

# City of Thorne Bay

## General Information on the Collection and Filing of Sales Tax

### Business Registration

A city business registration form and sales tax deposit is required of anyone engaging in business or has a rental in the City of Thorne Bay. For non-resident business or itinerant business, see section Itinerant Business.

### Sales Tax Rate

All sales, rentals and services provided during the months of: Jan-Dec are taxed at 6%.

**Long Term Residential and Commercial Rent - Long Term rentals**, including residential and commercial property, trailer space and lot fees, rented for thirty (30) or more consecutive days or an entire calendar month by a single person or persons of a room, set of rooms, structure or suite such as trailer spaces, is taxed year-round at a rate of 6%.

**Short Term Residential and Commercial Rent - Bed Tax** = 4% bed tax year-round, on short term rentals (less than 30 consecutive days). This tax shall be in addition to the general sales tax of the municipality and is required to file quarterly returns. See Sales Tax Rates.

**Filing a Return** - Each person engaged in business or non-casual sales in the City of Thorne Bay, is subject to taxation under Thorne Bay Municipal Code Chapter 3.17 and shall file a return.

**Important Note:** Returns must be filed even if there are no sales transacted in that particular quarter.

### Quarterly

Return and due dates for quarters:

Q1 Ending March 31st	Due April 30th
Q2 Ending June 30th	Due July 31st
Q3 Ending September 30th	Due October 31st
Q4 Ending December 31st	Due January 31st

Late Fees, penalty and interest are charged on all late returns. Returns become delinquent one month following the end of the quarter. See Late Fees, penalty and interest for more information.

### **Exemption**

The following sales are exempt from taxation TNB Municipal Code 3.17.100:

**Wholesalers** who do not wish to pay sales tax must have completed an annual Resale Exemption Application and submit application fee to obtain a resale exemption card. This card must be presented to the retailer and the item wishing to be tax exempt must fall under the category listed on the card in order to qualify for tax exemption. The businesses not charging tax must maintain this number in their records to justify their exemptions on the sales tax return.

**Senior citizens** have tax exemption cards with numbers that they are required to show you for your records. See Senior Tax Exemption Application.

**Government agencies** are tax exempt.

**Non-profit organizations** are exempt from collecting sales tax on occasional sales or fund-raising projects but are not exempt from paying sales tax on purchases, rents, or services rendered to them. This includes churches.

**Tax Cap Exemption** is only to be charged on the first \$7,500.00 of a single sale or billing unit, (i.e., if you sold an appliance for \$14,100.00, you would only charge tax on the first \$7,500.00).

**Other Exemptions** are available. See Thorne Bay Municipal Code 3.17.100 Exemptions.

## **Late Fees, Penalties, and Interest**

Late Fees, penalty and interest are charged on all late returns. Returns become delinquent one month following the end of the quarter. (i.e., the quarter ending March 31st, is due by the 30th day of April).

Q1 Ending March 31st	Due April 30th
Q2 Ending June 30th	Due July 31st
Q3 Ending September 30th	Due October 31st
Q4 Ending December 31st	Due January 31st

Penalty is charged at the following rates:

1. Within five working days after delinquency date 6%,
2. More than five working days up to and including thirty days after delinquency date 15%,
3. More than thirty days up to and including sixty days after delinquency date 20%,
4. More than sixty days after delinquency date 25%

Interest is charged at 1% per month on delinquent tax amount.

**Filing Instructions:** ~~Returns are emailed as a courtesy only.~~ Taxes must be filed no later than the last day of the quarter. ~~If you do not receive a return by March 31st, June 30th, September 30th or December 31st, please contact Thorne Bay staff at the contact information below. If you plan on filing your returns within the MUNIREvs portal, the quarterly filing will be on the 1<sup>st</sup> of the month following the end of the quarter. If you plan on continuing to file paper returns and remittances, returns will no longer be mailed or emailed. Paper returns may be obtained by contacted AMSTP at 907-790-5300.~~

### **Change in Ownership or Closing your Business**

Closing or Selling your Business? Final returns must be filed for a business that has sold or has closed permanently within 15 days of closing your business by emailing the "Business Sale or Closure form" to AMSTP@akml.org.

~~**Front Side of Return:** Mark the box **CLOSED**: Permanently or Sold. Update Mailing Address.~~

~~A final return must be submitted no later than 10 days after selling the business. If you are just closing out the account, you may wait until the end of the quarter to file your return.~~ Contact the Alaska Municipal Sales Tax Program about licensing and forms for remitting these additional taxes and fees: (907) 790-5300.