

## Janice Williams

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**To:** Brooks Chandler  
**Subject:** FW: Nushagak claim of sales tax exemption

**From:** Brooks Chandler [mailto:[BChandler@bcfaklaw.com](mailto:BChandler@bcfaklaw.com)]

**Sent:** Friday, January 06, 2017 4:47 PM

**To:** [navin.bissram@dillinghamak.us](mailto:navin.bissram@dillinghamak.us)

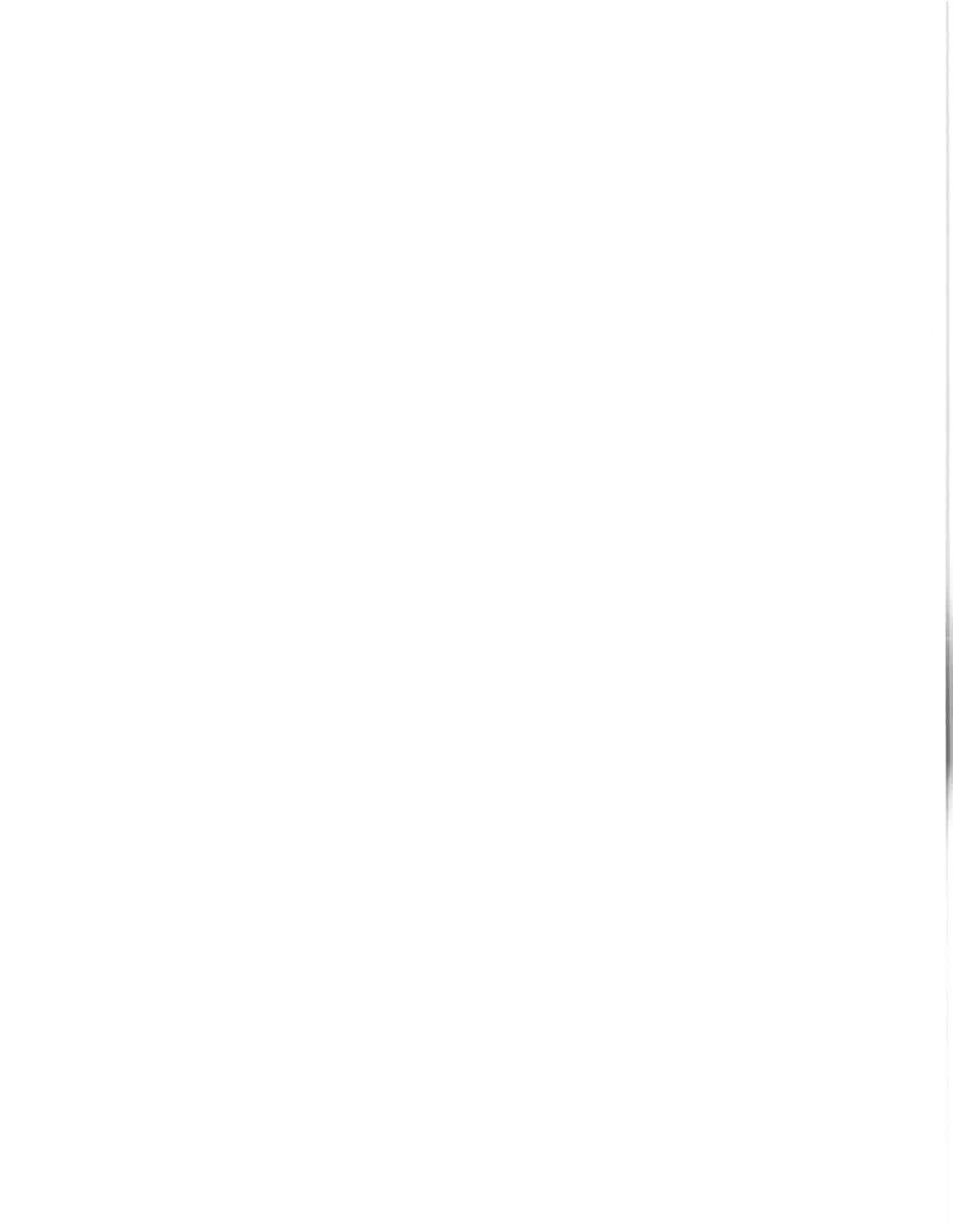
**Cc:** Charles Cacciola

**Subject:** Nushagak claim of sales tax exemption

Greetings Navin:

An excise tax is usually considered to be quite different from a general sales tax in that an excise tax is levied on specific goods and often levied on a unit basis (so much per gallon or pack in the case of fuel or tobacco respectively for example). It seems obvious to me that the exemption is intended to be for excise taxes levied on fuel sales (a relatively common practice but not necessarily on a general sales tax. That being said if the Legislature's intention was to protect them from having to pay tax on fuel one could argue that the use of the word "excise" was intended to include a general sales tax on sales of fuel. I called Nushagak's attorney to talk about this but he is out of the country until January 19. I will send him an email asking him to call me **before I send a formal** response. I will also ask around to see if other communities allow electric coops to be exempt from a general sales tax.

**Brooks Chandler**  
**Boyd, Chandler & Falconer LLP**  
**911 W. 8<sup>th</sup> Ave.**  
**Suite 302**  
**Anchorage, AK**  
**907-272-8401**





January 11, 2017

VIA U.S. MAIL AND FACSIMILE

Norman Van Vactor  
Bristol Bay Economic Development Corporation  
PO Box 1464  
Dillingham, AK 99576

Fax: (907) 842-4336

Dear Mr. Van Vactor:

Thank you for your January 10, 2017 letter. I will include it with the materials presented to the Finance and Budget Committee at the committee's January 16 meeting, when the committee will consider your request to reverse revocation of the Bristol Bay Economic Development Corporation's sales tax exemption. If the committee does not reach a decision on your request at the meeting, a written decision will be mailed to you not more than 30 days after the meeting.

If Bristol Bay Economic Development Corporation is dissatisfied with the committee's determination, it may appeal the determining in writing to the City Manager within fifteen (15) days after the meeting if the committee's determination is given at the meeting or within fifteen (15) days after the notice has been hand-delivered or placed in the U.S. Mail. The time for filing an appeal may be extended upon good cause shown by a sworn statement of the appellant.

The City Manager will hold a hearing on an appeal within fifteen (15) days of the City receiving the notice of appeal from the appellant. The time for hearing may be continued by the City Manager, upon good cause shown by appellant or to reasonably accommodate the parties' schedules. The appellant shall be entitled to be represented by counsel and present evidence on its behalf.

After the hearing, the City Manager shall issue a written decision within ten (10) days. The City Manager will uphold the revocation, or reverse the revocation and reinstate the exemption. If the City Manager reinstates the exemption, the appellant will be entitled to a refund of any sales taxes paid under protest in accordance with Dillingham Municipal Code §4.20.160.

On behalf of the committee, we look forward to your participation at the meeting.

Sincerely,

A handwritten signature in black ink that reads "Navin Bissram". The signature is written in a cursive, slightly slanted style.

Navin Bissram  
Finance Director