. The Remote Reseller Certificate of Exemption will expire at the end of the calendar year it is issued.

SECTION 200 – Repayment Plans

- A. The Commission may agree to enter into a repayment plan with a delinquent remote seller or marketplace facilitator. No repayment plan shall be valid unless agreed to by both parties in writing.
- B. A remote seller or marketplace facilitator shall not be eligible to enter into a repayment plan with the Commission if the remote seller or marketplace facilitator has defaulted on a repayment plan in the previous two (2) calendar years.
- C. The repayment plan shall include a secured promissory note that substantially complies with the following terms:
 - i. The remote seller or marketplace facilitator agrees to pay a minimum of ten percent (10%) down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
 - ii. The remote seller or marketplace facilitator agrees to pay the balance of the

- tax, penalty and interest owed in monthly installments over a period not to exceed two (2) years.
- iii. Interest at a rate of fifteen percent (15%) per annum shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
 - iv. If the remote seller or marketplace facilitator is a corporation or a limited liability entity, the remote seller or marketplace facilitator agrees to provide a personal guarantee of the obligations under the repayment plan.
 - v. The remote seller or marketplace facilitator agrees to pay all future tax bills in accordance with the provisions of this chapter.
 - vi. The remote seller or marketplace facilitator agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the Commission at the time the repayment plan is signed. The remote seller or marketplace facilitator shall be responsible for the cost of recording the tax lien.
- D. If a remote seller or marketplace facilitator fails to pay two (2) or more payments in accordance with the terms of the repayment plan agreement, the remote seller or marketplace facilitator shall be in default and the entire amount owed at the time of default shall become immediately due. The Commission will send the remote seller or marketplace facilitator a notice of default. The Commission may immediately foreclose on the sales tax lien or take any other remedy available under the law.

SECTION 210 – Remote Seller or Marketplace Facilitator Record Retention

Remote sellers or marketplace facilitators shall keep and preserve suitable records of all sales made and such other books or accounts as may be necessary to determine the amount of tax which the remote seller or marketplace facilitator is obliged to collect. Remote sellers or marketplace facilitators shall preserve suitable records of sales for a period of three (3) years from the date of the return reporting such sales, and shall preserve for a period of three (3) years all documentation supporting exempted sales of goods or services and all such other books, invoices and records as may be necessary to accurately determine the amount of taxes which the remote seller or marketplace facilitator was obliged to collect under this chapter.

SECTION 220 – Cessation or Transfer of Business

- A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits, assigns, gifts or otherwise transfers (collectively, a “transfer”) the majority of their business interest, including to a creditor or secured party, shall make a final sales tax return within thirty (30) days after the date of such conveyance.
- B. At least ten (10) business days before any such transfer is completed, the remote seller or marketplace facilitator shall send to the Commission, by approved communication (email confirmation, certified first-class mail, postage prepaid) a notice that the remote seller’s or marketplace facilitator’s interest is to be conveyed and shall include the name, address and telephone number of the person or entity to whom the interest is to be conveyed.
- C. Upon notice of transfer and disclosure of buyer, the Commission shall be authorized to disclose the status of the remote seller’s or marketplace facilitator’s sales tax account to

- the named buyer or assignee.
- D. Upon receipt of notice of a transfer, the Commission shall send the transferee a copy of this Code with this section highlighted.
 - E. Neither the Commission's failure to give the notice nor the transferee's failure to receive the notice shall relieve the transferee of any obligations under this section.
 - F. Following receipt of the notice, the Commission shall have sixty (60) days in which to perform a final sales tax audit and assess sales tax liability against the remote seller or marketplace facilitator. If the notice is not mailed at least ten (10) business days before the transfer is completed, the Commission shall have twelve (12) months from the date of the completion of the transfer or the Commission's knowledge of the completion of the transfer within which to begin a final sales tax audit and assess sales tax liability against the remote seller or marketplace facilitator. The Commission may also initiate an estimated assessment if the requirements for such an assessment exist.
 - G. A person acquiring any interest of a remote seller or marketplace facilitator in a business required to collect the tax under this chapter assumes the liability of the remote seller or marketplace facilitator for all taxes due the Commission, whether current or delinquent, whether known to the Commission or discovered later, and for all interest, penalties, costs and charges on such taxes.
 - H. Before the effective date of the transfer, the transferee of a business shall obtain from the Commission an estimate of the delinquent sales tax, penalty and interest, if any, owed by the remote seller or marketplace facilitator as of the date of the transfer, and shall withhold that amount from the consideration payable for the transfer, until the remote seller or marketplace facilitator has produced a receipt from the Commission showing that all tax obligations imposed by this chapter have been paid. A transferee that fails to withhold the amount required under this subsection shall be liable to the Commission and member jurisdiction for the lesser of the amount of delinquent sales tax, penalty and interest due from the remote seller or marketplace facilitator as of the date of transfer, and the amount that the transferee was required to withhold.
 - I. In this section, the term "transfer" includes the following:
 1. A change in voting control, or in more than fifty percent (50%) of the ownership interest in a remote seller or marketplace facilitator that is a corporation, limited liability company or partnership; or
 2. A sale of all or substantially all the assets used in the business of the remote seller or marketplace facilitator; or
 3. The initiation of a lease, management agreement or other arrangement under which another person becomes entitled to the remote seller's or marketplace facilitator's gross receipts from sales, rentals or services.
 - J. Subsection H of this section shall not apply to any person who acquires their ownership interest in the ongoing business as a result of the foreclosure of a lien that has priority over the Commission's sales tax lien.
 - K. Upon termination, dissolution or abandonment of a business entity, any officer having control or supervision of sales tax funds collected, or who is charged with responsibility for the filing of returns or the payment of sales tax funds collected, shall be personally liable for any unpaid taxes, interest, administrative costs and penalties on those taxes if such person willfully fails to pay or cause to be paid any taxes due from the corporation. In addition, regardless of willfulness, each director, member, or general partner of the

