AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE BY
ENACTING CHAPTER 12.65, ALCOHOLIC BEVERAGES RETAIL SALES TAX,
TO ESTABLISH THE REQUIREMENTS AND PROCEDURES FOR THE
ADMINISTRATION, COLLECTION, AND ENFORCEMENT OF THE ALCOHOLIC
BEVERAGES RETAIL SALES TAX APPROVED BY THE VOTERS, INCLUDING
BUT NOT LIMITED TO PROVISIONS REGARDING: DEFINITIONS, TAX RATE,
RETAILER REGISTRATION, TAX RETURNS, PROHIBITED ACTS, PENALTIES
AND INTEREST, APPLICATION OF PAYMENTS, RECORDS RETENTION,
INSPECTION AND CONFIDENTIALITY, TAX REFUNDS, AND TAXPAYER
REMEDIES; AND AUTHORIZING PROSPECTIVE MUNICIPAL PARTICIPATION
AND MEMBERSHIP IN THE ALASKA REMOTE SELLER SALES TAX
COMMISSION.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code title 12 is hereby amended by enacting a
new chapter 12.65 to read as follows:

Chapter 12.65 ALCOHOLIC BEVERAGES RETAIL SALES TAX

12.65.010 Definitions.

Any words, terms and phrases not defined in this section shall, if
defined therein, have the meaning given in Alaska Statutes and Regulations,
or otherwise shall have their ordinary and common meaning. The following
words, terms, and phrases, when used in this chapter, shall have the
meanings ascribed to them in this section, except where the context clearly
indicates a different meaning:

Alcoholic beverage includes, but is not limited to, whiskey, brandy,
rum, gin, wine, ale, porter, beer, and all other spirituous, vinous, malt or other
fermented or distilled liquors, whatever the origin, intended for human
consumption as a beverage and containing one-half of one percent (0.5%) or
more of alcohol by volume.

Alcoholic beverages retail sales tax means the sales tax levied by
Charter section 14.07 and this chapter on retail alcoholic beverages sold by
a retailer and paid by the consumer, pursuant to this chapter.
Alaska Statutes and Regulations means Alaska Statutes (Title 4) and Regulations (Title 3 Alaska Administrative Code, Chapter 304), and the regulations enacted by the ABC Board and enforced by the Alcohol and Marijuana Control Office (AMCO).

Certificate or Certificate of registration means a standard license or a temporary special-use certificate issued by the department authorizing a specified retailer to assess, collect, and timely remit to the department the retail alcoholic beverages sales tax levied by this chapter.

Chief fiscal officer means the chief fiscal officer of the municipality or designee.

Common carrier shall have the meaning as given in AS 04.16.125(c)(1).

Consideration means something of value given by each party to a contract that induces that party to enter into the agreement to exchange mutual performances. Consideration must have a value that can be objectively determined.

Consumer means a person who purchases retail alcoholic beverages for consumption from a person licensed by the State of Alaska as a retail seller of alcohol.

Department means the finance department of the municipality.

Fiduciary means a retailer or a person or responsible party acting on behalf of a retailer, to whom the duties to collect, segregate, and remit the taxes authorized by this chapter is entrusted for purposes specified in this chapter.

Funds means money, assets or intangible assets that can be converted to United States currency and/or coin.

Inventory count means the effective date and details of a count by description, including the trade name and brand, purchase price, and total quantity on-hand of all alcoholic beverages.

Manufacturer sale means the act of selling any alcoholic beverage by a person licensed with the State of Alaska as a brewer, distillery, or winery.

Municipality shall have the meaning as given in section 1.05.020.

Person includes an individual, company, partnership, limited liability partnership, joint venture, joint agreement, limited liability company, association (mutual or otherwise), corporation, estate, trust, business trust, receiver, trustee, syndicate, or any combination acting as a unit.
Regarding Alcoholic Beverages Retail Sales Tax

Responsible party means a person who has a level of control over, or entitlement to, the funds or assets of a retailer that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the retailer or the retail operations.

Retailer means any person or responsible party who is required to be licensed or permitted by the State of Alaska under Alaska Statutes and Regulations and the municipality to sell alcoholic beverages within the municipality to consumers.

Retail sale means any exchange or barter, in any manner or by any means whatsoever, for consideration, of an alcoholic beverage to a consumer where: (1) the consumer takes possession of, or title to, the purchased alcoholic beverage within the municipality; or (2) the seller receives consideration for the purchased alcoholic beverage within the municipality.

Sale(s) price means the consideration, whether money, rights, credit or other property expressed in the terms of money paid or delivered by a consumer to a retailer after reduction by any special offer, without deduction for the cost of property sold, materials used, labor cost, discount(s) provided based on other paid consideration, delivery costs or any other expense whatsoever paid or accrued and without deduction on account of losses.

Special offer means a temporary reduction in sales price of an alcoholic beverage offered to any purchaser as a promotion, such as a holiday or anniversary sale price reduction; or a price reduction for which the retailer receives no consideration; or in recognition of a consumer’s unpaid loyalty to the retailer such as for a preferred customer based on frequency of patronage, purchases, or other activity; or other similar price reduction offered without any consideration paid for by, or on behalf of, the purchaser to the retailer or any third party.

Tax return means the monthly report to be submitted to the department as required by section 12.65.160.

Temporary special-use certificate means a temporary license issued by the department to a person who has received a permit from the State of Alaska under Alaska Statutes and Regulations, and who does not already hold a standard license from the department, authorizing the holder to assess, collect, and timely remit to the department the retail alcoholic beverages sales tax levied by this chapter.

Wholesale sale means the act of selling any alcoholic beverage by a person licensed with the State of Alaska as a wholesale alcohol seller.
12.65.020  Applicability of chapter.

Unless provided otherwise, this chapter shall apply to the taxation of all retail alcoholic beverage sales within the municipality to consumers.

12.65.030  Alcoholic beverages retail sales tax.

A. There is hereby levied a tax on all retail sales of alcoholic beverages in an amount equal to five percent (5%) of the sales price paid.

B. Every retailer making a taxable retail sale under this chapter shall collect the alcoholic beverages retail sales tax from the consumer at the time of collection of the sales price, and shall deliver the same to the municipality in accordance with the requirements of this chapter.

12.65.040  Tax exemptions.

A. The following transactions are exempt from the tax levied by section 12.65.030:

1. Wholesale and manufacturer sales of alcoholic beverages to retailers;

2. Corkage fees, as described in AS 04.16.120;

3. Component parts, as defined by the department, including separately charged and reusable components (e.g., keg, growler);

4. Sales of alcoholic beverages on a common carrier within the municipality;

5. Sales of alcoholic beverages by the United States or any instrumentality thereof; and

6. Sales of alcoholic beverages to a customer who is an officer or employee of a foreign government which is exempt from taxation by law or treaty.

