

**CITY OF GUSTVAUS, ALASKA  
RESOLUTION CY20-09**

**A RESOLUTION BY THE CITY OF GUSTAVUS  
AUTHORIZING THE CITY OF GUSTAVUS 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 in response to orders placed electronically by consumers with remote sellers, is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

**WHEREAS**, the harm from the loss of revenue is especially serious in Alaska because the state has no broad-based tax, and sales tax revenues are essential in funding the provision of services by local governments; 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 their 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, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring and is a growing problem that is likely to only worsen in the near future; and

**WHEREAS**, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; 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 City of Gustavus, but do have a taxable connection with the state of Alaska and the City of Gustavus; and

**WHEREAS**, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; 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; and

**WHEREAS**, under the terms of the Agreement, in order to maintain membership in the Commission, the City of Gustavus will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote seller; and

**WHEREAS**, the uniform remote sales tax code will be presented to the City Council 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.

**WHEREAS**, the City of Gustavus delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.

**NOW, THEREFORE, BE IT RESOLVED**, that the Gustavus City Council adopts Resolution CY20-09 authorizing the Mayor to enter into an intergovernmental agreement with the Alaska Remote Seller Sales Tax Commission for the purpose of developing, implementing, and enforcing a remote sellers sales tax code.

**Section 1. Authorization.** The City of Gustavus City Council authorizes the Mayor 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 City of Gustavus City Council designates the Mayor/City Administrator/Finance Director as the City of Gustavus 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.

**PASSED and APPROVED** by the Gustavus City Council this 9th day of March, 2020, and effective upon adoption.

  
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Calvin Casipit, Mayor

  
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Attest: Karen Platt CMC, City Clerk