

CLERK'S OFFICE
APPROVED
Date: 11-21-00

Submitted by:

Prepared by:
For reading:

Chair of the Assembly at the
request of the Mayor
Department of Finance
November 7, 2000

ANCHORAGE, ALASKA
AO 2000- 161

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.40, EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS, TO REPEAL THE TAX EXEMPTION FOR CIGARETTES AND OTHER TOBACCO PRODUCTS ACQUIRED WITHIN THE MUNICIPALITY AND TRANSPORTED FOR RESALE OUTSIDE THE MUNICIPALITY.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code section 12.40.006 is hereby amended by deleting the definitions for "cardholder or exemption cardholder" and "exemption card" to read as follows: *(Other definitions in the referenced section are not affected and therefore not set out.)*

12.40.006 Definitions

[CARDHOLDER OR EXEMPTION CARDHOLDER MEANS A PERSON IN WHOSE NAME A VALID AND CURRENT EXEMPTION CARD HAS BEEN ISSUED BY THE DEPARTMENT.]

[EXEMPTION CARD MEANS A MUNICIPAL CIGARETTE AND TOBACCO PRODUCTS EXEMPTION CARD ISSUED UNDER SECTION 12.40.030.]

Section 2. Anchorage Municipal Code subsection 12.40.025C. is hereby repealed as follows:

12.40.025 Exemptions

[C. PROVIDED ALL PERSONS OTHERWISE SUBJECT TO THIS CHAPTER COMPLY WITH ITS REQUIREMENTS, CIGARETTES AND OTHER TOBACCO PRODUCTS:

BROUGHT INTO OR ACQUIRED IN THE MUNICIPALITY;

2. TRANSPORTED OUTSIDE OF THE MUNICIPALITY; AND

3. WHICH ARE FOR RESALE OUTSIDE THE MUNICIPALITY BY A MERCHANT WITH AN ALASKA BUSINESS LICENSE CARRYING AN ALASKA TOBACCO ENDORSEMENT THEREON;

ARE EXEMPT FROM THE TAX IMPOSED UNDER THIS CHAPTER.]

Section 3. Anchorage Municipal Code section 12.40.030 is hereby repealed as follows:

12.40.030 [EXEMPTION CARDS]

[A. EXCEPT AS OTHERWISE PROVIDED HEREIN, NO PERSON MAY ACQUIRE CIGARETTES OR OTHER TOBACCO PRODUCTS IN THE MUNICIPALITY EXEMPT OF THE TAX UNLESS THAT PERSON HAS BEEN ISSUED AN EXEMPTION CARD IN ACCORDANCE WITH THIS CHAPTER. NO LICENSEE SHALL CLAIM ANY EXEMPTION UNDER THIS CHAPTER UNLESS CIGARETTES OR OTHER TOBACCO PRODUCTS FOR WHICH AN EXEMPTION IS CLAIMED HAVE BEEN SOLD OR TRANSFERRED TO A PERSON PRESENTING A VALID AND CURRENT EXEMPTION CARD ISSUED BY THE DEPARTMENT IN ACCORDANCE WITH THIS CHAPTER PRIOR TO SUCH SALE OR TRANSFER.

- 1 ANY PERSON, INCLUDING A LICENSEE, MAY APPLY FOR AN EXEMPTION CARD UNDER THIS SECTION AS AN AGENT FOR MERCHANTS WHOSE PRINCIPAL PLACES OF BUSINESS ARE LOCATED OUTSIDE OF THE MUNICIPALITY AND WHO ACQUIRE FROM AN AGENT CIGARETTES OR OTHER TOBACCO PRODUCTS EXEMPT FROM THE TAX IMPOSED UNDER THIS CHAPTER, PROVIDED EACH MERCHANT HAS A VALID ALASKA BUSINESS LICENSE WITH AN ALASKA TOBACCO ENDORSEMENT AND THE STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE THEREON.
2. A MERCHANT ACQUIRING CIGARETTES AND OTHER TOBACCO PRODUCTS THROUGH AN AGENT UNDER THIS SECTION SHALL BE CONSIDERED AN EXEMPTION CARDHOLDER FOR ALL PURPOSES UNDER THIS CHAPTER.
3. A PERSON OR LICENSEE ISSUED AN EXEMPTION CARD AS AN AGENT UNDER THIS SECTION SHALL COMPLY WITH ALL PROVISIONS OF THIS CHAPTER EXCEPT THE AGENT SHALL NOT BE REQUIRED TO MAINTAIN RECORDS TO PROVE THAT CIGARETTES AND OTHER TOBACCO PRODUCTS FOR WHICH AN EXEMPTION IS CLAIMED UNDER THE AGENT'S EXEMPTION CARD HAVE BEEN RESOLD OUTSIDE OF THE MUNICIPALITY BY THE MERCHANT. VIOLATION OF ANY PROVISION OF THIS CHAPTER RELATING TO EXEMPTION CARDHOLDERS BY A LICENSEE AS AGENT FOR A MERCHANT SHALL BE GROUNDS FOR REVOCATION OF THE LICENSEE'S LICENSE ISSUED UNDER THIS CHAPTER.
4. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN OR IMPLIED BY OTHER PROVISIONS OF THIS CHAPTER, THE LICENSEE SHALL BE AND REMAIN THE TAXPAYER LIABLE FOR THE PAYMENT OF TAXES DUE UNDER THIS CHAPTER.

