Filing guidance for Cities within a Borough

Jurisdictions affected

Ketchikan Gateway Borough
- City of Ketchikan
- City of Saxman

Haines Borough
- Haines City

Kenai Peninsula Borough
- City of Kenai
- City of Soldotna
- City of Seldovia
- City of Homer
- City of Seward

Example for filing a combined sales tax return.

Kenai Peninsula Borough assesses a sales tax of 3%, and the five cities within the Borough assess their own individual sales tax rates as follows: Kenai (3%), Soldotna (3%), Seldovia (Winter 2%, Summer 4.5%), Homer (4.85%), and Seward (4%).

Sales tax for a transaction in Seward, for instance, would be assessed at 7% (3% Borough & 4% City). For reporting purposes, the seller would file for both the city and borough at their respective rates.

Because of this, when sellers are completing their monthly filing, the amount of gross sales reported in the Kenai Peninsula Borough must be equal to or higher than the combined gross sales in the other five jurisdictions.

When a sale occurs in just one of the cities within a borough, it should be reported for that respective city and always be reported as a borough sale, too. Sellers should review monthly returns carefully before submitting; there will be in some instances in which sales occur outside of a city but still within borough boundaries – that sale would only be assessed the borough sales tax rate and the borough filing may be greater than the sum of all city returns.

Example 1

	Kenai	Soldotna	Homer	Seward	Seldovia Summer	Seldovia Winter		Borough
Gross Sales	$ 1,000	$ 2,000	$ 1,500	$ 500	$ 100	$ 200	≤	$ 5,300
Sales Tax Rate	3%	3.00%	4.85%	4.00%	4.50%	2.00%		3.00%

Example 2

	Kenai	Soldotna	Homer	Seward	Seldovia Summer	Seldovia Winter		Borough
Gross Sales	$ 500	$ 2,500	$ 500	$ -	$ -	$ -	≤	$ 4,000
Sales Tax Rate	3%	3.00%	4.85%	4.00%	4.50%	2.00%		3.00%

Example 3

	Kenai	Soldotna	Homer	Seward	Seldovia Summer	Seldovia Winter		Borough
Gross Sales	$ -	$ -	$ -	$ -	$ -	$ -	≤	$ 500.00
Sales Tax Rate	3%	3.00%	4.85%	4.00%	4.50%	2.00%		3.00%