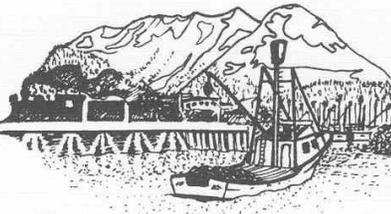


# CITY OF CORDOVA



## City of Cordova Sales Tax Forms

Dear New Business Owner:

Thank you for conducting business here in Cordova. Our Municipal Code requires that a Sales Tax be imposed and collected on the sale of all goods and services, not otherwise specifically exempted in section 5.40.30. It is the responsibility of each and every business to collect and remit sales tax to the City on a timely basis.

### **When to File:**

Taxes are usually filed quarterly and are due (or postmarked) by the end of the month following the close of the period for which they are applying. Some businesses prefer to file monthly, and if a business has repeated delinquencies for filing quarterly, they will be instructed to file monthly.

Quarter 1: January 1 – March 31

Due: April 30

Quarter 2: April 1 – June 30

Due: July 31

Quarter 3: July 1 – September 30

Due: October 31

Quarter 4: October 1 – December 31

Due: January 31

### **How to File:**

Each business is responsible to file the appropriate sales tax form based off the business they have performed during the period. There are two sales tax forms:

- **Sales Tax Return** is used to report all sales tax for goods and services sold, long term rentals (over 30 days), and any rental of equipment (excluding vehicle rental)
- **Public Accommodations/ Vehicle Surtax Return** is to document *ONLY* the public accommodations (which is short term rental of 30 days or less) and motor vehicle rental. These services incur an additional 6% tax levy.

These two forms are independent and are specific in use. You cannot combine the Sales Tax Return onto the Public Accommodations/ Vehicle Surtax Return. If an organization conducts lines of businesses that would utilize both sales tax forms, submit each form documenting the appropriate revenue and sales tax.

All sales tax forms, supporting documentation and total remittance should be mailed to:

City of Cordova, PO Box 1210, Cordova, AK 99574

In the event that your business does not perform any sales during the tax period, the business must still file an appropriate sales tax form with a \$0 Gross Revenue. All sales tax forms not filed in a timely fashion are subject to a \$25 failure to file timely fee, penalty and additional interest. Subsequent late filings will be charged \$50.

### **How do I complete the forms?**

The **Sales Tax Return** form requires several pieces of information.

**Gross Revenue:** total amount of money collected on the sales of goods and services during the period.

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**Exemptions:** for a complete list of approved exemptions please refer to City Code 5.40.030. You must attach a list of all itemized exemptions.

**Net Taxable Revenue:** calculated by taking the Gross Revenue – Total Exemptions.

**Sales Tax Due:** 6% of Net Taxable Revenue.

**Compensation:** 2% of Sales Tax Due. A business is entitled to compensate themselves 2% of the sales tax due for the collection and accounting of sales tax, not to exceed \$200.00. If there are delinquent taxes, penalties or interest outstanding to the City, this discount is not allowable.

**Failure to File Timely:** First late filing is \$25, subsequent late filings within one year will be \$50

**10% - 20% Penalty:** A penalty of 10% of the tax due shall be incurred for the first month of delinquency, and an additional 5% of each month thereafter, not to exceed 20% of tax due.

**15% Interest:** Interest will accrue at 15% interest on the unpaid tax from the delinquent date.

The **Public Accommodations / Vehicle Surtax Return** also require several pieces of information and is only for short term rentals and (motor) vehicle rentals

**Gross Revenue from Public Accommodations:** amount taken in by short term rentals

**Gross Revenue from (motor) Vehicle Rental:** amount taken in for vehicle rentals

**Total Gross Revenue:** add together the Gross Revenues.

**Exemptions:** for a complete list of approved exemptions please refer to City Code 5.40.030. You must attach a list of all itemized exemptions

**Net Taxable Revenue:** calculated by taking the Total Gross Revenue – Total Exemptions

**Surtax Due:** 6% of the Gross Revenue from Public Accommodations

**Sales Tax Due:** 6% of Gross Revenue from Vehicle Rentals

**Compensation:** 2% of Total Tax Due, not to exceed \$200.00

**Failure to File Timely:** First late filing is \$25, subsequent late filings within one year will be \$50

**10% - 20% Penalty:** A penalty of 10% of the tax due shall be incurred for the first month of delinquency, and an additional 5% of each month thereafter, not to exceed 20% of tax due.

**15% Interest:** Interest will accrue at 15% interest on the unpaid tax from the delinquent date.

## **Tax Exemption:**

Sales tax is only collected on the first \$3,000.00 of each transaction/invoice. Businesses who engage in resale of products may apply for a tax exempt card for those resale items. Contact City Hall for more information.

## **More Information:**

All forms and city codes are located on the City of Cordova's website, [www.cityofcordova.net](http://www.cityofcordova.net). In addition, call the City of Cordova at 907-424-6200 for additional information and assistance.