

Sales & Use Taxes 101



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DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

AML Tax Conference

10/27/2025

Agenda

- ❖ Definitions
- ❖ State law
- ❖ Ratification
- ❖ Notes from the field
- ❖ Help is available!



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Voter Requirements: Consumption Taxes

Sales Tax:

Imposition or
increase
require voter
approval

Use Tax:

Imposition or
increase
require voter
approval

Excise Tax:

Voter
approval not
required, as
long as the tax
is not on the
sale or use of
the product
itself

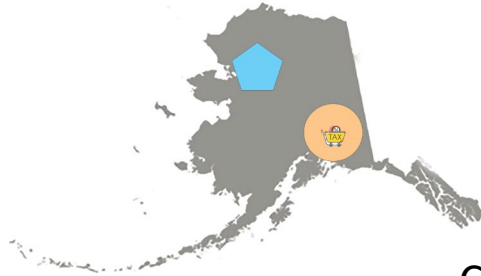


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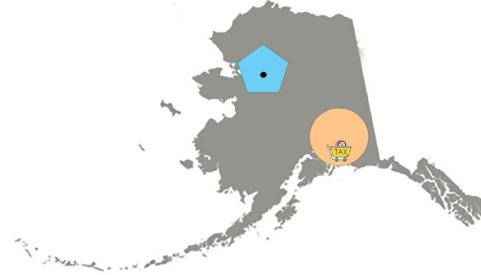
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Municipal Configurations

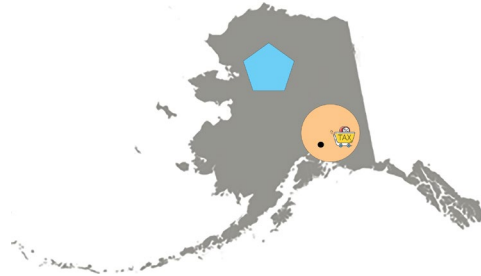
Boroughs & the unorganized borough



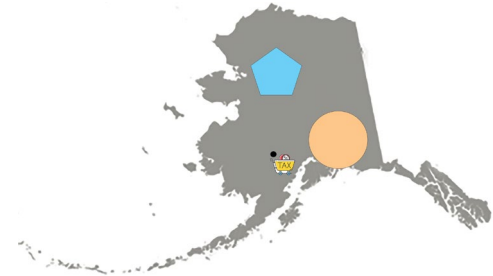
City in a borough which does not assess a sales tax



City in a borough which assesses a sales tax



City in the unorganized borough



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Sales & Use Taxes: Home rule vs. general law

What applies to home rule:

- AS 29.45.650 (c) (d) (e) (f) (i) (j) (k) (l) (*borough*)
- AS 29.45.670 (*referendum, adoption, modification*)
- AS 29.45.680 (*combining tax with incorporation*)
- AS 29.45.700 (d) (e) (g) (h) (*city*)
- AS 29.45.750 (*taxing mobile telecommunication*)
- AS 29.45.810 (*additional municipal taxation exemptions*)



What does not apply to home rule: All the rest of it!

What applies to general law: All of it!



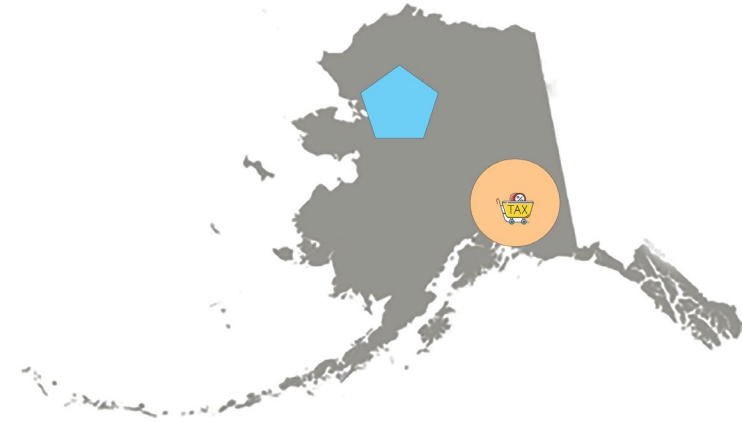
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Sales & Use Taxes: Borough

AS 29.45.650:

- a. A borough may assess a sales tax.
- b. A borough may assess a use tax (storage, use, or consumption), but it must equal the sales tax rate.
- c. If a user already paid the sales tax, you can't charge them for use except the amount higher than the sales tax they already paid.