12.65.050  Intent and purpose of chapter and taxpayer.

It is the intent and purpose of this chapter to collect the tax from the person who purchases alcoholic beverages from a retailer located within the municipality. Notwithstanding anything to the contrary contained in this chapter, the taxpayer shall be those persons described in this section and no others.
12.65.060  Tax receipts to be segregated and held in trust for the municipality.

A.  Taxes collected pursuant to this chapter belong to the municipality at the time collected from the consumer by the retailer. The retailer has a fiduciary duty to the municipality for these taxes. The taxes shall be segregated from the retailer’s funds, at least by book account, and held in trust for the exclusive benefit of the municipality until remitted to the municipality.

B.  When the circumstances described in subsection 12.65.150D. have occurred, the chief fiscal officer may require the retailer to maintain a separate account, as directed, for segregating tax monies collected. The retailer required to establish an account under this section shall deposit tax monies therein upon collection. Any costs incurred to maintain the separate account shall be borne by the retailer.

12.65.070 Certificate of registration: eligibility.

A.  To be eligible for a certificate of registration, a retailer applying for a certificate shall:

1.  Possess a current business license as required by AS 43.70, and a current State of Alaska alcohol retail license or permit as required by AS 04.11. Copies of applicable licenses and permits must be provided to the municipality before a certificate of registration will be issued; and

2.  The retailer must disclose any of the following:

   a. if at any time in the most recent five-year period the retailer has been convicted of a crime related to theft of tax dollars, attempted theft of tax dollars, failure to remit taxes due, embezzlement, theft, or similar financial crimes, and whether the retailer has satisfied all court-ordered restitution judgments related to past convictions of same;

   b. if the retailer at any time during the most recent five-year period has had a certificate of registration under this chapter revoked more than once;

   c. if the retailer has delinquent tax obligations to the municipality or substantially unpaid delinquent financial obligations to the municipality; and

   d. if the retailer has any unresolved issues regarding a prior certificate of registration issued under this chapter.
3. If any of the provisions of subsection 12.65.070A.2. apply, the retailer may still be eligible for a certificate, but may be subject to additional requirements under subsection 12.65.150A. to obtain a certificate of registration.

12.65.080 Certificate of registration: required.

A. Except as otherwise provided in this chapter, every retailer shall obtain a certificate of registration for each location at which the business of retail sales of alcoholic beverages to consumers are conducted, prior to operating as a retailer within the municipality.

B. A retailer operating under a permit issued by the State of Alaska will not be required to obtain a temporary special-use certificate under this chapter if the estimated retail sales of alcoholic beverages under the permit do not exceed $5,000, or $250 in alcoholic beverages retail sales taxes due.

C. There shall be no charge for issuing a certificate of registration. There shall be a prepaid tax deposit required for the issuance of a temporary special-use certificate, in an amount to be determined by the department that is based on a percentage of estimated alcohol sales under the temporary special-use certificate.

D. Retailers shall display their certificate of registration in a conspicuous place where it can be readily viewed by consumers at the registered place of business. A retailer who has no regular place of business shall attach such certificate to its stand, truck, or other merchandising device.

E. A certificate of registration issued under this chapter shall state the following:

1. business name and business address of the retailer;

2. name of the person(s) owning the retail business, if the retailer is owned by a business entity;

3. retailer’s form of business organization; and

4. issue date of the certificate.

F. Except as otherwise provided in this chapter, a certificate issued under this chapter is valid until it expires, pursuant to section 12.65.110, unless it is revoked or suspended, pursuant to section 12.65.120.
G. Failure to register prior to operating as a retailer within the municipality shall result in penalties, pursuant to section 12.65.270.

H. A retailer whose certificate is lost, stolen or defaced shall immediately file an application with the department for reissuance of the certificate.

I. A certificate issued by this chapter is in addition to any other license required by law.

J. A certificate issued under this section is a privilege for a retailer to have and there is no right, entitlement or property interest created by the issuance of a certificate to a retailer.

12.65.090 Certificate of registration: application.

A. Application for registration to operate as a retailer, including operating under a temporary special-use certificate, within the municipality shall be made to the chief fiscal officer on a form provided by the department, containing such information as the department may require, including:

1. The retailer's name and mailing address;

2. Names and addresses of all owners of the retailer and all responsible parties for the retailer, including as follows:

   a. Corporation: names and addresses of the principal officers including president, vice-president, secretary, managing officer, and all stockholders who own 10 percent (10%) or more of the stock in the corporation;

   b. Partnership, including a limited partnership: names and addresses of all general partners and all partners with an interest of 10 percent (10%) or more; or

   c. Limited Liability Company: names and addresses of all members with an ownership interest of 10 percent (10%) or more and the names and addresses of all managers;

3. A copy of the retailer's current State of Alaska business license, including the line of business (LOB) code or equivalent;

4. A copy of the retailer’s current State of Alaska alcohol retail license(s) or permit(s);
5. The name under which the retailer will conduct business operations;

6. The physical location of each retail business operation where the retailer will conduct business within the municipality;

7. The signature of a responsible party for the retailer, constituting acknowledgment of, and firmly binding the retailer, its owners, and all responsible parties to, the following:

   a. an agreement that any contemporaneous or future complaints filed by the department in the Alaska Court System related to responsibilities, duties, consequences, or disputes associated with this chapter shall at all times be within the venue of the Anchorage District or Superior courts located in Anchorage, Third Judicial District;

   b. an obligation, in the event that an owner, partner, managing member, responsible party, or employee of the retailer subsequently commits civil fraud, as defined by this chapter and demonstrated by a preponderance of the evidence to have occurred, to remit to the municipality an amount that equals the taxes that would have been paid to the municipality if all the retail sales taxes collected had been remitted, pursuant to this chapter; and

   c. an acknowledgment of a responsible party for the retailer that the retailer and any person involved in a civil fraud, as defined by this chapter and demonstrated by a preponderance of evidence to have occurred, will become ineligible to register or hold a certificate under this section for a period of five (5) years, beginning with the date of conviction of fraud or the date of revocation of the retailer’s registration in accordance with section 12.65.120;

8. The signature of a responsible party for the retailer authorizing the State of Alaska to release information provided by or related to the retailer in accordance with Alaska Statutes and Regulations to the department at the request of the department;

9. The signature of a responsible party for the retailer confirming that the retailer fully understands the relevant compliance requirements of this chapter; and
10. Such other information as the department may require.