entity shall be jointly and severally liable for unpaid amounts. The person shall be liable only for taxes collected which became due during the period he or she had the control, supervision, responsibility or duty to act for the corporation. This section does not relieve the entity of other tax liabilities or otherwise impair other tax collection remedies afforded by law.

- L. A remote seller or marketplace facilitator who terminates the business without the benefit of a purchaser, successor or assign shall make a final tax return and settlement of tax obligations within thirty (30) days after such termination. If a final return and settlement are not received within thirty (30) days of the termination, the remote seller or marketplace facilitator shall pay a penalty of one hundred dollars (\$100), plus an additional penalty of twenty-five dollars (\$25) for each additional thirty- (30-) day period, or part of such a period, during which the final return and settlement have not been made, for a maximum of six (6) additional periods.

SECTION 230 – Use of Information on Tax Returns

- A. Except as otherwise provided in this chapter, all returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
 1. Employees and agents of the Commission and member jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 2. The person supplying such returns, reports and information; and
 3. Persons authorized in writing by the person supplying such returns, reports and information.
- B. The Commission will release information described in subsection A of this section pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise required by law to do so.
- C. Notwithstanding subsection A of this section, the following information is available for public inspection:
 - A. The name and address of sellers and marketplace facilitators;
 - B. Whether a business is registered to collect taxes under this chapter;
 - C. The name and address of businesses that are sixty (60) days or more delinquent in filing returns or in remitting sales tax, or both filing returns and remitting sales tax; and, if so delinquent, the amount of estimated sales tax due, and the number of returns not filed.
- D. The Commission may provide the public statistical information related to sales tax collections, provided that no information identifiable to a particular remote seller or marketplace facilitator is disclosed.
- E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or their duly authorized representative, of a copy of any return or report filed by them, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers, remote sellers, or marketplace facilitators, nor to prohibit the furnishing of information on a reciprocal basis to other agencies or political subdivisions of the state or the United States concerned with the enforcement of tax laws.
- F. Nothing contained in this section shall be construed to prohibit the disclosure through enforcement action proceedings or by public inspection or publication of the name, estimated balance due, and current status of payments, and filings of any remote seller or

marketplace facilitator or agent of any remote seller or marketplace facilitator required to collect sales taxes or file returns under this chapter, who fails to file any return and/or remit in full all sales taxes due within thirty (30) days after the required date for that business. Entry into any agreement whether pursuant to the provisions of this chapter or otherwise shall not act as any prohibition to disclosure of the records of that remote seller or marketplace facilitator as otherwise provided in this chapter.

- G. A prospective lessee or purchaser of any business or business interest may inquire as to the obligation or tax status of any business upon presenting to the Commission a release of tax information request signed by the authorized agent of the business.
- H. Except as otherwise provided herein, all returns referred to in this chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection.