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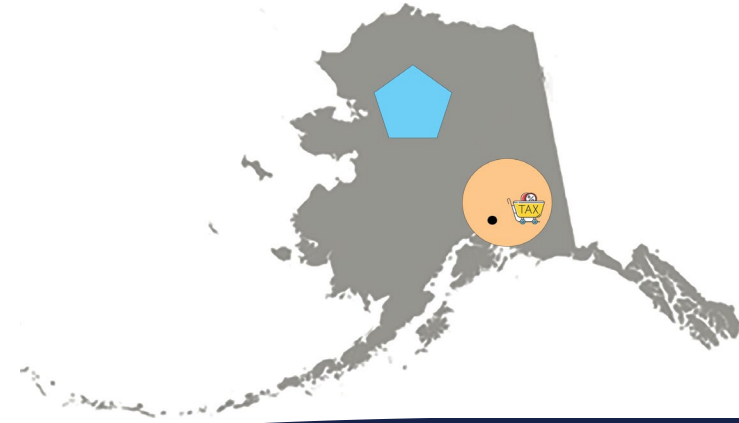
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Sales & Use Taxes: City in a borough with a sales tax

AS 29.45.700:

a. A city in a borough that levies and collects areawide sales and use taxes may levy the same on the same sources.

a. Assembly may by ordinance authorize additional sources.



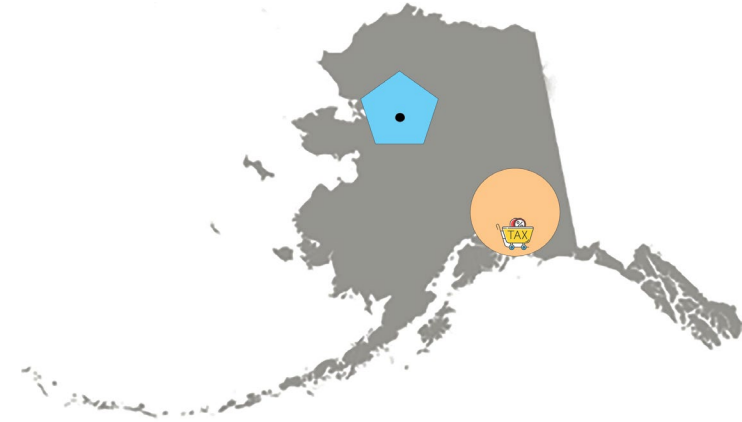
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Sales & Use Taxes: City in a borough without a sales tax

AS 29.45.700:

a. A city in a borough that does not levy areawide sales and use taxes may levy and collect sales and use taxes in the manner provided for boroughs.



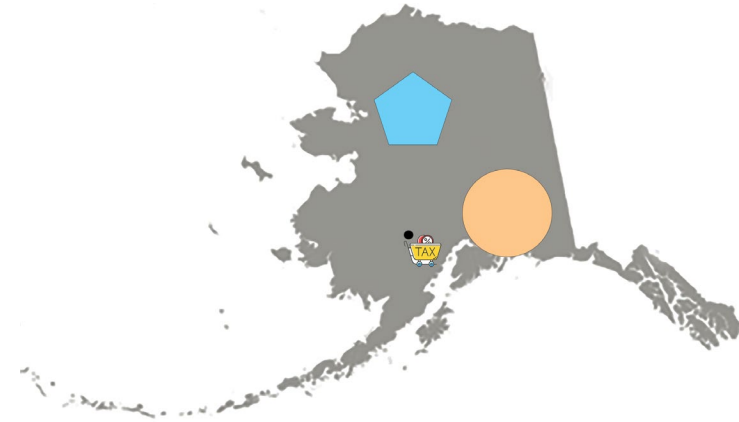
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Sales & Use Taxes: City in the unorganized borough

AS 29.45.700:

c. A city outside of a borough may levy and collect a sales and use tax in the manner provided for boroughs.



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Sales & Use Taxes: State Law

AS 29.45.650 sales & use tax exemptions:

- f. Purchases made with food coupons, stamps, instruments, vouchers.
- h. Buncha outer space stuff...
- i & j. Some fuel stuff...
- k. Construction contracts awarded by the state or subcontractor.



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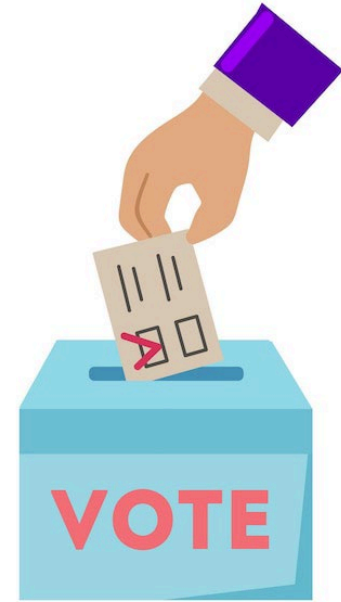
Sales & Use Taxes: Ratification Required

AS 29.45.670

A new sales and use tax does not take effect until ratified by a majority of the voters at an election.