B. A retailer having more than one retail location within the municipality shall apply with the department for a certificate to register each separate location on a form provided by the department, which shall include:

1. A copy of the retailer’s current State of Alaska alcohol retail license for each additional location;

2. A copy of the retailer’s certificate of registration for its main or original retail location, or indicate such main application is pending; and

3. Such other information as the department may require.

C. All retailers applying for registration under this chapter shall affirm that the retailer is in compliance with all relevant municipal and State of Alaska laws and administrative requirements related to the registered business at the time of application, including but not limited to: business license, AMCO rules and regulations, special municipal permits (e.g., land use, health), and any related required periodic reporting.

D. All retailers applying for registration under this chapter shall affirm that the retailer is current with all financial obligations due to the municipality. If the applicant is a business entity, then all persons identified in subsection A.2. shall make the affirmation.

E. A retailer applying for a certificate of registration under this chapter shall provide security for its fiduciary performance, if required, in accordance with section 12.65.150. If fiduciary performance is required, evidence of such security shall be submitted to the department with the application.

F. An application for and acceptance of the certificate issued under this chapter constitutes confirmation and acknowledgement on behalf of the retailer and all responsible parties for the retailer of the fiduciary duties pursuant to this chapter.

G. Each signature on the application shall be by a person or agent having such authority to sign and bind the retailer and shall be under penalty of prosecution for unsworn falsification.

12.65.100 Certificate of registration: denial.

A. The department may deny an application for registration if:
1. there is reasonable cause to believe that the retailer or a responsible party for the retailer has willfully withheld information requested to determine the retailer’s eligibility to receive a certificate of registration;

2. there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith;

3. there is reasonable cause to believe that the retailer’s business organization has been structured to avoid payment of taxes, penalties, interest, or costs due under this chapter;

4. the retailer has an unpaid financial obligation due to the municipality;

5. the retailer had a certificate under this chapter revoked by the department within the previous five (5) years; and

6. the application is not complete.

B. The department shall deny an application if the retailer does not currently possess all other licenses required by law.

C. The department shall provide the reasons for a denial in writing to the retailer. The retailer may appeal the denial in accordance with section 12.65.280.

12.65.110 Certificate of registration: expiration.

A. A certificate of registration issued under this chapter shall automatically expire if any of the following occur:

1. The retailer moves the business to another location within the municipality. The retailer shall immediately file an application with the department for issuance of a replacement certificate for the new location.

2. If applicable, on the last day of the term of a surety bond, deposit in escrow, or letter of credit submitted as financial guarantee, unless the retailer has either renewed the surety bond, deposit in escrow, or letter of credit, or provided a new financial guarantee, or the department has waived the requirement for financial guarantee. The retailer must immediately reapply, pursuant to section 12.65.090, to obtain a new certificate.
3. A retailer ceases to engage in business as a retailer, ceases to engage in business at its registered place(s) of business, changes its name or changes the name by which the registered retail business operation is advertised or marketed by the retailer that requires the State of Alaska to issue a new business or alcohol retail license.

4.[B.] A retailer must immediately submit an updated application, as prescribed by the chief fiscal officer, upon any change in form of ownership, or if the retailer is owned by a business entity, a change in the owners of the business entity [who owns the retailer], as follows:

   a. Corporation: stockholders who own 10 percent (10%) or more of the stock in the corporation;

   b. Partnership, including a limited partnership: general partners and all partners with an interest of 10 percent (10%) or more; or

   c. Limited Liability Company: members with an ownership interest of 10 percent (10%) or more.

A retailer must immediately submit an updated application, as prescribed by the chief fiscal officer. The chief fiscal officer will review the updated application, pursuant to this chapter. A new certificate of registration will not be issued until the department has received the expired certificate.

12.65.120 Certificate of registration: surrender, suspension, or revocation.

A. A retailer shall surrender its certificate of registration to the department as follows:

   1. within ten (10) days after its certificate expires; or

   2. immediately, upon suspension or revocation by the department.

B. The department may suspend or revoke a certificate issued under this chapter for any violation of this chapter.

C. A certificate of registration shall be automatically revoked:
1. when the retailer’s required financial guarantee lapses, is not renewed, expires, is modified without the written consent of the chief fiscal officer, is cancelled, or is otherwise terminated;

2. in the event the municipality exercises a claim against the financial guarantee and the retailer fails to replace, renew or replenish its financial guarantee, in an amount equal to the amount of the paid claim or in an aggregate amount as required by section 12.65.150, no later than thirty (30) days after the date such claim was paid; or

3. the retailer’s liquor license is denied or revoked due to a liquor license protest by the municipality, or any other action by the State of Alaska that does not allow the retailer to operate.

D. The department shall revoke a certificate of registration if:

1. a retailer fails to remit substantially all (at least ninety-five percent (95%)) of the taxes due under this chapter within forty-five (45) calendar days of the due date;

2. a retailer fails to provide a financial guarantee within thirty (30) days of receiving notice from the department of such requirement;

3. subsequent to the issuance of the certificate the department discovers that the retailer or a responsible party for the retailer has willfully withheld information requested to determine the retailer’s eligibility to receive a certificate, or there is reasonable cause to believe that information submitted in the application was false or misleading and was not made in good faith; or

4. when the retailer’s circumstances change to a point where it no longer meets eligibility requirements set forth in section 12.65.070.

E. If the department decides to revoke a certificate issued under this chapter, based on any violation of this chapter, the department shall notify the retailer of the date it intends to enforce such revocation. A retailer may apply to the department to request a hearing before the chief fiscal officer on the department’s action or determination, as set forth in section 12.65.280.
12.65.130 Certificate of registration: transfer or assignment.

Non-transferable. The certificate of registration issued under this chapter is not assignable or transferable, except that in the case of death, bankruptcy, receivership, or incompetency of the retailer (or its principals if the retailer is an entity), or if the certificate is transferred to another by operation of law, the department may extend the certificate for a limited time to the executor, administrator, trustee, receiver, or the transferee.

12.65.140 Fiduciary duties.

A. The fiduciary duties include at a minimum:

1. determining, implementing, and enforcing sufficient and relevant policies and practices to ensure proper performance of fiduciary duties;

2. charging, collecting, and safeguarding all taxes required by this chapter to be collected by the retailer;

3. directing and reviewing the actions of each member, officer, director, employee, and contractor employed or used by the retailer in the exercise of the fiduciary duties under this chapter;

4. performing all acts, not prohibited by this chapter, whether or not expressly authorized, that a reasonable and prudent person would consider necessary or proper in administering and safeguarding the taxes collected under this chapter; and

5. maintaining accounting records associated with taxes collected under this chapter in accordance with generally accepted accounting principles.

