



## MUNICIPALITY OF ANCHORAGE

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### AMC 12.45 – RENTAL VEHICLE TAX NOTICE TO VISITORS Tax Exemption

Revised: April 8, 2021

Dear Visitor:

Anchorage Municipal Code (AMC) Chapter 12.45, Rental Tax on Retail Rental of Motor Vehicles, levies a tax equal to 8% of the total fees and costs charged by the registered rental agency for the right to operate or be responsible for the operation of a motor vehicle. This tax is required by law to be stated on the rental contract and must be paid by each renter when the fees and costs are paid to the rental agency. You may verify that the rental agency is authorized to collect this tax by viewing the rental agency's Municipality of Anchorage Certificate of Registration.

The Municipality **does not** waive this tax based on a tax exemption certificate or similar document issued by a governmental entity and presented to the rental agency by the renter. Exemptions to this tax are:

- Fees and costs paid directly by the United States, State of Alaska, or the political subdivisions of the State of Alaska.
- Fees and costs paid by a renter who is an officer or employee of a foreign government that is exempt from taxation by law or treaty; or
- Fees and costs paid by a renter's foreign government employer that is exempt from taxation by law or treaty.

Pursuant to AMC Chapter 12.45, "paid directly" means payment is made by voucher, check, warrant, or other negotiable instrument made payable to the rental agency by the United States government, the State of Alaska, or any of the State's political subdivisions. "Paid directly" does not include a right of reimbursement from the United States government, the State of Alaska, or any of the State's political subdivisions to the person renting the motor vehicle.

According to information received by the Municipality directly from the federal General Services Administration (GSA), the only federal credit cards that are considered direct payments from the United States are the following GSA "SmartPay 3" cards:

- Visa cards beginning with the numbers 4486, 4614, 4615 or 4714 and a **sixth** digit of 0, 6, 7, 8, or 9, and
- MasterCard cards beginning with the numbers 5565 or 5568 and a **sixth** digit of 0, 6, 7, 8, or 9.
- Visa cards beginning with the numbers 4614 and a **sixth** digit of 5, or a MasterCard cards beginning with the numbers 5565 and a **sixth** digit of 5, but only to the extent of room rent and car rental charges.

Effective immediately, the State of Alaska Visa credit cards issued by U.S. Bank with the State of Alaska seal, "corporate" designation, lead sled dogs background and 448559 as the first six digits of the account number are considered direct payments by the State of Alaska and therefore exempt from the rental vehicle tax.

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