SECTION 240 – Violations

- A. A remote seller or marketplace facilitator that fails to file a sales tax return or remit sales tax when due, in addition to any other liability imposed by this Code, shall pay to the Commission all costs incurred by the Commission to determine the amount of the remote seller's or marketplace facilitator's liability or to collect the sales tax, including, without limitation, reviewing and auditing the remote seller's or marketplace facilitator's business records, collection agency fees, and actual reasonable attorney's fees.
- B. A person who causes or permits a corporation of which the person is an officer or director, a limited liability company of which the person is a member or manager, or a partnership of which the person is a partner, to fail to collect sales tax or to remit sales tax to the Commission as required by this Code shall be liable to the Commission for the amount that should have been collected or remitted, plus any applicable interest and penalty.
- C. Notwithstanding any other provision of law, and whether or not the Commission initiates an audit or other tax collection procedure, the Commission may bring a declaratory judgment action against a remote seller or marketplace facilitator believed to meet the criteria to establish that the obligation to remit sales tax is applicable and valid under local, state and federal law. The action shall be brought in the judicial district of the member jurisdiction.
- D. The Commission may cause a sales tax lien to be filed and recorded against all real and personal property of a remote seller or marketplace facilitator where the remote seller or marketplace facilitator has:
 1. Failed to file sales tax returns for two (2) consecutive filing periods as required by the Code; or
 2. Failed within sixty (60) days of the end of the filing period from which taxes were due to either (a) remit all amounts due or (b) to enter into a secured payment agreement as provided in this Code.
 3. Prior to filing a sales tax lien, the Commission shall cause a written notice of intent to file to be mailed to the last known address of the delinquent remote seller or marketplace facilitator.
- E. In addition to other remedies discussed in this Code, the Commission may bring a civil action to:
 1. Enjoin a violation of this Code. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.

2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due.
 3. Foreclose a recorded sales tax lien as provided by law.
- F. All remedies hereunder are cumulative and are in addition to those existing at law or equity.

SECTION 250 – Penalties for Violations

- A. In the event that a penalty provided below is different from the same penalty in a member jurisdiction’s sales tax code, the penalty prescribed in the member jurisdiction’s sales tax code will apply.
- B. A buyer, remote seller, or marketplace facilitator who knowingly or negligently submits false information in a document filed with the Commission pursuant to this Code is subject to a penalty of five hundred dollars (\$500).
- C. A remote seller or marketplace facilitator who knowingly or negligently falsifies or conceals information related to its business activities with the Commission or member jurisdiction is subject to a penalty of five hundred dollars (\$500).
- D. A person who knowingly or negligently provides false information when applying for a certificate of exemption is subject to a penalty of five hundred dollars (\$500).
- E. A remote seller or marketplace facilitator who fails or refuses to produce requested records or to allow inspection of their books and records shall pay to the Commission a penalty equal to three (3) times any deficiency found or estimated by the Commission with a minimum penalty of five hundred dollars (\$500).
- F. A remote seller or marketplace facilitator who falsifies or misrepresents any record filed with the Commission is guilty of an infraction and subject to a penalty of five hundred dollars (\$500) per record.
- G. Misuse of an exemption card is a violation and subject to a penalty of fifty dollars (\$50) per incident of misuse;
- H. Nothing in this chapter shall be construed as preventing the Commission from filing and maintaining an action at law to recover any taxes, penalties, interest and/or fees due from a remote seller or marketplace facilitator. The Commission may also recover attorney’s fees in any action against a delinquent remote seller or marketplace facilitator.

SECTION 260 – Remittance of Tax; Remote Seller Held Harmless

- A. Any remote seller or marketplace facilitator that collects and remits sales tax to the Commission as provided by law may use an electronic database of state addresses that is certified by the Commission pursuant to subsection (C) of this section to determine the member jurisdictions to which tax is owed.
- B. Any remote seller or marketplace facilitator that uses the data contained in an electronic database certified by the Commission pursuant to subsection (C) of this section to determine the jurisdictions to which tax is owed shall be held harmless for any tax, charge, or fee liability to any member jurisdiction that otherwise would be due solely as a result of an error or omission in the database.
- C. Any electronic database provider may apply to the Commission to be certified for use by remote sellers or marketplace facilitators pursuant to this section. Such certification shall

be valid for three years. In order to be certified, an electronic database provider shall have a database that satisfies the following criteria:

1. The database shall designate each address in the state, including, to the extent practicable, any multiple postal address applicable to one location and the taxing jurisdictions that have the authority to impose a tax on purchases made by purchasers at each address in the state.
2. The information contained in the electronic database shall be updated as necessary and maintained in an accurate condition. In order to keep the database accurate, the database provider shall provide a convenient method for member jurisdictions that may be affected by the use of the database to inform the provider of apparent errors in the database. The provider shall have a process in place to promptly correct any errors brought to the provider's attention.