B. The fiduciary is liable for a breach of a duty that is assigned or delegated. However, the fiduciary is not liable for a breach of a duty that has been delegated to another person if the duty is assigned by law to another person, except to the extent that the fiduciary:

1. knowingly participates in, or knowingly undertakes to conceal, an act or omission of another person knowing that the act or omission is a breach of that person’s duties under this chapter; or

2. by failure to comply with this section in the administration of specific responsibilities, enables another person to commit a breach of duty.
C. Funds held in a fiduciary capacity shall be clearly identified in a retailer’s financial statement and, if maintained in an account at a financial institution, the account shall be clearly identified as a fiduciary account.

12.65.150 Security for fiduciary performance.

A. Guarantee. To ensure that a retailer performs its fiduciary responsibility to timely collect, account for, safeguard, and remit taxes levied by this chapter, the retailer may be required to provide a guarantee, pursuant to subsection B. of this section, by one or more of the methods specified in this section. The amount of the guarantee shall be in the amount that the chief fiscal officer estimates to be an average amount of periodic sales tax collected by the retailer, a comparable retailer(s), or industry averages, whichever is higher. Except as specified in subsection D. of this section, a required guarantee shall remain in force for the entire period the retailer is registered in accordance with section 12.65.080.

B. Required. Security for fiduciary performance shall be required if the following occurs:

1. A retailer, upon initial application, meets any of the following criteria:
   a. the retailer has had any certificate of registration previously issued under this chapter revoked by the department, pursuant to section 12.65.120;
   b. the department has reasonable cause to believe that the retailer is a related party or related entity to another retailer or prior retailer whose certificate of registration has previously been revoked under this chapter; or
   c. a responsible party was ineligible for a five-year period under a limitation in subsection 12.65.070A., and the five-year period has passed.

2. A retailer fails to file a tax return and remit the associated taxes to the department by the due dates prescribed herein for two (2) consecutive reporting periods. The department will issue a notice to the retailer of the required financial guarantee, and the retailer shall provide the guarantee within thirty (30) days of receiving notice from the department of such requirement. Failure to provide the financial guarantee shall result in the revocation of the retailer’s certificate, pursuant to subsection 12.65.120D. A retailer that remits all past-due taxes after receiving a notice from the department of the financial
guarantee requirement shall still be required to provide the financial guarantee; or

3. A retailer, or any of its owners, partners, members, or responsible parties, had a liquor license denied or revoked within the previous five (5) years due to a liquor license protest.

C. Methods. A retailer that is required to provide a guarantee shall include one or more of the following methods to guarantee performance of its fiduciary responsibilities:

1. **Surety bond.** The retailer may elect to provide a surety bond, in an amount defined in subsection A. of this section, from a company authorized to do such business in the state. The bond shall be in a form acceptable to the municipal attorney. The bond shall be payable to the municipality and shall be conditioned upon payment in full of the tax, including penalties and interest due and to become due and owing to the municipality by said retailer during the effective period of the bond under the provisions of this chapter. The surety may terminate this bond, except as to any liability already incurred or accrued, and may do so upon giving the retailer and the chief fiscal officer written notice to that effect. The surety shall provide written notice to the chief fiscal officer not less than thirty (30) days before the expiration, non-renewal, lapse, termination, or other similar event affecting such surety bond. Thirty (30) days after receipt by the chief fiscal officer of such notice or upon a later date specified in the notice, or upon the filing and acceptance of a new bond, the existing bond shall terminate and be of no more force and effect, except as to any liabilities or indebtedness incurred or accrued thereunder as of the date of termination.

2. **Deposit in escrow.** The retailer may elect to deposit a cash sum, in an amount defined in subsection A. of this section, in escrow with a responsible financial institution authorized to do such business in the state. In the case of an escrow account, the retailer shall file with the municipality an escrow agreement, which includes the following terms:

   a. funds of the escrow account shall be held in trust until released by the municipality and may not be used or pledged by the retailer as security in any matter during that period other than payment of the tax, penalties, and interest due and to become due and owing to the municipality under this chapter; and
b. in the case of a failure on the part of the retailer to remit taxes due under this chapter by the required due date, the institution shall immediately make all funds in such account available to the municipality for use in satisfying those taxes due, along with any related penalties and interest as provided for in this chapter.

3. **Letter of credit.** The retailer may elect to provide, from a bank or other responsible financial institution authorized to do such business in the state, a letter of credit in a form acceptable to the municipal attorney. Such letter shall be filed with the municipality and shall certify the following:

   a. the financial institution irrevocably guarantees funds in an amount defined in subsection A. of this section; and

   b. in the case of failure on the part of the retailer to remit taxes due under this chapter by the required due date, the financial institution shall pay to the municipality immediately and without further action such funds as are necessary to satisfy those taxes due, along with any related penalties and interest as provided for in this chapter, up to the limit of credit stated in the letter.

D. Once a retailer has filed a tax return and remitted the full amount of taxes due under this chapter, by the due date prescribed by this chapter, for twenty-four (24) consecutive reporting periods, the retailer may submit a written request to the chief fiscal officer for a waiver of the requirement for the retailer to post a guarantee. The chief fiscal officer shall provide written approval of such request, stating the date the requirement for a guarantee shall expire, except when the following circumstances apply:

1. the retailer has had any certificate of registration previously issued under this chapter revoked by the department, pursuant to section 12.65.120; or

2. the department has reasonable cause to believe that the retailer is a related party or related entity to another retailer or prior retailer whose certificate of registration has previously been revoked under this chapter.

E. The chief fiscal officer may require the retailer to provide a financial guarantee that is double the amount established by subsection A. of this section, based on the following:

1. a responsible party was ineligible for a five-year period under a limitation in subsection 12.65.070A., and the five-year period
Regarding Alcoholic Beverages Retail Sales Tax

has passed;

2. the retailer has incurred penalties under this chapter for three
   (3) consecutive reporting periods; or

3. the retailer has incurred penalties under this chapter in at least
   six (6) reporting periods out of nine (9) consecutive months.

F. The agreement or contract and other evidence of a guarantee under
   this section is subject to inspection upon demand by the department.

12.65.160 Tax return and remittance.

A. On or before the last day of each calendar month, every retailer shall
   submit to the department a tax return and shall remit therewith all taxes
   required to be collected by this chapter during the immediately
   preceding calendar month.

