Introduced by: Mayor Eberhart
Council Member Huntington
Council Member Rogers
Council Member Matherly
Council Member Cleworth
Council Member Pruhs

Finance Committee Review: July 5, 2016 Introduced: July 11, 2016

## RESOLUTION NO. 4753, AS AMENDED

## A RESOLUTION URGING THE STATE LEGISLATURE TO REJECT PROPOSALS FOR A STATEWIDE GENERAL SALES TAX

WHEREAS, one of the issues to be considered in the fifth special session of the Twenty-Ninth Alaska Legislature, scheduled to begin on July 11, is the imposition of a statewide sales and use tax; and

WHEREAS, the state has reserved for itself the right to impose a tax on income, thereby, leaving a sales tax as one of the revenue sources available for local governments to fund the needs of their communities; and

WHEREAS, approximately 40 municipalities in Alaska currently impose a sales tax, with varying rates, limitations, and exemptions; and

WHEREAS, a statewide sales tax would be in addition to existing municipal sales taxes and would cause collection and auditing problems due to varying exemptions and purchase price limitations; and

WHEREAS, retail outlets on military bases and internet sales would be exempt from state sales taxes and, unfortunately, would benefit at the expense of Alaska retailers; and

WHEREAS, addressing all of these problems would require a very complex piece of legislation, one that should not be imposed absent careful consideration of the consequences on local governments and local economies.

NOW, THEREFORE BE IT RESOLVED that the Fairbanks City Council respectfully requests that the Alaska Legislature reject any proposals for a statewide general sales tax; and

**BE IT FURTHER RESOLVED** that this resolution shall take effect upon adoption by the Fairbanks City Council and that the City Clerk is hereby directed to send a copy of this resolution to Governor Walker and members of the Interior Delegation.

**PASSED AND APPROVED** this 11th day of July 2016.

John Eberhart, City Mayor

AYES:

Matherly, Cleworth, Rogers, Huntington, Pruhs

NAYS:

None

ABSENT:

Gatewood

APPROVED: July 11, 2016

ATTEST:

APPROVED AS TO FORM:

Paul Ewers, City Attorney