SECTION 270 – Savings Clause

- A. If any provision of the Remote Seller Sales Tax Code and the member jurisdiction’s sales tax code is determined by the Commission or an adjudicatory body of competent jurisdiction to discriminate against a remote seller in favor of a local seller with a physical presence in the member jurisdiction, the discriminatory provision shall continue in effect only to the extent such provision does not discriminate against a remote seller and the remainder of the Remote Seller Sales Tax Code and the member jurisdiction’s sales tax code shall continue in full force and effect.

SECTION 280 – Definitions

Adoption of definitions does not compel an individual municipality to exempt certain defined items. Each municipality should specifically adopt definitions necessary for consistency to implement both brick-and-mortar sales tax code and provisions related to remote sellers or marketplace facilitators. For definitions that have no applicability to brick-and-mortar sales tax code, municipality may choose either to include definitions in the definitional section of general sales tax ordinance or adopt the common definitions by reference.

“Accommodation” means any room or rooms, lodgings, or accommodations in any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in which rooms, accommodations, space, or accommodations are furnished to transients for a consideration and upon which an accommodations Tax or sales tax is imposed.

Formatted: Font: (Default) Times New Roman

Formatted: Indent: Left: 0"

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

“Accommodation fee” means the room charge less the discount room charge, if any, provided that the accommodations fee shall not be less than \$0.

“Accommodations intermediary” means any person other than an accommodations provider that (i) facilitates the sale of an accommodation, and (ii) either (a) charges a room charge to the customer, and charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale; (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, “facilitates the sale” includes brokering, coordinating, or in any other way arranging for the purchase of the right to

Formatted: Indent: Left: 0", First line: 0"

use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider.

“Accommodations provider” means a person who owns, operates or controls any facility or structure in which there is rented or offered for rent accommodations, the rent for which is taxable under an accommodations tax or sales tax.

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

“**Bundled transaction**” means the retail sale of two or more products, except real property and services to real property, where (1) the products are otherwise distinct and identifiable, and (2) the products are sold for one non-itemized price. A “bundled transaction” does not include the sale of any products in which the “sales price” varies, or is negotiable, based on the selection by the purchaser of the products included in the transaction.

(A) “Distinct and identifiable products” does not include:

1. Packaging – such as containers, boxes, sacks, bags, and bottles – or other materials – such as wrapping, labels, tags, and instruction guides – that accompany the “retail sale” of the products and are incidental or immaterial to the “retail sale” thereof.
2. A product provided free of charge with the required purchase of another product. A product is “provided free of charge” if the “sales price” of the product purchased does not vary depending on the inclusion of the product “provided free of charge.”

(B) The term “one non-itemized price” does not include a price that is separately identified by product on binding sales or other supporting sales-related documentation made available to the customer in paper or electronic form including, but not limited to an invoice, bill of sale, receipt, contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or price list.

(C) A transaction that otherwise meets the definition of a “bundled transaction” as defined above, is not a “bundled transaction” if it is:

- (1) The “retail sale” of tangible personal property and a service where the tangible personal property is essential to the use of the service, and is provided exclusively in connection with the service, and the true object of the transaction is the service; or
- (2) The “retail sale” of services where one service is provided that is essential to the use or receipt of a second service and the first service is provided exclusively in connection with the second service and the true object of the transaction is the second service; or
- (3) A transaction that includes taxable products and nontaxable products and the “purchase price” or “sales price” of the taxable products is de minimis.

“**Buyer**” or “**purchaser**” means a person to whom a sale of property or product is made or to whom a service is furnished.

“**Commission**” means the Alaska Remote Seller Sales Tax Commission established by Agreement between local government taxing jurisdictions within Alaska, and delegated tax collection authority.

“**Delivered electronically**” means delivered to the purchaser by means other than tangible storage media.

“**Delivery Charges**” means charges by the seller of personal property or services for preparation

and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating and packing.

“Delivery network company” means a business that facilitates, through the use of an Internet website or mobile application, the delivery of products or services.

“Digital good” means any product delivered electronically (whether downloaded, streamed or subscribed to). A digital good generally takes the form of a license to use or store in a digital or electronic format. Digital goods are generally intangible property for purposes of this chapter.

“Digital service” means any service delivered electronically that uses one or more software applications. Digital service includes any service that primarily involves the application of human effort by the seller, and the human effort originated after the customer requested the service, provided the service is delivered electronically.

“Discount room charge” means the full amount charged by the accommodations provider to the accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.

Formatted: Font: (Default) Times New Roman

Formatted: Indent: Left: 0", First line: 0"

“Entity-based exemption” means an exemption based on who purchases the product or who sells the product. An exemption that is available to all individuals shall not be considered an entity-based exemption.

