

CLERK'S OFFICE

APPROVED

Date: 3-20-01

Submitted by: Assembly Member  
Dick Traini

Prepared by: Department of Law

For reading: March 20, 2001

ANCHORAGE, ALASKA

AR NO. 2001- 87

1 **A RESOLUTION OF THE ANCHORAGE ASSEMBLY IDENTIFYING SPECIFIC SALES TAX**  
2 **EXEMPTIONS FOR WHICH THERE IS A MAJORITY CONSENSUS OF ASSEMBLY**  
3 **MEMBERS**  
4  
5

6 WHEREAS, the Anchorage Assembly passed AO No. 2001-32 on February 13, 2001, which placed  
7 Proposition No. 1 on the April 3, 2001 ballot concerning a general sales tax which lists general exemption  
8 categories that would not be subject to the general sales tax,  
9

10 WHEREAS, AO No. 2001-32 and Proposition No. 1 list general exemption categories that would  
11 not be subject to the general sales tax, and  
12

13 WHEREAS, the Anchorage Assembly desires that the qualified voters be provided general, objective  
14 information about the type of sales that fall within the general exemption categories that were identified by  
15 a majority consensus of the Anchorage Assembly upon passage of AO No. 2001-32; now therefore,  
16

17 **THE ANCHORAGE ASSEMBLY RESOLVES**  
18

19 **Section 1.** AO No. 2001-32 and Proposition No. 1 list the following general exemption categories  
20 regarding retail sales and rental of goods are not taxable under the proposed general sales tax: food; medical  
21 services and supplies; rental of primary residence; fuels and electricity for residential heat; light; telephone  
22 service; and other exemptions the Assembly may prescribe.  
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24 **Section 2.** After the Assembly's Work Session and the Regular Meeting regarding AO No. 2001-32,  
25 the majority consensus of the Assembly was that the following types of retail sales and rentals of goods  
26 would fall within the general exemption categories listed in the proposed sales tax ordinance and on  
27 Proposition No. 1:  
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29 Food:

30 Food at Home  
31 Vending Machine Food Purchases  
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33 Medical Services and Supplies:

34 Health Care  
35

36 Rental of Primary Residence:

37 Owned Dwellings  
38 Rented Dwellings  
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40 Fuels and Electricity for Residential Heat:

41 Utilities, Fuels, Public Services  
42 Gasoline and Motor Oil  
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Light:  
Utilities, Fuels, Public Services

Telephone service:  
Utilities, Fuels, Public Services

Other Exemptions:  
Services Regarding Apparel  
Services Related to Personal Care Products  
Household Operations  
Public Transportation  
Ground Transportation  
Visitor Tours  
Reading  
Education  
Cash Contributions  
Personal Insurance and Pensions  
Entertainment Fees and Admissions  
Miscellaneous

**Section 3.** If Proposition No. 1 is passed by 60% of the qualified voters at the April 3, 2001 Regular Election, the Assembly will then prepare and implement an ordinance effective January 1, 2001. The types of sales within the general exemption categories may change, depending upon the vote of the Members upon the Assembly at the time the proposed ordinance is before the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 20<sup>th</sup> day of March, 2001.

  
Chair of the Assembly

ATTEST:  
  
Municipal Clerk

MUNICIPALITY OF ANCHORAGE  
ASSEMBLY MEMORANDUM

AM No. 291-2001

Meeting Date: March 20, 2001

1 **From:** Assembly Member Dick Traini  
2 **Subject:** AR 2001-87; A RESOLUTION OF THE ANCHORAGE ASSEMBLY  
3 IDENTIFYING SPECIFIC SALES TAX EXEMPTIONS FOR WHICH THERE IS  
4 A MAJORITY CONSENSUS OF ASSEMBLY MEMBERS  
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6 The Anchorage Assembly passed AO No. 2001-32 on February 13, 2001, which placed Proposition No. 1  
7 on the April 3, 2001 ballot concerning a general sales tax. AO No. 2001-32 and Proposition No. 1 both  
8 contain a general list of exemption categories that would not be subject to the general sales tax. The general  
9 list of exemption categories for retail sales and rental of goods that would not be taxable under the proposed  
10 general sales tax includes: food; medical services and supplies; rental of primary residence; fuels and  
11 electricity for residential heat; light; telephone service; and other exemptions the Assembly may prescribe.  
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13 The type of sales that fall within the general exemption categories were identified by a majority consensus  
14 of the Anchorage Assembly as a result of the Assembly Work Session and Regular Meeting on February  
15 13, 2001 regarding AO No. 2001-32. These are outlined on the attached resolution. Additionally, the  
16 definitions for these types of retail sales and rentals of goods are defined in Attachment 1 to this AM based  
17 on Consumer Expenditure Survey, Bureau of Labor Statistics (Dec. 28, 2000) at URL:  
18 <http://stats.bls.gov/csxgloss.htm>.  
19

