

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-19-59**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA  
AUTHORIZING MEMBERSHIP IN THE ALASKA REMOTE SELLER SALES TAX  
COMMISSION FOR THE PURPOSE OF DEVELOPING, IMPLEMENTING, AND  
ENFORCING A REMOTE SELLER SALES TAX CODE AND DESIGNATING THE  
COMMISSION REPRESENTATIVE**

**WHEREAS**, the inability to effectively collect sales tax on sales of personal property, products or services transferred or delivered into Alaska by a remote seller in response to orders placed electronically by local consumers is eroding the sales tax base of Alaska communities and resulting in revenue losses that are causing imminent harm to residents through the loss of critical funding for local education; and

**WHEREAS**, the harm from the loss of revenue is especially problematic in Alaska because the state has no broad-based sales tax, and sales tax revenues are essential in funding the provision of services by local governments; and

**WHEREAS**, the failure to collect tax on remote sales creates artificial market distortions and competitive advantages for remote sellers by perpetuating tax shelters for businesses that limit their physical presence in the state or its municipalities but still sell goods and services to local consumers without collecting sales tax, something that becomes easier and more prevalent as technology continues to advance; and

**WHEREAS**, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, combined with the general growth of online retail, means that the erosion of the sales tax base is a growing problem that will only worsen in the near future if the City is not able to legally collect remote seller sales tax within the framework of current United States Supreme Court case law; and

**WHEREAS**, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the State of Alaska or within the Kenai Peninsula Borough, but do have a taxable connection with those jurisdictions; and

**WHEREAS**, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

**WHEREAS**, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; and

**WHEREAS**, modern computing and software options ensure that it is neither unusually difficult nor a substantial burden for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

**WHEREAS**, in order to implement a single-level statewide sales tax administration, it is the intent of numerous local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the "Commission"); and

**WHEREAS**, the function and powers of the Commission will be set forth in the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the “Agreement”), a cooperative agreement between Commission members; and

**WHEREAS**, under the terms of the Agreement, in order to maintain membership in the Commission, the borough will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote sellers; and

**WHEREAS**, the uniform remote sales tax code will be presented to the council for consideration once adopted by the Commission to comply with guidance found in the *Wayfair* decision; and

**WHEREAS**, if adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

**WHEREAS**, the intent of the Agreement is to enable Alaska’s taxing jurisdictions to levy their municipal sales tax as now allowed by federal constitutional doctrines; and

**WHEREAS**, Article X, Section 13 of the Alaska Constitution authorizes local government to enter into agreements for the cooperative or joint administration of any function or power, unless otherwise prohibited by law or charter; and

**WHEREAS**, in addition AS 29.35.010(13) provides authority for the city to enter into intergovernmental cooperative agreements for the joint administration of a municipal function or power;

**WHEREAS**, a purpose of being an early member of the Commission is to have a voice during the formation process while not committing to any future obligation or action; and

**WHEREAS**, a member will be able to withdraw from the Commission if the adopted bylaws, uniform code, or fees are not acceptable to the member municipality.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CORDOVA, ALASKA THAT:**

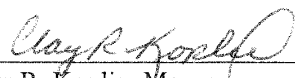
**SECTION 1.** The City Manager is authorized to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission, including the Alaska Intergovernmental Remote Seller Sales Tax Agreement included as Attachment A.

**SECTION 2.** The City finance director or designee is designated as the City’s representative on the Commission.


**SECTION 3.** That this resolution takes effect immediately upon its adoption.

**PASSED AND APPROVED THIS 18<sup>th</sup> DAY OF DECEMBER 2019**



  
Clay R. Koplín, Mayor

**ATTEST:**

  
Susan Bourgeois, CMC, City Clerk