

HB

897

COMMITTEE REPORT

(7)

HOUSE

2/21/80

FURTHER:

Date: 5 Nov 30 1980

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 897

"An Act repealing the limitation on the rate of sales tax which may be levied by a municipality."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s) same title
- replace with CS for _____ new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

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 CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol

Juneau, Alaska 99811

Official Business

BILL WORK SHEET

BILL NUMBER 897 RE Repealing limitation of the rate of sales tax

Received from _____
Referred to _____
Fiscal Note _____
LAA Legal Contact _____

HB 921 - Introduced at request of P. Bay for Bethel

CONTACTS: State Affairs Committee (M. Miller)

Sponsor: For Harris -
Why limit to 3% as any sales tax has to
Boroughs can go up to 6%
Cities limited to 3%

Definition of "use tax" not clear.
Use tax could be levied along with sales tax.
1973 (H) opinion - didn't Bristol Bay so had to impose sales "use tax". Can call that tax "use tax".

Boroughs & cities limited to 3%.

March 18 - advisory election
3% to 4% - eliminate hearing fees & deposition
Out of 4% - would amount to 1 1/2 % for
TV stations would be lowered
College would be saving \$30mm.
Bed tax would be separate

As long as it goes before the people it
is not a problem.

Letter to Bill Bay

United Fishermen Ass. - Sharon Macklin
Concerns re Communities / impose sales tax on
fish. If a left limit
Selection selling by fishermen
Bristol Bay - options don't meet - AB different

Get local note of Co. into re "home rule" (C & RA) } suggests limiting amendment to retail sales



CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559

543-2297 — Area Code 907

March 6, 1980

Rep. Bill Parker, Chairman
Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Rep. Russ Meekins, Chairman
Finance Committee
Pouch V
Juneau, Alaska 99811

The Bethel City Council and Finance Committee have pondered the question of how the local government could receive additional tax dollars that would be fair and equitable. Property tax was ruled out because the City would end up foreclosing on a high percentage of citizens as many of them live off of subsistence or only have seasonal jobs. Fish tax was considered but our boundaries do not cover the point of sale of the fish. The other form of taxation which the Council considered to be fair is a local income tax, as this is the form of revenue that the State and Federal Governments use to fund their services, it should be considered by the legislature.

Since House Bills 897 and 921 have been introduced to increase sales tax from the existing ceiling of 3%, the City of Bethel would like to strongly support its passage by the legislature.

As sales tax is the only viable means of taxation, each community should not be restricted by the present 3% ceiling, it should be a local decision. Each community should have the opportunity to fund its own services through the form of taxation that they feel is the most fair and equitable means.

Your favorable consideration of these bills would be greatly appreciated.

Sincerely,

Lyman Hoffman
City Manager

cc: Rep. Pat Orney
Rep. Pat O'Connell
Sen. George Hohman

Rep. Charles Parr
Rep. Margaret Branson
Rep. Phillip Guy

Rep. Fred Zharoff
Rep. Ray Metcalf
Rep. Vern Hulburt

LH/dla

TELEGRAM

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PMS BILL PARKER

CHAIRMAN COMMUNITY AND REGIONAL AFFAIRS

POUCH V 349

JUNEAU ALASKA"

THE CITY OF BETHEL WOULD LIKE TO GO ON RECORD IN SUPPORTING THE INTENT OF HB 897 WHICH WOULD ALLOW EACH MUNICIPALITY TO DECIDE HOW MUCH SALES TAX VERSUS PROPERTY TAX THEY WOULD LEVY IN ORDER TO PROVIDE COMMUNITY SERVICES. AS MUCH FREEDOM IN SELECTING THE LEVEL OF TAXATION AS WELL AS THE SOURCE OF TAXATION IS WHAT SHOULD BE ALLOWED AS THERE ARE SO MANY DIFFERENT CIRCUMSTANCES IN ALASKA. HB 897 CERTAINLY IS IN THE RIGHT DIRECTION.

LYMAN HOFFMAN
CITY MANAGER

RECEIVED

MAR 06 1980

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS