

KENAI PENINSULA BOROUGH
SALES TAX QUICK FACTS

All businesses must register with the Borough.

All sales of goods and services are taxable unless specifically exempted in the code.

You must file a sales tax return reporting your sales for every reporting period from the date you open to the date you close. Returns **MUST** be filed whether or not you have any sales. There will be fees assessed (\$25) for any missed filing and (\$100) for any two consecutive missed filings. *NEW BUSINESSES*, all sellers are required to file on a quarterly basis. On a case-by-case basis, the borough may determine that more or less filings are appropriate. If your taxable sales for one year are less than \$6,000.00, you may request to file on an annual basis.

The sales tax return, together with full payment, must be remitted to the Borough not more than one month after the reporting period ends. By filing promptly and remitting the taxes collected, you may receive a 5% on-time credit limited to \$1,000.00 per quarter. There will be substantial fees, penalties and interest levied for late filing or late payment.

On any given sale, sales tax is charged based upon the location of the retail outlet for the sale of goods and merchandise. The place of sale of services is where the service is rendered. Note: Sales of bulk items where delivery is a normal and integral part of the transaction, an exception may apply, so please contact the sales tax department for clarification.

Effective after January 1, 2008

<u>Jurisdiction</u>	Rate	<u>Jurisdiction</u>	Rate
Homer – Entire Year	7.5%	Kenai – Entire Year	6%
Seldovia – Jan, Feb, Mar, Oct, Nov, Dec	5%	Seldovia – Apr, May, Jun, Jul, Aug, Sep	7.5%
Seward – Entire Year	7%	Soldotna – Entire Year	6%
Outside of Cities – Entire Year	3%		

The tax is calculated on the first \$500.00 of the sale price of each individual sale: i.e., if the sale price is \$800.00, the tax is charged on the first \$500.00. Except:	
	- where lodging is provided, then tax is charged on a per room, per night bases, and
	- Recreational sales, recreational sales shall be treated on a per person per day basis therefore the maximum tax computation shall be calculated on a per person per day basis.

Sales of goods, which are to be resold, are exempt from sales tax **IF THE BUYER PRESENTS A VALID RESALE CERTIFICATE** listing the type of item to be purchased. Resale certificates are \$10.00 each, and they expire at the end of each calendar year. A resale certificate application can be obtained from the Sales Tax Division.

If you close, sell, change the form of ownership, owner's name, business name, or move your business, you **MUST** notify the Borough (in writing) immediately, so that our records can be updated.

Businesses that own personal property must annually file a personal property tax form with the Borough Assessor's office. Any questions should be directed to the Personal Property Clerk, Assessing Department, at 262-4441 ext. 2620.

Although not a requirement, we recommend that you segregate sales tax money from your operating funds. The best procedure is to open a separate interest bearing account. This way you earn interest and the funds are available when due. Remember, money you have received from sales tax collections belong to the borough and should not be used to supplement your business operations.

We have a very knowledgeable staff in the Sales Tax Division who will be glad to answer your sales tax questions. Please feel free to call upon this division if you should require any assistance. You may contact the Sales Tax Division direct at (907) 714-2175 or (907) 262-4441, ext. 2175. Toll free from within the Borough at 1-800-478-4441, ext. 2175.