

Presented by: The Manager  
Presented: 08/02/2021  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2021-30**

**An Ordinance Amending the Sales Tax Code Regarding the Taxability of Services.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

**Section 2. Amendment of Section.** CBJ 69.05.010 Definitions, is amended to include the following:

**CBJ 69.05.010 Definitions.**

...

Point of Delivery means the location at which the property or a product is delivered or service performed. For products and services delivered or transferred electronically, point of delivery is the billing address of the buyer or consumer.

...

Receive means, for the purposes of point of delivery under CBJ 69.05.020:

- (1) Taking possession of personal property or goods;
- (2) Making first use of services;
- (3) Taking possession or making first use of digital goods, whichever comes first.

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2 The term “receive” does not include temporary possession by a shipping company on behalf  
3 of the buyer or consumer.  
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5 **Section 3. Amendment of Section.** CBJ 69.05.020 Imposition of rate, is amended to  
6 read:

7 **CBJ 69.05.020 Imposition of rate.**  
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9 ...

10 (b) If parts of a sale, service or rental, or a combination thereof, occur both inside and  
11 outside the City and Borough, or occur over a period of time during which two different tax  
12 rates apply, the tax shall be the highest rate applicable to any part of the sales, service or  
13 rental and shall be applied to the price of the entire transaction; provided, if the invoice of the  
14 transaction separates and prices the various parts of the transaction in accordance with the  
15 location of the parts of the transaction, or the time of the transaction, the different sales tax  
16 rates applicable to the separate parts of the transaction shall be applied, but only if each such  
17 part of the transaction is a sale, service or rental which may be made and is regularly offered  
18 on a separate basis by the seller. The taxability of a sale of goods is determined by the point of  
19 delivery of the tangible personal property. The taxability of a service is determined by the  
20 location where the service performed is received. The taxability of a ~~service performed or~~  
21 rental made is determined by the place where the ~~service is performed or~~ rental property is  
22 located.  
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**Section 4. Amendment of Section.** Chapter 69.05.040 Exemptions, is amended to read:

**CBJ 69.05.040 Exemptions.**

...

(3) Sales of goods and/or the performance of services and associated shipping and handling charges resulting from orders received from outside the City and Borough where goods and/or services are received by the buyer outside the City and Borough after seller ships the goods and/or delivers the service by mail, electronic transfer, or common carrier. Shipment and/or delivery outside the City and Borough must be verified by postal or shipping documents.

If the shipment and/or delivery is by electronic means, shipment and/or delivery must be verified by the buyer’s “billed to” address. Common carrier means a commercial enterprise that holds itself out to the public as offering to transport freight for a fee without refusal.

...

**Section 5. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

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Elizabeth J. McEwen, Municipal Clerk