B. To the extent that electronic filing is available, the tax return must be
   filed electronically, and the taxes due must be paid electronically,
   through the department’s tax revenue management system. If
   electronic filing or payment is impractical or impossible for the
   taxpayer, then the taxpayer must receive department approval to file
   a return on a paper form prescribed by the department or to submit
   payment in the form of a check or cash. Unapproved paper filings are
   subject to being assessed an administrative processing fee of $50 per
   filing.

C. A tax return shall be filed even if there are no taxes due for the period
   being reported, except for temporary special-use certificate holders
   who must file for only the periods in which their certificate is valid. Tax
   returns and taxes to be remitted under this chapter must be actually
   received by the department within the time required by this section.

1. The tax return shall be electronically signed under penalty of
   perjury by an officer of the retailer and shall include the
   following for that reporting period:

   a. the name and mailing address of the retailer;

   b. the name and title of the person filing the tax return;

   c. the aggregate amount of the retail sales of alcoholic
      beverages within the municipality transacted by the
      retailer, with taxable sales of alcoholic beverages
      reported separately from non-taxable sales of alcoholic
      beverages;
d. the aggregate amount of any allowable deductions;

e. the amount of retail sales tax due;

f. the amount of retail sales tax collected; and

g. such other relevant information and supporting documentation as the department may require.

2. Every retail alcoholic beverage sale made within the municipality, unless explicitly exempted by section 12.65.040, shall be presumed to be subject to the tax imposed under this chapter in any action to enforce the provisions herein.

3. If a retailer fails to file a tax return under this section or when the chief fiscal officer finds that a tax return filed by a retailer is not supported by the records required to be maintained under this chapter, the chief fiscal officer may prepare and file an involuntary tax return on behalf of the retailer. Taxes due on an involuntary tax return may be premised upon any information that is available to the chief fiscal officer including comparative data for similar businesses. A retailer shall be liable for the taxes stated on an involuntary tax return, together with penalties and interest provided in this chapter.

4. The department shall notify the retailer of an involuntary tax return, the basis of the department's calculations, the retailer's rights under section 12.65.280, and provide written notice that payment of the taxes, penalties, and interest is due immediately.

5. Unless otherwise determined by the chief fiscal officer in a decision under section 12.65.280, taxes due under this section shall be due on the same date as if a tax return had been filed by the retailer in accordance with this chapter, and interest, penalties, and costs thereon shall accrue from such date.

6. A tax return prepared by the chief fiscal officer is prima facie evidence of taxes due, and the penalties and interest accruing from said tax liability. In an application under section 12.65.280, it is the retailer’s burden to rebut the presumed sufficiency of a tax return prepared by the department.

7. A retailer with multiple locations must either file a separate tax return for each location or use a supporting schedule that clearly identifies the data and balances associated with each separate location.
12.65.170 Amended tax returns.

Any tax return filed under subsection 12.65.160A. may be amended by the retailer.

12.65.180 Application of payments.

Any payment submitted to the department for taxes, interest, penalties or costs due under any tax return, provision of this chapter, or any finding or determination by the department under this chapter shall be credited to the tax period for which remitted, but shall be credited first to the payment of costs and then to the payment of penalties, interest, and taxes due, in that order.

12.65.190 Tax refunds.

A. If the department determines after an audit that a retailer’s tax remittance exceeds the actual amount due, the department shall, upon written request of the retailer, refund the excess to the retailer without interest.

B. The retailer shall apply for a refund in writing on a form provided by the department no later than two (2) years from the date the excess payment was transmitted to the department. Any claim for a refund filed more than two (2) years after the date of the excess payment is forever barred. For purposes of this section, a “refund” means payment by the municipality to the retailer or book entry by the municipality to offset other current or future amounts due from the retailer.

C. If a retailer discovers that it has miscalculated the retail alcoholic beverages sales tax, and a consumer paid more tax than should have been collected, the excess tax shall be remitted to the municipality pursuant to section 12.65.160.

D. If the prepaid tax deposit under subsection 12.65.080B. by a temporary special-use certificate holder exceeds the amount of tax due, the temporary special-use certificate holder shall apply for a refund in writing on a form provided by the department no later than thirty (30) days after submitting the final tax return and remitting all taxes due to the department. Upon the department’s determination that the prepaid tax deposit exceeds the actual amount due, the department shall refund the excess to the temporary special-use certificate holder without interest.

12.65.200 Confidentiality of records.

A. All tax returns filed under this chapter, all data obtained from such tax returns, and all financial information obtained from an inspection of
Regarding Alcoholic Beverages Retail Sales Tax

records in accordance with this chapter are confidential and may not be released except upon court order, when necessary to enforce the provisions of or to collect the taxes due under this chapter and except for inspection by the mayor, the chief fiscal officer, the municipal attorney, the internal auditor and municipal assessor or the assembly in the performance of their official duties.

B. Except when necessary to the performance of their official duties to enforce the provisions of or to collect taxes due under this chapter, no person may divulge, without express written permission by the retailer, to another any information, data or financial information of a retailer, a retailer's records or a tax return filed under this chapter unless the person receiving such information, data or financial information is a person authorized by this chapter to inspect the tax return, information, data or financial information.

C. It is the duty of the chief fiscal officer to safely keep tax returns, all data taken therefrom, and all financial information obtained from an inspection of the retailer's records secure from public and private inspection, except as provided by this chapter.

D. This section does not prohibit the municipality from compiling and publishing statistical information concerning the data submitted, provided no identification of particular tax returns or retailer information, data or financial information is made.

E. This section shall not prohibit the chief fiscal officer from sharing information obtained from tax returns, documents, records, and/or reports filed with the municipality pursuant to this chapter with any local, state, inter-governmental agency, or federal government agency for the purpose of enforcing this chapter or for tax purposes of the other government agency, provided the chief fiscal officer determines the other government agency provides adequate safeguards for the confidentiality of the shared information and that it will be used for tax purposes only.

12.65.210 Maintenance and inspection of documents and records.

A. Every retailer subject to this chapter shall keep a complete and accurate record of all alcoholic beverages acquired and sold within the municipality by such person.

