

CITY OF CRAIG

ORDINANCE NO. 471

AMENDING CHAPTER 3.08 OF THE CRAIG MUNICIPAL SALES TAX CODE BY ADDING A NEW SECTION 3.08.025, THE EXEMPTION OF SALES FOR RESALE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG:

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted shall become a part of the code of the City of Craig, Alaska.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall become effective July 1, 1999.

Section 4. Action. Amend Chapter 3.08 of the Craig Municipal Sales Tax Code by adding those words that are underlined to the new section **3.08.025, Exemption of Sales for Resale.**

3.08.025 A. Exemption of sales for resale. The following sales of goods and services are exempt from the sales tax:

1. Sales of goods to wholesale dealers located in the City of Craig, who deal in goods of the type sold, for the purpose of a subsequent sale by such dealer in the City of Craig;
2. Sales to retail dealers located in the City of Craig, who deal in goods of the type sold, for the purpose of a subsequent retail sale by such dealer in the City of Craig, which sale will be subject to the tax imposed by this chapter;
3. Sales of tangible goods and services to a person engaged in manufacturing within the City of Craig, products sold primarily within the City of Craig, which property is converted into or becomes an ingredient or component part of the manufactured product or a container therefor, or otherwise enters directly into the manufacturing process;
4. Sales to a building or construction contractor or subcontractor, pursuant to a valid City of Craig building permit issued or renewed no more than one year prior to the sale transaction being exempted for the tax, for use on a project within the City of Craig, of building materials, supplies, and other tangible goods and services to be incorporated or used as component parts of a completed structure, driveway, landscaping, and other portions of the project and services utilized directly in the construction, erection, landscaping, and similar work on the project. This exemption shall not

apply to tools, equipment, fuel, clothing, food and similar items of goods utilized but not incorporated into a project.

B. Resale cards shall be valid for a period of one (1) year and shall be reissued in January of each calendar year by the city upon determination that a seller has established compliance with the resale exemption described herein. Resale cards shall be surrendered when the holder ceases doing business. Misuse of a resale card is a violation subject to penalty.

C. Misuse of a resale card shall constitute a misdemeanor and is punishable by a fine up to three hundred dollars (\$300.00), and subject to revocation of the resale card.

APPROVED April 29, 1999

Randy Otos ATTEST Vicki Hamilton
ACTING MAYOR, RANDY OTOS WICKI HAMILTON, CITY CLERK