AS 29.45.670

An increase in the rate of levy of a sales and use tax does not take effect until ratified by a majority of the voters at an election.



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Notes from the field

- Consistent enforcement: or you will get sued!
- Remote sales taxes. Remote sales tax. Remote sales tax.
- Can be permanent or set to a specific period of time (seasonal, 1 year, etc.)
- Can be general revenue, or dedicated revenue.
- Alcohol and cannabis taxes include a whole set of other laws. Contact AMCO.



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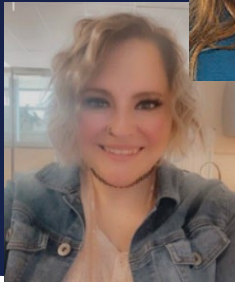
Help is available! (shameless DCRA plug...)



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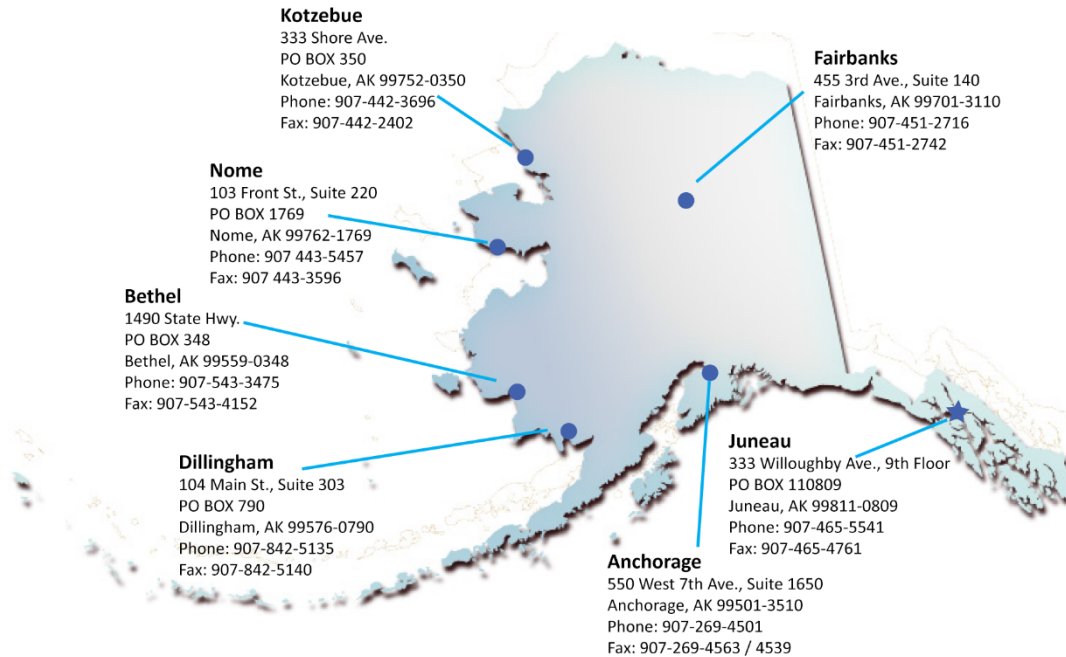
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Each community
has a Local
Government
Specialist (LGS)



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- **Elections**
- **Alaska Statute Title 29**
- **Financial Management**
- **Government Services**
- **Personnel Management**
- **Power Cost Equalization**
- **Title 4 Local Option Laws**
- **Elected Officials training**
- **Ordinances, Resolutions, Codes**
- **Utility Management...**

Local
Government
Assistance

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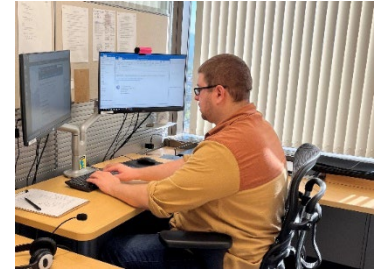
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Remote assistance

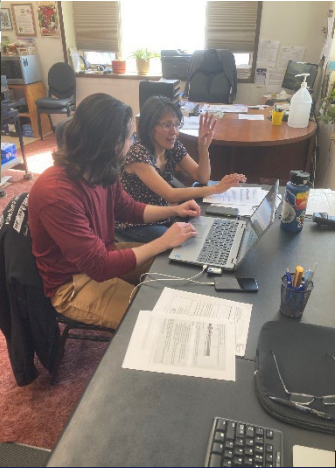
- ✓ Phone
- ✓ Email
- ✓ Teams
- ✓ Zoom
- ✓ Screen sharing
- ✓ “Remoting in”