B. It shall be the responsibility of the retailer to obtain and preserve evidence sufficient to support all acquisitions of alcoholic beverages and retail sale transactions and allowable deductions subject to this chapter, and all claimed exemptions from payment, collection, or remittance of the retail alcoholic beverages sales taxes under this chapter. Specification in this chapter of the records to be kept by a
retailer shall not relieve the retailer of its responsibility to keep sufficient records. Unless a longer period is ordered by the chief fiscal officer under section 12.65.220 or a court of competent jurisdiction, a retailer shall keep and preserve all required records within the municipality for not less than three (3) calendar years after the end of the calendar year in which such records are created and shall make available such records for inspections by the department upon request. Sufficient records shall include, but not necessarily be limited to:

1. Except for retail sales under a temporary special-use certificate that may be recorded in summary form, each retail sale of alcoholic beverages within the municipality shall be recorded by the retailer and the record shall include, at minimum: the date of sale, the type of alcoholic beverage sold, the quantity of alcoholic beverages sold, the sales price, the amount of retail sales taxes due on the sale, and the amount and method of payment received. A comparable receipt of sale shall be offered to each consumer at the time of purchase;

2. As applicable, all periodic statements and records from financial institutions provided to, or available to, the retailer for accounts in which retail alcoholic beverages sales taxes were deposited;

3. As applicable, all periodic statements provided to the retailer from credit or debit card processors containing details of consumer payment transactions for retail sales or retail alcoholic beverages sales taxes;

4. Books of account, journals, ledgers, and other compilations of source documents that reconcile to total retail sales and retail alcoholic beverages sales taxes collected as listed on the tax returns filed with the department under the authority of this chapter;

5. Periodic inventory counts and maintenance of detailed inventory records;

6. Alcoholic beverage acquisition data; and

7. Sufficient documentation confirming eligibility under section 12.65.070.

C. Persons subject to this chapter shall keep such other documents and records as the department prescribes.
D. 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.

E. The chief fiscal officer, upon presentation of proper identification, may inspect the records which a person is required to maintain under this section, whether on-site or at an off-site location, or inspect the records of a person whom the chief fiscal officer has probable cause to believe is a retailer or a person subject to this chapter in order to determine whether that person is a retailer or is subject to this chapter.

1. Upon notice of the department's intent to inspect records, a person or retailer subject to this chapter shall retain such records and preserve their availability to the department until released by the department in writing, regardless of whether such retention and preservation continues beyond the three-year period specified in this section.

2. The chief fiscal officer's authority to inspect records shall not be limited to records within the three (3) calendar year retention period. If a person subject to this chapter has possession or control of records described in this section that are older than the three-year period specified in this section, the person subject to this chapter shall make such records available for inspection upon request.

F. The chief fiscal officer may enter the business premises of a retailer where alcoholic beverages are kept or stored, so far as it may be necessary for the purpose of examining such alcoholic beverages and the related business records.

G. The department may inspect records required by this chapter of all responsible parties who had control of, or access to, funds collected from consumers of the retailer, and such persons shall be subject to the requirements of this section.

H. Where the Constitution of the United States or of the State of Alaska so requires, the chief fiscal officer shall obtain an administrative search warrant authorizing an inspection and shall exhibit the warrant to the person in charge of the premises before conducting the inspection. The chief fiscal officer shall apply to the trial courts of the State of Alaska to obtain an administrative search warrant, stating in the application the name and address of the premises to be inspected, the authority to conduct the inspection, the nature and extent of the inspection, and the facts and circumstances justifying the inspection. Warrants issued under this section shall be returned to the court by which issued within ten (10) days after the date issued.
12.65.220  Tax avoidance, civil fraud.

A.  Tax avoidance. If the department has reasonable cause to believe that a retailer or a responsible party for the retailer has structured a retail sale transaction to avoid collecting or remitting the retail alcoholic beverages sales tax levied under this chapter, or has wrongfully deceived consumers or the department, the department may take one or both of the following actions:

1. declare there is a rebuttable presumption that the substance of a specific retail sale is a taxable transaction under this chapter and proceed to establish, levy and collect the tax together with costs, penalties and interest as provided for in this chapter; or

2. prepare and file an involuntary return(s) on behalf of the retailer, as provided in section 12.65.160.

B.  Civil fraud. If the department finds a tax deficiency or part of a tax deficiency is due to fraud, then a penalty shall be assessed against the person committing the fraud. A civil fraud penalty may be assessed against a person in addition to a penalty for failure to file or failure to pay.

1. Fraud is the intentional misrepresentation of a material fact with the intent to evade payment of tax which the person believed to be owing. The person must have had knowledge of its falsity and intended that it be acted upon or accepted as the truth. The department must prove fraud by a preponderance of the evidence.

2. An intent to evade tax may be demonstrated by any relevant evidence, including but not limited to the following:

a. The person provided false explanations regarding understated or omitted acquisitions of alcoholic beverages;

b. The person provided falsified or incomplete source documents;

c. The person has not justified an omission or understatement of a significant amount of acquisitions of alcoholic beverages;

d. The person substantially overstated a deduction and has failed to justify the overstatement; or

e. The person knowingly provided false statements,
falsified documents, or falsified evidence to acquire a
significant amount of alcoholic beverages in a manner
that results in the evasion of payment for taxes due
under this chapter.

f. The person, without possessing valid State of Alaska
and municipal licenses, exchanged or bartered, in any
manner or by any means whatsoever, for consideration,
alcoholic beverages to a consumer.

12.65.230   Tax lien.

A. Taxes due and not paid on the date required by this chapter, together
with all interest, penalties and costs accruing thereafter, shall
immediately become a lien in favor of the municipality upon all of the
retailer’s real and personal property, including rights to such property.
Such lien shall continue until all taxes, penalties, interest and costs
due the municipality have been paid, or the lien released in whole or
in part.

1. A separate notice of such lien shall be given each retailer liable
for the taxes by mail, and shall be recorded in the Anchorage
Recording District, Third Judicial District, State of Alaska and
any other recording district the department may choose.

2. Notice of the lien shall specify the person(s) liable for payment
of the tax, the amount of taxes and the date they were due, a
statement of the interest, penalties and costs accrued and
which may thereafter accrue, the tax period for which the taxes
were due and such other information as the department may
determine or as may be required by law.

B. No failure or defect in the notice of lien, except as to amount if different
than the recording thereof, shall adversely affect the existence or
priority of the lien created under this section to the extent of the correct
amount which is the same or less than that stated in the recorded lien.

12.65.240   Collection of taxes, interest, penalties, and costs.

Taxes, interest, penalties, and costs due under this chapter and
unpaid may be collected by any lawful means, including a civil action for the
collection of a debt, by executing a claim against security provided under
section 12.65.150, by foreclosure of the tax lien in accordance with AS
09.45.170 through 09.45.220 or similar statutes in substitution thereof, or by
any combination of the above.
12.65.250 Prohibited acts.

