



## MUNICIPALITY OF ANCHORAGE

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### **AMC 12.20 Room Tax INFORMATIONAL #12 Entities Exempt by Acts of Congress**

Revised: August 21, 2014

Anchorage Municipal Code (AMC) 12.20.022 states (emphasis added): “Rent **paid directly** by the United States or state 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 room tax to a guest, two determinations need to be made:

1. Are the fees and costs “**paid directly**”? Please read AMC 12.20.022 for guidance on what “paid directly” means.
2. Has the organization been granted a tax exemption by an act of Congress?

The Municipality has determined the following organizations are exempt from the room 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 room tax when paying room rent by 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, 9<sup>th</sup> Circuit, Docket No. 95-55205, cite 190 F3d 997 and 95 F3d 30).
- American Red Cross (36 U.S.C. Chapter 1 et. seq.). Pursuant to AMC 12.20.022, only room rent that is paid directly to the Operator by the American Red Cross is exempt of the MOA room tax. Employees of the American Red Cross are not entitled by an act of Congress to tax-exempt treatment when paying room rent 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 additional organizations that have been granted tax exemption by Congress of which the Municipality is currently unaware. If a guest asserts tax exemption attributable to Congressional act, or if you have questions regarding any organization that is not listed above, please feel free to 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.

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