

**PETERSBURG BOROUGH  
ORDINANCE #2019-02**

**AN ORDINANCE AMENDING CHAPTER 4.28, TITLED "SALES TAX" OF THE BOROUGH  
CODE REGARDING THE COLLECTION OF LOCAL SALES TAX ON INTERNET SALES**

**Whereas**, following the U.S. Supreme Court's decision in *South Dakota v. Wayfair, Inc.*, which revised the strict "physical presence" requirement for collection of sales tax, a few internet vendors, such as Amazon, have voluntarily begun collecting Petersburg Borough's local sales tax on internet sales; and

**Whereas**, the ability of the Petersburg Borough to mandate internet vendors to collect a sales tax remains unclear until a Statewide uniform sales tax code has been put in place throughout the State; and

**Whereas**, in light of *Wayfair*, the Assembly wishes to amend the Petersburg Borough Municipal Code in order to more expansively provide for the collection of local sales tax on internet sales of goods and services, to serve until and unless a statewide system is implemented.

**Therefore, the Petersburg Borough Ordains**, Chapter 4.28, Sales Tax, of the Borough Code shall be amended as follows:

**Section 1.      Classification:** This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

**Section 2.      Purpose:** The purpose of this ordinance is to amend the Borough Code to more expansively allow for the collection of Petersburg Borough sales tax on internet sales of goods and services made, delivered or performed within the Borough.

**Section 3.      Substantive Provisions:** Sections 4.28.010 – *Purpose and intent*, 4.28.020 – *Definitions*, 4.28.030 – *Levy and rate*, and 4.28.150 – *Refund of sales tax, penalty and interest* of Chapter 4.28 - Sales Tax, of the Petersburg Borough Municipal Code are hereby amended as follows (The language proposed for deletion is struck through and the language proposed for addition is in red text and underlined):

**4.28.010 – Purpose and intent.**

It is the purpose of the tax levied under this chapter to raise revenues. The scope of the tax levied shall be broadly interpreted to apply to all sales of goods and services made, delivered or performed within the Borough, either wholly or partially, to the maximum extent constitutionally permissible, and exemptions shall be allowed only when the sales clearly fall within an exemption defined in this chapter.

**4.28.020 - Definitions.**

"Retail sale" means any sales of goods or services, including barter, credit, installment and conditional sales, for any purpose other than resale in the regular course of business. The delivery of goods or services in or from the borough is considered subject to sales tax.

**2.28.030 – Levy and rate.**

There is levied and shall be collected a six percent sales tax upon all sales of goods and services except those sales specifically exempted herein from the tax. ...

**Section 4. Severability:** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

**Section 5. Effective Date:** This Ordinance shall become effective immediately upon final passage.

**Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 6<sup>th</sup> day of May, 2019.**

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**Mark Jensen, Mayor**

**ATTEST:**

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**Debra K. Thompson, Borough Clerk**

Adopted: 5/6/2019  
Noticed: 5/9/2019  
Effective: 5/6/2019