“Goods for resale” means:

- A. the sale of goods by a manufacturer, wholesaler or distributor to a retail vendor; sales to a wholesale or retail dealer who deals in the property sold, for the purpose of resale by the dealer.
- B. Sales of personal property as raw material to a person engaged in manufacturing components for sale, where the property sold is consumed in the manufacturing process of, or becomes an ingredient or component part of, a product manufactured for sale by the manufacturer.
- C. Sale of personal property as construction material to a licensed building contractor where the property sold becomes part of the permanent structure.

“Lease” or **“rental”** means any transfer of possession or control of tangible personal property or real property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend.

Formatted: Font: Not Bold

“Local Sale” means a sale by a seller with a physical presence in a taxing jurisdiction, where the point of delivery is a location within the same taxing jurisdiction.

“Marketplace” means a physical or electronic place, platform, or forum, including a store, booth, internet website, catalog or dedicated sales software application, where products or services are offered for sale or rental.

“Marketplace facilitator” means a person that contracts with marketplace sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale or rental

of the marketplace seller's property, product, or services through a physical or electronic marketplace operated by the person, and engages:

- (a) Directly or indirectly, through one or more affiliated persons in any of the following:
 - (i) Transmitting or otherwise communicating the offer or acceptance between the buyer and marketplace seller;
 - (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and marketplace sellers together;
 - (iii) Providing a virtual currency that buyers are allowed or required to use to purchase products from the marketplace seller; or
 - (iv) Software development or research and development activities related to any of the activities described in (b) of this subsection, if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person; and
- (b) In any of the following activities with respect to the seller's products:
 - (i) Payment processing services;
 - (ii) Fulfillment or storage services;
 - (iii) Listing products for sale;
 - (iv) Setting prices;
 - (v) Branding sales as those of the marketplace facilitator;
 - (vi) Order taking;
 - (vii) Advertising or promotion; or
 - (viii) Providing customer service or accepting or assisting with returns or exchanges.

“Marketplace seller” means a person that makes retail sales through any physical or electronic marketplace that is operated by a marketplace facilitator.

“Member Jurisdiction” means a taxing jurisdiction that is a signatory of the Alaska Remote Seller Sales Tax Agreement, thereby members of the Commission, and who have adopted the Alaska Remote Seller Uniform Sales Tax Code.

“Monthly” means occurring once per calendar month.

“Nonprofit organization” means a business that has been granted tax-exempt status by the Internal Revenue Service.

“Person” means an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation, or any other legal entity.

“Physical presence” for purposes of section .050 means a seller who establishes any one or more of the following within a member jurisdiction:

1. Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the member jurisdiction;
2. Solicits business or receiving orders through any employee, agent, salesman, or other representative within the boundaries of the member jurisdiction or engages in activities

in this state that are significantly associated with the seller's ability to establish or maintain a market for its products in this state;

3. Provides services through any employee, agent, salesman, or other representative or holds inventory within the boundaries of the member jurisdiction;
4. Rents or Leases property located within the boundaries of the member jurisdiction.

A seller that establishes a physical presence within the local member jurisdiction in any calendar year will be deemed to have a physical presence within the member jurisdiction for the following calendar year.

“Point of delivery” means the location at which property or a product is delivered, ~~or~~ service is rendered, or accommodation is physically located.

- A. When the product is not received or paid for by the purchaser at a business location of a remote seller in a Member Jurisdiction, the sale is considered delivered to the location where receipt by the purchaser (or the purchaser's recipient, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery as supplied by the purchaser (or recipient) and as known to the seller.
- B. When the product is received or paid for by a purchaser who is physically present at a business location of a Remote Seller in a Member Jurisdiction the sale is considered to have been made in the Member Jurisdiction where the purchaser is present even if delivery of the product takes place in another Member Jurisdiction. Such sales are reported and tax remitted directly to the Member Jurisdiction not to the Commission.
- C. When the service is not received by the purchaser at a business location of a remote seller, the service is considered delivered to the location where the purchaser receives the service.

~~C.D.~~ For accommodations rentals, the point of delivery is the physical location of the accommodation.

~~D.E.~~ For products or services transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery of the sale to be the billing address of the buyer.

“Product-based exemptions” means an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product.

“Professional services” means services performed by architects, attorneys-at-law, certified public accountants, dentists, engineers, land surveyors, surgeons, veterinarians, and practitioners of the healing arts (the arts and sciences dealing with the prevention, diagnosis, treatment and cure or alleviation of human physical or mental ailments, conditions, diseases, pain or infirmities) and such occupations that require a professional license under Alaska Statute.