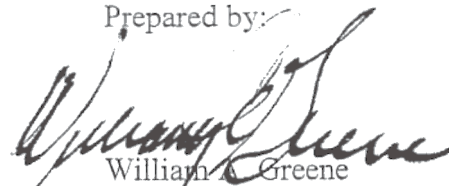
20 If Proposition No. 1 is passed by 60% of the qualified voters at the April 3, 2001 Regular Election, the  
21 Assembly will then prepare and implement an ordinance that will be effective January 1, 2001. The types  
22 of exempt sales that fall within the general exemption categories may change, depending upon the vote of  
23 the Members upon the Assembly at the time the proposed ordinance is before the Assembly.  
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28 Respectfully submitted

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31 Dick Traini  
32 Assembly Member  
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Prepared by:

  
William A. Greene  
Municipal Attorney

**Bureau of Labor Statistics  
Consumer Expenditure Survey**

**Glossary of Terms**

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- 1. FOOD AT HOME** refers to the total expenditures for food at grocery stores or other food stores and food prepared by the consumer unit on trips. It excludes the purchase of nonfood items.
- 2. FOOD AWAY FROM HOME** includes all meals (breakfast, lunch, brunch, and dinner) at restaurants, carryouts, and vending machines, including tips, plus meals as pay, special catered affairs such as weddings, bar mitzvahs, and confirmations, and meals away from home on trips.
- 3. ALCOHOLIC BEVERAGES** includes beer and ale, wine, whiskey, gin, vodka, rum, and other alcoholic beverages.
- 4. OWNED DWELLINGS** includes interest on mortgages, property taxes and insurance, refinancing and prepayment charges, ground rent, expenses for property management/security, homeowners' insurance, fire insurance and extended coverage, expenses for repairs and maintenance contracted out, and expenses of materials for owner-performed repairs and maintenance for dwellings used or maintained by the consumer unit. Mortgage principal repayments are payments of loans and are shown in Other financial information.
- 5. RENTED DWELLINGS** includes rent paid for dwellings, rent received as pay, parking fees, maintenance, and other expenses.
- 6. OTHER LODGING** includes all expenses for vacation homes, school, college, hotels, motels, cottages, trailer camps, and other lodging while out of town.
- 7. UTILITIES, FUELS, AND PUBLIC SERVICES** includes natural gas, electricity, fuel oil, wood, kerosene, coal, bottled gas, water, garbage and trash collection, sewerage maintenance, septic tank cleaning, telephone charges, and other public services.

## Glossary of Terms

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8. **OTHER HOUSEHOLD EXPENSES** includes housekeeping services, gardening and lawn care services, coin-operated laundry and dry-cleaning (non-clothing), termite and pest control products, moving, storage, and freight expenses, repair of household appliances and other household equipment, repair of computer systems for home use, reupholstering and furniture repair, rental and repair of lawn and gardening tools, and rental of other household equipment.
- *Domestic services* includes babysitters, day care tuition, care of invalids, and domestic and other duties.
9. **HOUSEKEEPING AND GARDEN SUPPLIES** includes laundry and cleaning supplies, cleaning and toilet tissues, stationery supplies, postage, miscellaneous household products, and lawn and garden supplies.
10. **HOUSEHOLD FURNISHINGS AND EQUIPMENT:**
- *Household textiles* includes bathroom, bedroom, kitchen, dining room, and other linens, curtains and drapes, slipcovers and decorative pillows, and sewing materials.
  - *Furniture* includes living room, dining room, kitchen, bedroom, nursery, porch, lawn, and other outdoor furniture.
  - *Floor coverings* includes installation and replacement of wall-to-wall carpets, room-size rugs, and other soft floor coverings.
  - *Major appliances* includes refrigerators, freezers, dishwashers, stoves, ovens, garbage disposals, vacuum cleaners, microwaves, air-conditioners, sewing machines, washing machines and dryers, and floor cleaning equipment.
  - *Small appliances/miscellaneous housewares* includes small electrical kitchen appliances, portable heating and cooling equipment, china and other dinnerware, flatware, glassware, silver and other serving pieces, nonelectric cookware, and plastic dinnerware. Excludes personal care appliances.
  - *Miscellaneous household equipment* includes typewriters, luggage, lamps and other light fixtures, window coverings, clocks, lawnmowers and gardening equipment, other hand and power tools, telephone answering devices, telephone accessories, computers and computer hardware for home use, computer software and accessories for home use, calculators, office equipment for home use, floral arrangements and house plants, rental of furniture, closet and storage items, household decorative items, infants' equipment, outdoor equipment,

Glossary of Terms

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smoke alarms, other household appliances, and small miscellaneous furnishings.