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On-site Support & Trainings



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Model Documents & Templates

<https://www.commerce.alaska.gov/web/dcra/LocalGovernmentResourceDesk/BestPracticesToolkit.aspx>

 **RUBA**
RURAL UTILITY
BUSINESS ADVISOR
TEMPLATES

 **RUBA**
RURAL UTILITY
BUSINESS ADVISOR
MODEL DOCS



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RUBA's QuickBooks Helpline: 907-440-0242

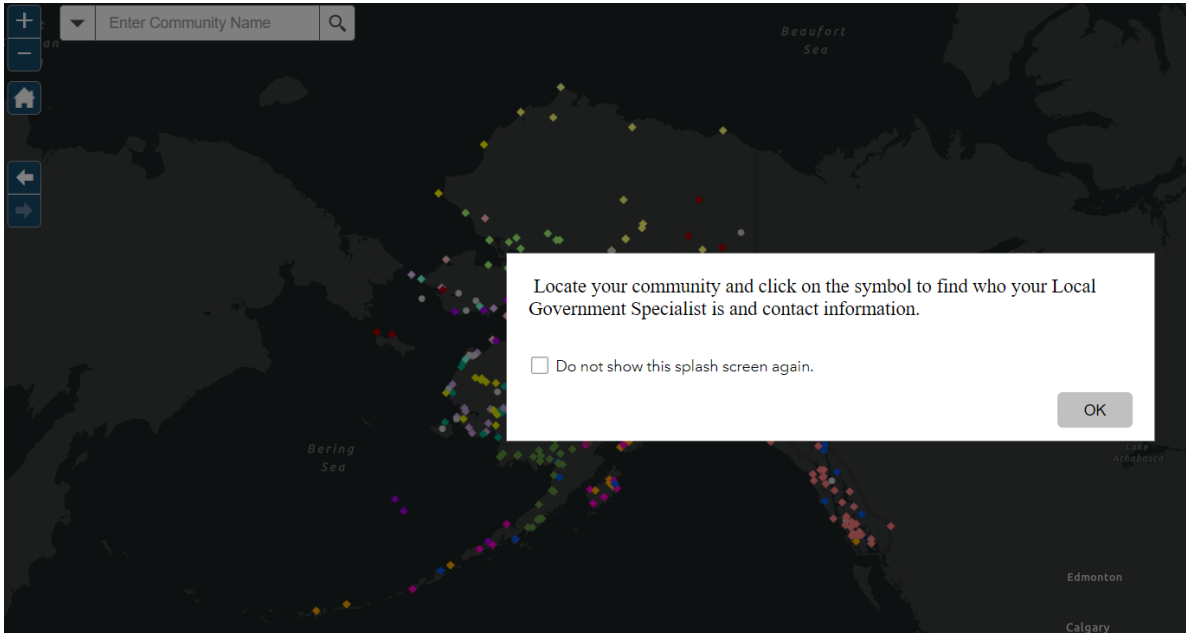
- ❖ Helpline
- ❖ Classes
- ❖ Visits
- ❖ Intensive remote support



Office Hours with DCRA LGSs

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Who's my LGS?



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Websites

Community Database Online (CDO):

<https://dcra-cdo-dccd.opendata.arcgis.com/>

Who is your LGS Map:

<https://dcced.maps.arcgis.com/apps/webappviewer/index.html?id=39d62deddd2b49c3b9a1aff48ffcaa76>

Local Government Resource Desk:

<https://www.commerce.alaska.gov/web/dcra/LocalGovernmentResourceDesk.aspx>

BP Scores:

<https://dcced.maps.arcgis.com/apps/dashboards/7c71c2d9a01a436fbadfa9fc8e99a4da>

RUBA Training:

<https://www.commerce.alaska.gov/web/dcra/RuralUtilityBusinessAdvisorProgramRUBA/RUBATrainingAvailable.aspx>

RUBA Publications:

<https://www.commerce.alaska.gov/web/dcra/RuralUtilityBusinessAdvisorProgramRUBA.aspx>

Best Practices Toolkit:

<https://www.commerce.alaska.gov/web/dcra/LocalGovernmentResourceDesk/BestPracticesToolkit.aspx>



Office Hours with DCRA LGSs

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Questions/Comments?

❖ Find your LGS:



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