

	MUNICIPALITY OF ANCHORAGE	
	Finance Dep't., Treasury Div. Fax: (907) 343-6677	<u>Mailing Address</u> P.O. Box 196650 Anchorage, AK 99519-6650

AMC 12.45 – RENTAL VEHICLE TAX INFORMATIONAL #6 Entities Exempt by Act of Congress

Revised: August 21, 2014

Anchorage Municipal Code (AMC) 12.45.040 states (emphasis added): “Fees and costs **paid directly** by the United States or State of Alaska or political subdivisions of the State of Alaska insofar as they are immune from taxation” are exempt from the tax. Certain organizations, while not political subdivisions of the United States, have nevertheless been granted tax exemption by acts of Congress. When deciding whether or not to charge the MOA rental vehicle tax on the rental vehicle fees and costs being paid by a customer, two determinations need to be made:

1. Are the fees and costs “**paid directly**”? Please read AMC 12.45.010 for guidance on what “paid directly” means.
2. Has the organization been granted an exemption by an act of Congress?

The Municipality has determined the following organizations are exempt from the MOA rental vehicle tax as a result of acts of Congress:

- Federal credit unions (Section 122 of the Federal Credit Union Act, 12 U.S.C. §1768). **Federal** credit unions (but not state, employer, group, or local credit unions) enjoy broad tax immunity, with courts generally considering them to be instrumentalities of the federal government. Federal credit unions will have the term “Federal” in the name of the credit union. Federal credit union employees who establish that they are traveling on official federal credit union business are exempt from the MOA rental vehicle tax when renting a motor vehicle with any method of payment – personal check, currency and coin, personal debit card, personal credit card, business credit card, direct payment from the federal credit union, or any other method of payment (see U.S. Court of Appeals, 9th Circuit, Docket No. 95-55205, cite 190 F3d 997 and 95 F3d 30).
- American Red Cross (36 U.S.C. Chapter 1 et. seq.). If the fees and costs for a rental motor vehicle are paid directly by the American Red Cross, the transaction is tax exempt pursuant to AMC 12.45.040. Employees of the American Red Cross are not entitled by an act of Congress to tax-exempt treatment when paying for a rental vehicle with currency and coin, personal credit card, personal check, or any other method involving personal funds.

The above list may not be all inclusive. There may be other organizations that have been granted tax exempt status by Congress of which the Municipality is currently unaware. If a customer asserts tax exemption attributable to Congressional act, or if you have questions regarding any organization that is not listed above, please contact the Treasury Division of the Municipality of Anchorage at the numbers listed below between 8:00AM and 5:00PM Monday through Friday, except on holidays.

For more information, please visit our website at: www.muni.org/treasury and click the “Rental Vehicle Tax” link, or contact:
Supervisor (907) 343-6965 Enforcement Officers (907) 343-6964 or 6676 Assistants (907) 343-6686 or 6967