

EXHIBIT W – PROPOSED SEASONAL SALES TAXES

xxx.010. Seasonal Sales Taxes.

Section 4.04.030 of the code of the former City of Hoonah, as incorporated into the code of the Xunaa Borough pursuant to Sections 11.01, 11.02, 16.12 and 16.13 of the Xunaa Borough Charter, is amended to read:

4.04.030 - Levy and rate—General sales tax.

A. A general sales tax is levied and shall be collected at a rate, subject to paragraph (4) of this subsection, equal to six and one-half percent as further specified by paragraphs (1)-(5) of this subsection, upon all retail sales within the Hoonah Townsite Service Area, except those sales hereinafter specifically exempted.

- 1) A sales tax rate of three percent is dedicated to the city's general fund.
- 2) A sales tax rate of one percent is dedicated to the city pool/gym complex.
- 3) A sales tax rate of one percent for Hoonah City Schools, to fund general operations and extra-curricular activities, using city council approved procedures, effective January 1, 2020 with no expiration date..
- 4) A sales tax rate of one percent is dedicated to the city's parks and recreation department. Notwithstanding any provision of this Chapter to the contrary, such 1% tax shall apply only to sales occurring between May 1 and October 31.
- 5) A sales tax rate of one-half of one percent of the selling price on retail sales, rentals and services originating within the city of Hoonah shall continue for twenty (20) years beginning January 1, 2012 to pay the principal of and interest on the general obligation bonds issued to fund a portion of the Hoonah city schools major maintenance project.

B. For any sales occurring within the borough between May 1 and September 30 of any year, a general sales tax shall be levied and collected areawide at a rate equal to one percent, subject to any sales hereinafter explicitly exempted, such that:

- 1) For sales within the Hoonah Townsite Service Area the total sales tax levied and collected on sales within such period is at a rate equal to seven and one-half percent; and
- 2) For sales within the borough but outside the Hoonah Townsite Service Area, the total sales tax levied and collected on sales within such period is at a rate equal to one percent.

C. The sales tax levied and collected under subsection B of this section shall be appropriated for areawide purposes.

xxx.020. Effective Date

Section 010 applies to all sales occurring on or after the January 1 immediately following the Assumption Date under Section 16.02 of the Xunaa Borough Charter. For purposes of this section, and notwithstanding any provision of this chapter to the contrary, a sale occurs when the seller receives payment or other consideration for the purchase.

NOTE: The amendment above is to the City of Hoonah Code §4.04.030. Pursuant to the proposed Xunaa Borough Charter (**Exhibit I**), the entirety of Chapter 4.04 will, upon borough formation, become part of the Xunaa Borough code, and any references in that Chapter to the City of Hoonah shall, with respect to the seasonal sales tax created herein, be treated as references to the Xunaa Borough. As a result, rules governing the assessment, collection, retention, payment, reporting, audit and enforcement of the seasonal sales tax, and any other aspect related to administration of that seasonal tax, shall be as set out in Chapter 4.04, as modified by the Charter to apply to the borough and areawide.