“Property” and **“product”** and **“good”** means both tangible property, an item that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses; and intangible property, anything that is not physical in nature (i.e.; intellectual property, brand recognition, goodwill, trade, copyright and patents).

“Quarter” means trimonthly periods of a calendar year; January-March, April-June, July-

September, and October-December.

“Receive” or “receipt” for purposes of section .030 and the definition of “Point of Delivery” means

- A. Taking possession of property or product;
- B. Making first use of services; or
- C. Taking possession or making first use of digital goods, whichever comes first.

The terms “receive” and “receipt” do not include temporary possession by a shipping company on behalf of the purchaser.

“Remote sales” means sales of goods, services or bundled transactions by a remote seller or marketplace facilitator.

“Remote seller” means a seller or marketplace facilitator making sales of goods, services or bundled transactions for delivery within the State of Alaska without having a physical presence in the member jurisdiction in which delivery is being made.

“Resale of services” means sales of intermediate services to a business where the charge for which will be passed directly by that business to a specific buyer.

“Room charge” means the entire amount charged to the transient to secure the right to use or possess any accommodation that is subject to an Accommodations Tax, including any mandatory fees or charges by an accommodations intermediary.

Formatted: Font: (Default) Times New Roman

“Sale” or “retail sale” means any transfer of property or product or any provision of service(s) for consideration for any purpose other than for resale. A transfer includes a lease or rental.

“Sales price” or “purchase price” means the total amount of consideration, including cash, credit, property, products, and services, for which property, products, services or bundled transactions are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- A. The seller’s cost of the property or product sold;
- B. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- C. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- D. Delivery charges;
- E. Installation charges; and
- F. Credit for any trade-in, as determined by state law.

“Seller” means a person making sales of property, products, or services, or a marketplace facilitator facilitating sales on behalf of a seller.

“Services” means all services of every manner and description, which are performed or

furnished for compensation, and delivered electronically or otherwise into a member jurisdiction including but not limited to:

- A. Professional services;
- B. Services in which a sale of property or product may be involved, including property or products made to order;
- C. Utilities and utility services not constituting a sale of property or products, including but not limited to sewer, water, solid waste collection or disposal, electrical, telephone services and repair, natural gas, cable or satellite television, and Internet services;
- D. The sale of transportation services;
- E. Services rendered for compensation by any person who furnishes any such services in the course of his trade, business, or occupation, including all services rendered for commission;
- F. Advertising, maintenance, recreation, amusement, and craftsman services.
- G. Digital services

“**Tax cap**” means a maximum taxable transaction.

“**Taxing jurisdiction**” means a local government in Alaska that has a sales tax.

“**Transferred electronically**” means obtained by the purchaser by means other than tangible storage media.

“**Transient**” means the person purchasing the right to use or occupy an accommodation for thirty (30) days or less.

Formatted: Font: (Default) Times New Roman

Formatted: Indent: Left: 0"

“**Travel Agency Services**” means arranging or booking for a commission, fee or other consideration, vacation or travel packages, rental car, tours or other travel reservations or accommodations, tickets for domestic or foreign travel by air, ship, rail, bus or other medium of transportation, or hotel or other lodging accommodations.

SECTION 290 – Supplemental Definitions

For purposes of this Chapter, the Commission may promulgate Supplemental Definitions that are incorporated into this Remote Seller Sales Tax Code, provided they are not in conflict with or contrary to definitions set forth in the general sales tax ordinance of the member jurisdiction. Supplemental Definitions are available at www.arsstc.org. Provisions of the Supplemental Definitions that are amended, deleted, or added prior to or after the effective date of the latest amendment to this chapter shall be applicable for purposes of this chapter on the effective date provided for such amendments, deletions, or additions, including retroactive provisions.



To: ARSSTC Board of Directors

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: March 18, 2026

Re: FY26 Budget Projections

Following is a brief summary of the FY26 budget projections, compared to the original approved FY26 budget.

Revenue Projections

- FY26 revenue is projected to reach \$32.5 million compared to \$31.5 million as originally budgeted.
- Gross Profit is projected \$40k higher than budgeted.

Expenses

- FY26 Total Expenses are projected to be \$50k less than originally budgeted.
- Primary savings was in personnel due to inability to staff Accounting Technician position.
- Also savings in MUNIRevs enhancement invoices as only \$28k will be spent in FY26.
- Included \$85k ATR Rate Sheet Project implementation fee.