A. No person shall engage in business as a retailer or conduct any exchange or barter for consideration, in any manner or by any means whatsoever, of alcoholic beverages to a consumer in the municipality without a proper and current registration under this chapter.

B. No person shall fail or refuse to pay the tax imposed by this chapter.

C. A retailer [or responsible party] shall not advertise or state to the public or to any consumer directly or indirectly that the tax or any part of it will be assumed or absorbed by the retailer, or that the tax will not be added to the retail sale, or that the tax will be refunded except as provided in this chapter.

D. A retailer [or responsible party] shall not absorb or fail to add the tax or any part of it or fail to state the tax separately to the consumer.

E. No retailer [or responsible party] shall deny the chief fiscal officer, subsequent to proper identification, access to the retailer’s required records and inventory of alcoholic beverages for purposes of inspection under this chapter.

F. No person, retailer, or responsible party shall charge or collect in excess of the proper amount of tax due under this chapter.

G. No person, retailer, or responsible party shall fail to make a required remittance to the department of funds collected and to be held in trust for the municipality.

H. A person shall not divert or otherwise appropriate for business or personal use funds required to be held in a fiduciary capacity under this chapter. Use of funds held in a fiduciary capacity under this chapter for any purpose other than the one for which the funds are being held is prohibited. Prohibited purposes under this section include, but are not limited to, using funds held or received in a fiduciary capacity to:

1. pledge as collateral to secure an amount owing;

2. guarantee a contract of surety; or

3. assign.

I. A person required under AMC chapter 12.65 to collect from the consumer and remit to the department a retail alcoholic beverages sales tax shall not fail to collect the tax from the consumer at the time of sale, regardless of billing practices, installment agreements, credit
Regarding Alcoholic Beverages Retail Sales Tax

1. procedures, or bad debts.

J. A person shall not prepare and submit to the department a false tax return with the intent to fail to remit taxes due pursuant to this chapter.

K. No person whose certificate is expired, suspended or revoked shall acquire, sell, or offer to sell alcoholic beverages or permit alcoholic beverages to be sold or offered for sale during the period of the suspension or revocation on any premises occupied or controlled by that person.

L. A retailer shall not sell alcoholic beverages except in transactions authorized by state law.

M. A person shall not knowingly use, allow or permit the use of real property in the municipality by a retailer for use in conducting its business as a retailer, unless the retailer is properly registered with the department under this chapter. Providing such real property after notice from the department that such provision of real property violates this subsection is prima facie evidence of the violation.

N. A person shall not knowingly provide advertising, web hosting, or other marketing services to a retailer in the municipality that is not properly registered under this chapter. Providing such services after notice from the department that such provision of services violates this subsection is prima facie evidence of the violation.

O. A person licensed by the State of Alaska as a wholesaler shall not knowingly sell alcohol to a retailer that does not hold a current certificate of registration issued by the department. Failure to comply may result in the department filing a liquor license protest against the licensed wholesaler with AMCO.

12.65.260 Interest.

In addition to any penalties imposed by this chapter, interest at the rate of 12 percent (12%) per annum shall accrue daily and be due from the retailer on the unremitted balance of taxes after the date on which their remittance was due.

12.65.270 Penalties.

A. A retailer who fails to file a tax return within seven (7) calendar days following its due date shall automatically incur a civil penalty for each tax return not filed equal to ten percent (10%) of the taxes actually due the municipality. A retailer who fails to remit the full amount of any tax due within seven (7) calendar days following its due date shall incur
and pay a civil penalty of ten percent (10%) of the actual amount of taxes due but remaining unpaid after such date. If a retailer fails to pay the full amount of the tax due or file a tax return or report required under this chapter within sixteen (16) calendar days after its due date, each of the aforementioned civil penalties shall be increased from ten percent (10%) to twenty-five percent (25%).

1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.

2. Notice of the penalties incurred and to be incurred shall be given to the person responsible for payment of the taxes or filing the tax return or report when such tax payment or tax return or report is delinquent for seven (7) calendar days after its due date.

3. The penalties provided for in this subsection shall be in addition to all other penalties and interest provided for under this chapter.

B. The department may revoke a certificate of registration issued under this chapter for any violation of this chapter.

C. If a retailer fails to remit at least ninety-five percent (95%) of the taxes due under this chapter within forty-five (45) calendar days of the due date, the department shall revoke the retailer’s certificate of registration issued under this chapter and the retailer shall incur a civil penalty up to and including an amount equal to the unpaid delinquent taxes.

D. A retailer [or responsible party] who fails to collect or remit the tax levied by this chapter shall incur a civil penalty equal to twice the amount of the tax which should have been collected.

E. A retailer who fails to obtain a certificate of registration prior to operating as a retailer within the municipality, pursuant to section 12.65.080, shall automatically incur a penalty of $250 for failure to register. No penalty for late registration will be assessed prior to March 15, 2021, to allow a grace period for initial registration under this chapter.

F. The penalty for a civil fraud, as defined in section 12.65.220, is 200 percent (200%) of the deficiency due or $1,000, whichever is greater. The penalty is computed on the total amount of the deficiency due. If more than one person is found culpable for the fraudulent act(s) or omission(s), each person shall be jointly and severally liable for the penalty under this section.
G. A managing member, officer, director, owner or responsible party of an enterprise engaged in business as a retailer without a certificate of registration issued under this chapter is personally liable for all taxes which should have been collected and remitted to the municipality, plus a penalty equal to twenty-five percent (25%) of the tax which should have been collected, in addition to all costs, taxes, interest and other penalties due under this chapter.

H. The municipal attorney may petition the court for injunctive relief against a person engaged in business as a retailer without a certificate of registration issued under this chapter.

I. In addition to any other remedy or penalty provided by this chapter, a retailer, responsible party or any person who violates or threatens to violate a provision of this chapter or a valid order of the department or chief fiscal officer authorized under this chapter, shall be subject to a civil penalty as described in this section, or injunctive relief to restrain the person from continuing the violation or threat of violation, or both such civil penalty and injunctive relief. Upon application by the municipality for injunctive relief and a finding that a person is violating or threatening to violate a provision of this chapter or a valid order of the department or chief fiscal officer authorized under this chapter, the Superior Court shall grant injunctive relief to restrain the violation.

J. Any person who violates any provision of this chapter shall be liable for a civil penalty of up to $1,000 for each separate violation. Where multiple instances of the same violation occur, each instance shall constitute a separate violation.

K. Civil and criminal penalties shall be cumulative remedies and shall not relieve a retailer, responsible party, or person conducting retail sales of alcoholic beverages of the duties imposed under this chapter.

