

MEMORANDUM

TO: Ron Long, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: John J. Williams, Mayor

FROM: Craig Chapman, Finance Director

DATE: November 21, 2006

SUBJECT: Ordinance 2006-41, delaying for one year the implementation of KPB 5.18.430(G) and 5.18.900(Q), which require that recreational sales be taxed on a per-person per-day basis

This ordinance is presented to the assembly for consideration following recent concerns that have come to the administration's attention from the public regarding the implementation and interpretation of amendments to the borough sales tax code. Kenai Peninsula Borough Code 5.18.430(G), originally numbered KPB 5.18.430(E), and KPB 5.18.900 (Q) were amended to provide for taxing recreational sales on a per-person per-day basis with an effective date of January 1, 2007. However, the administration believes that it is in the best interest of the borough to delay the implementation of KPB 5.18.430(G) and KPB 5.18.900 (Q) until January 1, 2008, so that these concerns regarding how the new taxing procedures will be implemented and what constitutes a "recreational sale" can first be adequately addressed. Your consideration of this ordinance is appreciated.