



HAINES BOROUGH Box 1209, Haines, Alaska 99827 (907) 766-2231 Fax 766-2716

Dear Businessperson:

re: New Account

As a business operator in the Haines Borough, you are required to register your business with this office (HBC 03.40.180) and to collect sales tax on the items you sell, the rents you collect and the services you perform (HBC 03.20.030). This tax is to be remitted to the Haines Borough on a monthly or a quarterly basis, depending on the amount of your gross receipts. If gross receipts are \$1000.00 or less a month, you are allowed to file quarterly but you must let this office know that you plan to do so. The following chart outlines the applicable sales tax rate (as of 1/1/06). For additional information on the sales tax code, visit our website at hainesborough.us and select Title 3, Finance

TAX RATE	GOODS ARE TAXABLE AT	SERVICES ARE TAXABLE AT	RENTALS/LEASES ARE TAXABLE AT
5.5%	a.) if business is located inside the townsite service area; OR b.) if goods are sold or delivered inside the townsite service area; OR c.) if goods are delivered outside the townsite limits by a business located inside the townsite serv. area	a.) if business is located inside townsite and service occurs inside the townsite service area; OR b.) if service is performed inside townsite by a business located outside townsite; OR c.) if service is provided outside townsite by a business located Inside townsite service area.	If real/personal property is located inside the townsite service area.
4%	If business is located outside townsite and goods are delivered outside the townsite service area.	If service is provided outside townsite by a business located outside townsite service area.	If real/personal property is located outside townsite service area.
3.5 %: EXCURSION INLET TAX RATE			

IN ADDITION TO THE TAXES ABOVE:

4%	TRANSIENT LODGING TAX:	A tax equal to 4% of the rent is levied on all transient lodging (less than 30 consecutive days) rentals within the Haines Borough.
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For monthly filers, your sales tax is due in this office (postmarked/hand delivered) within a month and 10 days after the end of the month the tax was collected. If received within the month following the tax month being reported, a 1% discount can be taken (see line #6 on the form). For quarterly filers, your sales tax is due on or before the 20th day following the end of the quarter. For example, the tax report for the 4th Quarter (Oct.Nov.Dec.) must be submitted by January 20th. Quarterly filers are **not** entitled to the 1% discount. In order to account for all months/quarters, a report still needs to be submitted for time periods with \$0 sales/no activity; calling the office with this information is sufficient.

There is a stiff penalty for delinquent filing of sales tax. On the 11th (or 21st if filing quarterly) of each month (unless the 10th/20th falls on a holiday or week-end), a 10 % penalty is charged on all delinquent accounts and an additional 5% per month accrues up to a total late payment penalty of 25%. In addition, interest accrues daily at a rate of 15% per year on the delinquent tax from the date of delinquency until paid. Additional sales tax forms are available at the Borough office or mailed upon request. If you have any questions, please contact the Borough office at the above telephone number or address.

That part of a selling price of a single item (construction related), service performed or rental that exceeds five thousand (\$5,000) is exempt from sales tax. The maximum sales tax collected on \$5,000 at 5.5% would be \$275.00 (or \$200.00 if all of the criteria for a sale, service or rental outside of the townsite service area apply). For further details regarding this exemption, please contact the Borough office.