Net Operating Income

- Net Operating Income is projected to be \$87k, compared to original projected loss of \$(3k).

Fund Balance

- FY26 Fund Balance is projected to be the maximum level outlined in the Fund Balance Policy, by about \$140k.
- Staff recommends no action in FY26 to address fund balance.
- FY27 budget proposal includes a fee reduction to 2% to address fund balance excess.

	Approved FY26	Projected FY26
Income		
4000 Commission Fee Income	\$ 706,410	\$ 728,460
4100 Late Fees	\$ 100,000	\$ 120,000
4200 Reprocessing Fees	\$ 2,000	\$ 2,000
4300 Credit Card Fees	\$ 2,000	\$ 2,000
4400 Other Income	\$ -	\$ -
6000 Interest Earned	\$ 90,000	\$ 90,000
Total Income	\$ 900,410	\$ 942,460
Gross Profit	\$ 900,410	\$ 942,460
Expenses		
5000 AML Operating Exp		
5001 Munirevs Enhancement Invoices	\$ 77,400	\$ 28,800
5002 Governance/Travel	\$ 9,000	\$ 9,000
5003 Legal	\$ 25,000	\$ 25,000
5004 Personnel Exp		
5004A Salaries	\$ 480,000	\$ 420,000
5004B Payroll Taxes	\$ 42,000	\$ 38,000
5004C Health Insurance	\$ 120,000	\$ 100,000
5004D Nationwide Retirement	\$ 24,000	\$ 21,000
Total 5004 Personnel Exp	\$ 666,000	\$ 579,000
5005 Insurance		
5005B Cyber	\$ -	\$ -
5005C SLIP	\$ 9,000	\$ 9,000
Total 5005 Insurance	\$ 9,000	\$ 9,000
5006 Audit Services		
5007 10% Overhead Expense	\$ 78,640	\$ 65,080
Total 5000 AML Operating Exp	\$ 865,040	\$ 730,580
5008 Bank Fees	\$ 1,500	\$ 1,400
5009 Merchant Services Fees	\$ 18,000	\$ 19,000
5040 Merchant Balances per MuniRev		
Bulk Mailouts / Postage	\$ 10,000	\$ 10,000
5060 Other Business Expenses	\$ 500	\$ 500
5065 Office Supplies & Software	\$ 7,500	\$ 7,500
ATR Rate Sheet Project Contract	\$ -	\$ 85,000
Other Miscellaneous Expense	\$ 1,000	\$ 1,000
Total Expenses	\$ 903,540	\$ 854,980
Net Operating Income	\$ (3,130)	\$ 87,480
Other Income		
4005 Net Sales Tax collected from MUNIREvs	\$ 31,396,000	\$ 32,376,000
4005A GASB Contra Net Sales Tax Collected	\$ (31,396,000)	\$ (32,376,000)
Total 4005 Net Sales Tax collected from MUNIREvs	\$ -	\$ -
Total Other Income	\$ -	\$ -
Other Expenses		
5010 Member Tax Revenue Expense	\$ 27,961,948	\$ 28,847,398
5011 GASB Contra Member Tax Expense	\$ (27,961,948)	\$ (28,847,398)

Total 5010 Member Tax Revenue Expense	\$ -	\$ -
5020 GovOS Expense	\$ 2,283,750	\$ 2,356,250
5020A GASB Contra GovOS Expense	\$ (2,283,750)	\$ (2,356,250)
Total 5020 GovOS Expense	\$ -	\$ -
5030 TTR Fee Expense	\$ 443,893	\$ 443,893
5030A GASB Contra TTR Fee Expense	\$ (443,893)	\$ (443,893)
Total 5030 TTR Fee Expense	\$ -	\$ -
Total Other Expenses	\$ -	\$ -
Net Other Income	\$ -	\$ -
Net Income	\$ (3,130)	\$ 87,480
Beginning General Fund Balance	\$ 307,846	\$ 363,411
Change to General Fund Balance	\$ (3,130)	\$ 87,480
Ending General Fund Balance	\$ 304,716	\$ 450,891
<i>General Fund Detail</i>		
<hr/>		
Unassigned General Fund	\$ 204,716	\$ 350,891
Legal Fund Balance	\$ 100,000	\$ 100,000
Minimum Fund Balance - 20% of annual expenditures	\$ 180,708	\$ 170,996
Maximum Fund Balance - 25% of annual expenditures	\$ 225,885	\$ 213,745



To: ARSSTC Board of Directors

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: March 18, 2026

Re: FY27 Budget Proposal

Following is a summary of the FY27 ARSSTC Budget Proposal from staff. The ARSSTC Finance Committee has not had an opportunity to review this proposal due to my being out sick for a week in February.