B. APPLICATION FOR AN EXEMPTION CARD SHALL BE ON A FORM PROVIDED BY THE DEPARTMENT AND INCLUDE THE FOLLOWING INFORMATION AND SUCH OTHER INFORMATION AS THE DEPARTMENT MAY REQUIRE:

- 1 THE APPLICANT'S AND/OR AGENT'S NAME AND ADDRESS;

to the department and shall provide a copy of an invoice or other document satisfactory to the department supporting each sale to a cardholder.

Section 6. Anchorage Municipal Code section 12.40.170 is hereby amended by deleting "cardholder" from the title and deleting the reference to "exemption card" in the first sentence of subsection 12.40.170A. to read as follows:

12.40.170 Taxpayer, licensee, [CARDHOLDER]or other person remedies

A. Any person aggrieved by any action of the department in issuing, suspending, revoking or refusing to issue any license [OR EXEMPTION CARD]under this chapter or in fixing the amount of taxes, penalties, interest or costs under this chapter may apply to the department and request a hearing within 30 days from the date the department mails the notice of the department's action.

(The remainder of this subsection is not amended and therefore is not set out.)

Section 7. Anchorage Municipal Code subsection 12.40.220A.2. is hereby repealed and subsections 12.40.220A.3. and 12.40.220A.4. are renumbered to 12.40.220A.2. and 12.40.220A.3., respectively, to read as follows:

12.40.220 Inspection and maintenance of documents and records

A. Every person subject to this chapter shall keep a complete and accurate record of all cigarettes and other tobacco products manufactured, purchased, sold, brought into, transported outside of or acquired in the municipality by such person.

[2. EACH INVOICE OR OTHER DOCUMENTATION OF THE SALE OF CIGARETTES OR OTHER TOBACCO PRODUCTS WITHIN THE MUNICIPALITY SHALL STATE WHETHER THE TAX IMPOSED UNDER THIS CHAPTER HAS BEEN PAID.]

2.[3.]Persons subject to this chapter shall keep such other documents and records as the department prescribes.

3.[4.]All documents and records required by this section shall be preserved by persons subject to this chapter for three years. All records and documents required by this chapter to be kept or retained are subject to inspection within the municipality upon demand by the department.

Section 8. Anchorage Municipal Code subsection 12.40.220B. is hereby repealed, subsection 12.40.220C. is renumbered to 12.40.220B., and the reference to "cardholder" in the renumbered subsection 12.40.220B. is deleted to read as follows:

12.40.220 Inspection and maintenance of documents and records

[B. A LICENSEE TRANSFERRING OR SELLING CIGARETTES OR OTHER TOBACCO PRODUCTS TO A CARDHOLDER MUST KEEP A RECORD OF CIGARETTES AND

OTHER TOBACCO PRODUCTS TRANSFERRED OR SOLD TO SUCH PERSON,
INCLUDING THE SERIAL NUMBER OF THE EXEMPTION CARD.]


B.[C.] The chief fiscal officer may, during business hours, enter the business premises of a licensee
[OR CARDHOLDER] where cigarettes or other tobacco products are kept or stored, so far as
it may be necessary for the purpose of examining such products.

Section 9. This ordinance shall become effective on January 1, 2001

PASSED AND APPROVED by the Anchorage Assembly this 21 day of November, 2000.


Chair

ATTEST:


Municipal Clerk