

	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 12.50 Retail Sales Tax on Marijuana and Marijuana Products
INFORMATIONAL #1 **Issued: 12/05/2016**
Security for Fiduciary Performance

Anchorage Municipal Code (AMC) 12.50.160 states:

*“To ensure that a retailer performs its fiduciary responsibility to timely collect, account for, safeguard, and remit taxes levied by this chapter, **the retailer shall provide a guarantee by one or more of the methods specified in this section.** A guarantee is required to be provided by all retailers in the amount that the chief fiscal officer estimates to be an average amount of annual sales tax collected by the retailer, a comparable retailer(s), industry averages, or \$10,000.00 whichever is higher.”*

The financial guarantee shall be provided by the retailer in the retailer’s name, or by an individual in his/her personal name through a personal guarantee. This means an owner(s), partner(s), member(s), officer(s), director(s), or responsible party(ies) of the retailer, or any combination thereof, may provide the required financial guarantee through one of the approved methods described in AMC 12.50.160.

The following are approved financial guarantee methods, as provided in AMC 12.50.160:

- **Surety bond**: 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.
- **Deposit in escrow**: A cash sum, in an amount defined by the chief financial officer, may be deposited with the municipality or in escrow with a responsible financial institution authorized to do such business in the state of Alaska. An escrow agreement shall be filed with the municipality by the retailer, or individual providing the personal guarantee, stating that the funds shall be held in trust until released by the municipality and that the funds will be made available immediately in the case the retailer fails to remit taxes, penalties and/or interest due under this chapter.
- **Letter of credit**: A letter of credit may be provided, from a bank or other responsible financial institution authorized to do such business in the state of Alaska. The letter shall be filed with the municipality and certify that the financial institution irrevocably guarantees the funds and that the funds will be made available immediately in the case the retailer fails to remit taxes, penalties and/or interest due under this chapter.

No other methods will be allowed to provide the required security for fiduciary performance. Once a retailer has filed a tax return and remitted the taxes in full for twenty-four (24) consecutive reporting periods the retailer may request, in writing, that the financial guarantee requirement be waived.

If you have any questions about this matter, please contact the Treasury Division of the Municipality of Anchorage at the numbers listed below between 8:00 a.m. and 5:00 p.m., Monday through Friday, except on holidays.

For more information, please visit our website at: www.muni.org/treasury and click the “Marijuana Tax” link, or contact us: Supervisor (907) 343-6965, Enforcement Officers (907) 343-6686, 6967, 6634, 6676 or 6964