**11. APPAREL AND SERVICES**

- *Men's and boys' apparel* includes coats, jackets, sweaters, vests, sportcoats, tailored jackets, trousers, slacks, shorts and short sets, sportswear, shirts, underwear, nightwear, hosiery, uniforms, and other accessories.
- *Women's and girls' apparel* includes coats, jackets, furs, sportcoats, tailored jackets, sweaters, vests, blouses, shirts, dresses, dungarees, culottes, slacks, shorts, sportswear, underwear, nightwear, uniforms, hosiery, and other accessories.
- *Apparel for children under 2* includes coats, jackets, snowsuits, underwear, diapers, dresses, crawlers, sleeping garments, hosiery, footwear, and other accessories for children under 2.
- *Footwear* includes articles such as shoes, slippers, boots, and other similar items. It excludes footwear for children under 2 and special footwear used for sports such as bowling or golf shoes.
- *Other apparel products and services* includes material for making clothes, shoe repair, alterations and repairs, sewing patterns and notions, clothing rental, clothing storage, dry cleaning, sent out laundry, watches, jewelry, and repairs to watches and jewelry.

**12. VEHICLE PURCHASES (net outlay)** includes the net outlay (purchase price minus trade-in value) on new and used domestic and imported cars and trucks; other vehicles include attachable campers, trailers, motorcycles, and private planes.

- *Vehicle finance charges* includes the dollar amount of interest paid for a loan contracted for the purchase of vehicles described above.

**13. GASOLINE AND MOTOR OIL** includes gasoline, diesel fuel, and motor oil.

**14. OTHER VEHICLE EXPENSES**

- *Maintenance and repairs* includes tires, batteries, tubes, lubrication, filters, coolant, additives, brake and transmission fluids, oil change, brake adjustment and repair, front-end alignment, wheel balancing, steering repair, shock absorber replacement, clutch and transmission

Bureau of Labor Statistics  
Consumer Expenditure Survey

Glossary of Terms

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repair, electrical system repair, exhaust system repair, body work and painting, motor repair, repair to cooling system, drive train repair, drive shaft and rear-end repair, tire repair, other maintenance and services, and auto repair policies.

- *Vehicle insurance* includes the premium paid for insuring cars, trucks, and other vehicles.

**PUBLIC TRANSPORTATION** includes fares for mass transit, buses, trains, airlines, taxis, private school buses, and boats.

- *Vehicle rent, licenses, and other charges* includes leased and rented cars, trucks, motorcycles, and aircraft, inspection fees, State and local registration, drivers' license fees, parking fees, towing charges, and tolls.

**HEALTH CARE**

- *Health insurance* includes health maintenance plans (HMO's), Blue Cross/Blue Shield, commercial health insurance, Medicare, Medicare supplemental insurance, and other health insurance.
- *Medical services* includes hospital room and services, physicians' services, service of a practitioner other than physician, eye and dental care, lab tests, X-rays, nursing, therapy services, care in convalescent or nursing home, and other medical care.
- *Drugs* includes prescription and nonprescription drugs, internal and respiratory over-the-counter drugs.
- *Medical supplies* includes topicals and dressings, antiseptics, bandages, cotton, first aid kits, contraceptives, syringes, ice bags, thermometers, sunlamps, vaporizers, heating pads, medical appliances such as braces, canes, crutches, and walkers, eyeglasses, and hearing aids, rental and repair of medical equipment.

**17. ENTERTAINMENT**

- *Fees and admissions* includes fees for participant sports; admissions to sporting events, movies, concerts, plays; health, swimming, tennis and country club memberships, and other social recreational and fraternal organizations; recreational lessons or instruction; rental of movies, and recreation expenses on trips.
- *Television, radio, and sound equipment* includes television sets, video recorders, video cassettes, tapes, disks, disk players, video game

## Glossary of Terms

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hardware, video game cartridges, cable TV, radios, phonographs, tape recorders and players, sound components, records and tapes, and records and tapes through record clubs, musical instruments, and rental and repair of TV and sound equipment.

