



KETCHIKAN GATEWAY BOROUGH

1900 FIRST AVENUE, SUITE 118, KETCHIKAN, ALASKA 99901

• TELEPHONE: (907) 228-6609

• FAX: (907) 228-6698

FINANCE DEPARTMENT

NOTICE OF SALES TAX HOLIDAY – MARCH 25, 2023

Dear Merchant:

The Ketchikan Gateway Borough and the City of Ketchikan have established Saturday, March 25, 2023, as a “Sales Tax Holiday”; during which most retail sales will be exempt from sales taxes levied by the two governments. However, again this year the City of Saxman did not approve a sales tax holiday. The following summarizes the terms of the Sales Tax Holiday:

● **Participation is optional.** Every merchant may choose whether to participate in the Sales Tax Holiday. Any merchant who does not participate must collect sales taxes on March 25, and remit those taxes with its regular sales tax return.

● **Total sales for the one-day holiday must be reported.** Participating merchants must report exempt sales for March 25, on a separate form (**provided on the back of this notice**). This separate report must be included with each merchant’s regular sales tax return due no later than April 30, 2023. This separate reporting requirement is required by law (see Section 4.50.340 of the Borough Code, available online at www.kgbak.us) or upon request). Tax Holiday exempt sales must also be reported on the regular quarterly report form under row 4-F “Other claimed exemptions.”

● **Not all sales are exempt.** The following sales of goods and services will remain taxable during the March 25, Sales Tax Holiday.

1. Rentals for periods of more than one day (e.g., apartments and homes);
2. Sales of public utility services that are otherwise taxable (e.g., internet service, cable television service, and telephone service);
3. Sales of gasoline, diesel fuel, or home heating fuel;
4. Goods (other than major appliances and furniture) or services purchased on a Sales Tax Holiday which are delivered or performed on a day other than the Sales Tax Holiday; and
5. Sales of major appliances and furniture purchased on a Sales Tax Holiday which are delivered more than fourteen days from the date of sale.

Again, the form for reporting exempt sales on the Sales Tax Holiday appears on the back of this notice. If you have questions concerning this matter, please call the Borough Finance Department at (907) 228-6609.



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REPORT OF EXEMPT SALES ON MARCH 25, 2023

Fill in the following and mail this form with your return to the Ketchikan Gateway Borough, 1900 First Avenue, Suite 118, Ketchikan, AK 99901.

Account #	
Business Name	
Address	
Exempt Sales in the City of Ketchikan	
Exempt Sales in the City of Saxman	
Exempt Sales outside Cities (Borough only)	
Total	

Note: To provide reasonable notice of the Sales Tax Holiday declared by the Borough and City of Ketchikan, this notice was mailed to all merchants during the week of February 5th.

The Saxman City Council did not declare a Sales Tax Holiday, merchants who make taxable sales in Saxman must collect and remit the 4.0% sales tax levied by the City of Saxman on March 25, on taxable sales conducted within the boundaries of the City of Saxman. However, those same merchants who elect to participate in the Sales Tax Holiday will not collect the Borough's 2.5% sales tax on March 25, even on sales within the boundaries of the City of Saxman.