

**NEW RULES FOR REQUIRING A BUSINESS LICENSE  
AND FOR COLLECTING SALES TAX**

**Own and operate a small business within the City?**

**The City is exempting purchases made from businesses with gross annual sales of ten thousand dollars or less to reduce the overall tax burden of city sales tax and to reduce the administrative burden by not requiring a business license.**

**EFFECTIVE DATE JUNE 13, 2013**

■ A business license is required only if sales exceed ten thousand dollars in a calendar year.

■ Sales of goods and services made by persons not required to obtain a business license are exempt from sales tax.

■ **All taxicab or vehicle for hire services used to transport passengers for a fee (excludes vehicles used to provide passengers a sightseeing experience or organized tourist excursion) are required to have a business license no matter the amount of gross sales.**

■ The sales tax exemption has been expanded to include:

- all arts and crafts, not just Native arts and crafts, designed and produced in the Bristol Bay region. This applies to:
  1. All businesses including those with a fixed location which sell Bristol Bay arts and crafts as a dealer, broker, or an agent; and
  2. All businesses with total yearly sales of less than \$20,000 for all goods sold.
- sales of fruits or vegetables grown or harvested in the Bristol Bay region as well as locally raised livestock and produce derived from those livestock.

**Proof of Tax Exemption Status**

**Business Owners.** This is a reminder to all businesses that are required to collect sales tax. If in doubt of someone's tax exempt status, please ask the person to show you their tax exempt certificate that was issued from City Hall or call City Hall during their regular business hours, 8 AM - 5 PM, Monday through Friday for verification. If the information is not available, the sale should be taxed.

If you have any questions regarding these new regulations, please contact the City Hall at 842-5225.