- *Pets, toys, hobbies, and playground equipment* includes pet food, pet services, veterinary expenses, toys, games, hobbies, tricycles, and playground equipment.
- *Other entertainment equipment and services* includes indoor exercise equipment, athletic shoes, bicycles, trailers, campers, camping equipment, rental of campers and trailers, hunting and fishing equipment, sports equipment, winter sports equipment, water sports equipment, boats, boat motors and boat trailers, rental of boats, landing and docking fees, rental and repair of sports equipment, photographic equipment, film and film processing, photographer fees, repair and rental of photo equipment, fireworks, pinball and electronic video games.

18. **PERSONAL CARE PRODUCTS AND SERVICES** includes products for the hair, oral hygiene products, shaving needs, cosmetics and bath products, electric personal care appliances, other personal care products, personal care services for males and females.
19. **READING** includes subscriptions for newspapers, magazines, and books through book clubs; purchase of single copy newspapers and magazines, newsletters, books, and encyclopedias and other reference books.
20. **EDUCATION** includes tuition, fees, textbooks, supplies, and equipment for public and private nursery schools, elementary and high schools, colleges and universities, and other schools.
21. **TOBACCO PRODUCTS AND SMOKING SUPPLIES** includes cigarettes, cigars, snuff, loose smoking tobacco, chewing tobacco, and smoking accessories such as cigarette or cigar holders, pipes, flints, lighters, pipe cleaners, and other smoking products and accessories.
22. **MISCELLANEOUS** includes safety deposit box rental, checking account fees and other bank services, legal fees, accounting fees, funerals,



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Consumer Expenditure Survey**

**Glossary of Terms**

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cemetery lots, union dues, occupational expenses, and finance charges other than for mortgage and vehicles.

23. **CASH CONTRIBUTIONS** includes cash contributed to persons or organizations outside the consumer unit including alimony and child support payments, care of students away from home, and contributions to religious, educational, charitable, or political organizations.
24. **PERSONAL INSURANCE AND PENSIONS**
- ***Life, endowment, annuities, and other personal insurance*** includes premiums for whole life and term insurance; endowments; income and other life insurance; mortgage guarantee insurance; mortgage life insurance; premiums for personal liability, accident and disability, and other non-health insurance other than for homes and vehicles.
  - ***Retirement, pensions, and Social Security*** includes all Social Security contributions paid by employees; employee's contributions to railroad retirement, government retirement, and private pension programs; retirement programs for self-employed.

**Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
AGENDA DOCUMENT CONTROL SHEET**

*An 200787*

<b>1</b>	<b>SUBJECT OF AGENDA DOCUMENT</b>	<b>DATE PREPARED</b> 3/20/01
	A Resolution Identifying Specific Sales Tax Exemptions for Which There Is a Majority Consensus of Assemblymembers	INDICATE DOCUMENTS ATTACHED AR/AM
<b>2</b>	<b>DEPARTMENT NAME</b> Assembly	<b>DIRECTOR'S NAME</b> Fay Von Gemmingen
<b>3</b>	<b>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</b>	<b>HIS/HER PHONE NUMBER</b>
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b> <b>DATE</b>
	<b>Mayor</b>	
	Heritage Land Bank	
	Merrill Field Airport	
	Municipal Light & Power	
	Port of Anchorage	
	Solid Waste Services	
	Water & Wastewater Utility	
	<b>Municipal Manger</b>	
	Cultural & Recreational Services	
	Employee Relations	
	Finance, Chief Fiscal Officer	
	Fire	
	Health & Human Services	
	Office of Management and Budget	
	Management Information Services	
	Police	
	Planning, Development & Public Works	
	Development Services	
	Facility Management	
	Planning	
	Project Management & Engineering	
	Street Maintenance	
	Traffic	
	Public Transportation Department	
	Purchasing	
	<b>Municipal Attorney</b>	
	<b>Municipal Clerk</b>	
	<b>Other</b>	
<b>5</b>	<b>SPECIAL INSTRUCTIONS/COMMENTS</b> <i>addendum</i> <i>T.C.H. Actor</i>	
<b>6</b>	<b>ASSEMBLY MEETING DATE</b> <i>3/27/01</i>	<b>7</b> <b>PUBLIC HEARING DATE REQUESTED</b> —

M.O.A.  
 2001 MAR 20 AM 10:37  
 CLERK'S OFFICE