

A Resolution of the Haines Borough Assembly authorizing the Haines Borough to join the Alaska Remote Seller Sales Tax Commission for the purpose of developing, implementing, and enforcing a Remote Sellers Sales Tax Code

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska by remote sellers in response to orders placed electronically by consumers, is seriously eroding the sales tax base of communities, causing imminent harm to residents through the loss of revenue for local public services and infrastructure; and

WHEREAS, the state has no broad-based tax, and sales tax revenues are essential in funding the provision of services by municipalities; and

WHEREAS, the failure to collect tax on remote sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the state or cities and boroughs but still sell their goods and services to in-state consumers (something that becomes easier and more prevalent as technology continues to advance); and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection and the growth of online retail make clear that erosion of the sales tax base is a growing problem; and

WHEREAS, remote sellers who have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally; and

WHEREAS, the failure to tax remote sales results in the creation of incentives for businesses to avoid a physical presence in the state and its respective communities, resulting in less jobs and increasing the share of taxes to those consumers who buy from competitors with a physical presence in the state and its cities; and

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

WHEREAS, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the state of Alaska or within the Haines Borough, but do have a taxable connection with the state of Alaska and Haines Borough; and

WHEREAS, in order to implement a single-level statewide sales tax administration, it is the intent of local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the "Commission"); and

WHEREAS, the function and powers of the Commission will be set forth under the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the "Agreement"), a cooperative agreement between Commission members that adopt certain uniform code provisions for the

collection and remittance of municipal sales tax applicable to sales made by remote sellers;
and

WHEREAS, the uniform remote sales tax code will be presented to the Haines Borough Assembly for consideration once adopted by the Commission; and

WHEREAS, once adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

WHEREAS, the intent of the Agreement is to enable Alaska's taxing jurisdictions to levy their municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, the Haines Borough Charter Section 1.04 provides that "the people of the Haines Borough establish the borough government to represent their interests in dealing with other governmental bodies, including participating in joint funding projects with the State of Alaska or the United States federal government.

NOW, THEREFORE, BE IT RESOLVED BY THE HAINES BOROUGH ASSEMBLY:

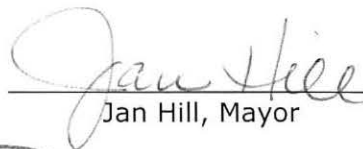
Section 1. Authorization. The Haines Borough Assembly authorizes the Manager to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission.

Section 2. Representation. The Haines Borough Assembly designates the Finance Director as the Haines Borough's representative on the Commission.

Section 3. Scope of Agreement. The Alaska Intergovernmental Remote Seller Sales Tax Agreement is included as Attachment A.

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 12th day of November, 2019.



Jan Hill, Mayor

Attest:



Alekka Fullerton, CMC, Borough Clerk