L. A person who owns or controls the real property where an unregistered retailer is operating and who, after being notified by the department that the continued operation of the unregistered retailer is in violation of this chapter, allows the unregistered retailer to continue to operate on the property is complicit in a prohibited act under section 12.65.250 and shall be subject to penalties set forth in this section.

M. A person who provides advertising, web hosting, or other marketing services to a retailer in the municipality not having a certificate of registration under this chapter after receiving notice from the department to cease such services is complicit in a prohibited act under section 12.65.250 and shall be subject to penalties set forth in this section.
N. A person who holds a State of Alaska alcohol retail license is subject to liquor license protest for any violation under this chapter, as allowed under Alaska statutes and regulations.

O. A person who commits an act prohibited by this chapter is subject to prosecution pursuant to title 8.

12.65.280 Remedies for a person aggrieved.

A. Any person aggrieved by any action or determination of the department under this chapter may apply to the department and request a hearing before the chief fiscal officer on the department's action or determination within thirty (30) days from the date the department transmits by mail, e-mail, fax, hand delivery or other delivery method notice of the department's action or determination.

1. An application for a hearing must notify the department of the specific action or determination complained of and, if applicable, the amount of tax, interest, cost or penalty contested and the reason for such contest.

2. The uncontested portion of any tax due under this chapter shall be paid when due regardless of any application for a hearing. Payment of the total amount due may be made at any time before the hearing. If the department has reasonable cause to believe that collection of the total amount due might be jeopardized by delay, immediate payment of the total amount may be demanded and the department may pursue any collection remedies provided by law. Payment in full does not affect a person's right to a hearing.

B. Upon timely application for a hearing under subsection A. of this section, the chief fiscal officer shall hold a hearing and render a decision or determination in accordance with chapter 3.60 to determine whether a correction or reversal of the department's action or determination is warranted.

1. If a person requesting a hearing fails to appear at the hearing, the chief fiscal officer may issue a decision without taking evidence from that person, unless the person shows reasonable cause for failure to appear within seven (7) days after the date scheduled for the hearing.

C. Within thirty (30) days after receipt of a written decision by the chief fiscal officer, a person aggrieved by the decision may appeal the decision to the Superior Court of the Third Judicial District.
1. The person aggrieved shall be given access to the department's file in the matter for preparation of such appeal.

2. Taxes, costs, penalties, and interest declared to be due in the decision of the chief fiscal officer must be paid within thirty (30) days after the date of the decision or a supersedeas bond guaranteeing their payment must be filed with the court in accordance with Alaska Court Rules of Appellate Procedures.

D. If after the appeal to the Superior Court is heard it appears that the action or determination of the department and/or the decision of the chief fiscal officer was correct, the court shall confirm such action, determination or decision, as the case may be. If the department's action or determination or the decision of the chief fiscal officer's decision was incorrect, the court may determine the proper action, determination or decision. If the person aggrieved is entitled to recover all or part, of any tax due or paid, the court shall order the repayment and the department shall pay such amount within fourteen (14) days and attach a certified copy of the judgment to the payment.

E. Hearings before the chief fiscal officer under this chapter may, at the option of the chief fiscal officer, be conducted by an administrative hearing officer designated by the chief fiscal officer. If the chief fiscal officer refers such matter to an administrative hearing officer, the administrative hearing officer shall conduct the hearing and prepare findings and conclusions. These findings and conclusions shall be forwarded to the chief fiscal officer for adoption, rejection or modification and issuance of a final order or decision by the chief fiscal officer.

Section 2. If the Municipality evaluates and considers that participation in the Alaska Remote Seller Sales Tax Commission ("Commission") is warranted for the purpose of collecting the alcoholic beverages retail sales tax from remote sellers located outside of the municipality who sell to local consumers, the Assembly hereby grants the following:

A. Authorization. The Mayor or Manager is authorized to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Commission.

B. Representation. The Mayor, Manager, Chief Fiscal Officer or designee is designated as the Municipality’s representative on the Commission.

C. Governance. The Alaska Remote Seller Sales Tax Code shall be adopted by reference for the exclusive purpose of collecting the alcoholic beverages retail sales tax from remote sellers located outside of the municipality who sell to local consumers.
D. **Effective Date.** Collection of taxes under the Alaska Remote Seller Sales Tax Code shall occur no sooner than February 1, 2021.

**Section 3.** This ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly, and retailers shall begin assessing the Alcoholic Beverages Retail Sales Tax on February 1, 2021.

PASSED AND APPROVED by the Anchorage Assembly this 23rd day of June, 2020.

Chair

ATTEST:

Municipal Clerk
From: MAYOR

Subject: AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE BY ENACTING CHAPTER 12.65, ALCOHOLIC BEVERAGES RETAIL SALES TAX, TO ESTABLISH THE REQUIREMENTS AND PROCEDURES FOR THE ADMINISTRATION, COLLECTION, AND ENFORCEMENT OF THE ALCOHOLIC BEVERAGES RETAIL SALES TAX APPROVED BY THE VOTERS, INCLUDING BUT NOT LIMITED TO PROVISIONS REGARDING: DEFINITIONS, TAX RATE, RETAILER REGISTRATION, TAX RETURNS, PROHIBITED ACTS, PENALTIES AND INTEREST, APPLICATION OF PAYMENTS, RECORDS RETENTION, INSPECTION AND CONFIDENTIALITY, TAX REFUNDS, AND TAXPAYER REMEDIES; AND AUTHORIZING PROSPECTIVE MUNICIPAL PARTICIPATION AND MEMBERSHIP IN THE ALASKA REMOTE SELLER SALES TAX COMMISSION.

This memorandum describes the changes recommended compared to the originally submitted AO 2020-57, in accordance with Anchorage Municipal Code subsection 2.30.050E.

The substantive changes in the S-version are:

1. Clarify that the certificate of registration issued by Treasury will include the name of the owner of the retailer only if the retailer is owned by a business entity.

2. Change the automatic expiration of the certificate of registration, based on a change of ownership of the retailer or the owner of the retailer, if the owner is a business entity, to only occur when there is a change in stockholders, partners, or members with an ownership interest of ten percent (10%) or more.

3. Remove the redundancies in the Prohibited Acts and Penalties sections.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE S-VERSION.

Prepared by: Daniel Moore, Municipal Treasurer
Approved by: Alexander Slivka, CFO
Concur: Lance Wilber, Director, Office of Management and Budget
Concur: Kathyrn R. Vogel, Municipal Attorney
Concur: William D. Falsey, Municipal Manager
Respectfully submitted: Ethan A. Berkowitz, Mayor