Revenue Projections

- FY27 revenue is projected to reach \$33.3 million.
- Conservative projections for the remainder of FY26 show revenues for the fiscal year amounting to \$32.5 million.
- Anticipate slight revenue growth for FY27, with increase mainly attributed to 1) Audit & compliance efforts, 2) Continued higher cost of goods and 3) continued membership gains from smaller communities.
- Overall FY27 Gross Profit for the Commission projected to be \$970,274 which is about \$28k more than FY26 current projections.
- Keep in mind that revenues may be substantially greater if the marketplace revisions are enacted. If enacted, the budget should be revisited to reflect updated revenue projections.

Expenses

- FY27 Total Expenses are projected to be \$169k greater than FY26 current projections.
- The primary increases are related to staffing and the ATR rate sheet contract.
 - Hoping to fill Accounting Technician position sometime in FY27, if not sooner.
 - New .5 FTE Accounting position will be in place to assist with ARSSTC Financials.

Net Operating Income

- Net Operating Income is projected to be a loss of \$(53,773), compared to FY26's projected income of \$87,480.
- Interest Income is expected to be substantial due to AML's continued use of a higher interest AMLIP account for remote seller revenues.

Member Jurisdiction Fees

- FY27 proposal recommends keeping the Commission Fee % at 2.25%
- Further adjustments may be necessary depending on the proposed marketplace revisions.

Fund Balance

- FY27 Fund Balance is projected to be just \$41k over the maximum level outlined in the Fund Balance Policy if the ARSSTC fee remains unchanged.

	Proposed FY27 - 2.25% Fee
Income	
4000 Commission Fee Income	\$ 745,774
4100 Late Fees	\$ 130,000
4200 Reprocessing Fees	\$ 2,500
4300 Credit Card Fees	\$ 2,000
4400 Other Income	\$ -
6000 Interest Earned	\$ 90,000
Total Income	\$ 970,274
Gross Profit	\$ 970,274
Expenses	
5000 AML Operating Exp	
5001 Munirevs Enhancement Invoices	\$ 45,000
5002 Governance/Travel	\$ 9,000
5003 Legal	\$ 25,000
5004 Personnel Exp	
5004A Salaries	\$ 545,588
5004B Payroll Taxes	\$ 41,000
5004C Health Insurance	\$ 130,000
5004D Nationwide Retirement	\$ 24,000
Total 5004 Personnel Exp	\$ 740,588
5005 Insurance	
5005B Cyber	\$ -
5005C SLIP	\$ 10,000
Total 5005 Insurance	\$ 10,000
5006 Audit Services	\$ 30,000
5007 10% Overhead Expense	\$ 85,959
Total 5000 AML Operating Exp	\$ 945,546
5008 Bank Fees	\$ 1,500
5009 Merchant Services Fees	\$ 20,000
Bulk Mailouts / Postage	\$ 5,000
5060 Other Business Expenses	\$ 2,000
5065 Office Supplies & Software	\$ 2,500
ATR Rate Sheet Project Contract	\$ 47,500
Other Miscellaneous Expense	
Total Expenses	\$ 1,024,046
Net Operating Income	\$ (53,773)
Other Income	
4005 Net Sales Tax collected from MUNIREvs	\$ 33,145,500
4005A GASB Contra Net Sales Tax Collected	\$ (33,145,500)
Total 4005 Net Sales Tax collected from MUNIREvs	\$ -
Total Other Income	\$ -
Other Expenses	
5010 Member Tax Revenue Expense	\$ 29,404,526
5011 GASB Contra Member Tax Expense	\$ (29,404,526)
Total 5010 Member Tax Revenue Expense	\$ -

5020 GovOS Expense	\$ 2,529,280
5020A GASB Contra GovOS Expense	\$ (2,529,280)
Total 5020 GovOS Expense	\$ -
5030 TTR Fee Expense	\$ 465,920
5030A GASB Contra TTR Fee Expense	\$ (465,920)
Total 5030 TTR Fee Expense	\$ -
Total Other Expenses	\$ -
Net Other Income	\$ -
Net Income	\$ (53,773)

Beginning General Fund Balance	\$ 450,891
Change to General Fund Balance	\$ (53,773)
Ending General Fund Balance	\$ 397,119

General Fund Detail

Unassigned General Fund	\$ 297,119
Legal Fund Balance	\$ 100,000
Minimum Fund Balance - 20% of annual expenditures	\$ 204,809
Maximum Fund Balance - 25% of annual expenditures	\$ 256,012