

Ordinance 12-54 Make Certain Categories of Nonprepared Foods Subject to the City of Homer Sales Tax on a Year-Round Basis

Ordinance ID: 12-54

Ordinance Status: Failed

Ordinance Summary:

An Ordinance of the Homer City Council, Amending HCC 9.16.040 and HCC 9.16.100 to Make Certain Categories of Nonprepared Foods Subject to the City of Homer Sales Tax on a Year-Round Basis. Lewis.

CITY OF HOMER
HOMER, ALASKA

Lewis

ORDINANCE 12-54

AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING HCC 9.16.040 AND HCC 9.16.100 TO MAKE CERTAIN CATEGORIES OF NONPREPARED FOODS SUBJECT TO THE CITY OF HOMER SALES TAX ON A YEAR-ROUND BASIS.

WHEREAS, A proposition was passed by the voters in the Kenai Peninsula Borough ("Borough") exempting nonprepared foods from sales tax from September 1st through May 31st; and

WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the Borough, including the City of Homer ("City"), to continue taxing nonprepared foods during the period from September 1st through May 31st despite the Borough's exemption of such foods from sales tax during those months; and

WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting the sales of nonprepared foods from City sales tax during September 1st through May 31st of each year; and

WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a substantial negative impact on funding for essential City services including but not limited to water, sewer, and road project matching funds and has required the almost complete elimination of all non-essential City services; and

WHEREAS, It is in the City's best interest to reinstate the sales tax at the full 4.5% rate on a year-round basis on the categories of nonprepared foods described in Homer City Code 9.16.100(c), enacted by this ordinance, to provide funding for City services.

THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City of Homer exercises the authority granted it under Kenai Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on the nonprepared food items described in Homer City Code 9.16.100(c), enacted by this ordinance, on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.

Section 2. Homer City Code 9.16.040 is amended to read as follows:

9.16.040 Borough Provisions Adopted by Reference. Subject to Section 9.16.100, Those sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy and collection of the sales tax described in this chapter are incorporated by this reference and made a part of this chapter as though fully set forth in this chapter.

Section 3. Homer City Code 9.16.100 is amended to read as follows:

9.16.100 Exemptions. a. Commencing January 1, 2009, sales of nonprepared food items from September 1st through May 31st of each year, subject to subsection c.

b. All other items granted exemption from sales tax under the Kenai Peninsula Borough Code as amended from time to time, except where the Kenai Peninsula Borough by ordinance expressly authorizes the city to tax a source

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exempted from sales tax by the Kenai Peninsula Borough Code and city imposes a sales tax on that source in compliance with the law.

c. Sales of the following products are not exempt from sales tax under subsection a at any time:

1. beverages containing less than 50% fruit or vegetable juice, including soft drinks, energy drinks and sports drinks, but excluding dairy and dairy substitute beverages.
2. candy.
3. potato and corn chips, pretzels, crackers and other ready-to-eat snack foods.
4. ready-to-eat baked products, including cookies, cake, donuts, danish, and muffins, but excluding bread.
5. ice cream, sherbet and other frozen desserts.
6. frozen foods that are ready to eat upon heating in a conventional or microwave oven, including entrees, dinners, pizza and burritos, but excluding frozen fruits and vegetables.
7. prepackaged or made-to-order sandwiches, wraps and salads.

Section 4. This ordinance is of a permanent and general character and shall be included in the city code.

Section 5. This ordinance shall take effect January 1, 2013.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA,
this ____ day of _____, 2012.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:
NOES:
ABSTAIN:
ABSENT:

First Reading:
Public Reading:
Second Reading:
Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager Thomas F. Klinkner, City Attorney

Date: _____ Date: _____

Ordinance Dates **Ordinance Introduction Date:** Mon Nov 26th, 2012

Ordinance Public Hearing Date: Mon Dec 10th, 2012

Ordinance Second Reading Date: Mon Dec 10th, 2012

Ordinance Files  [Ordinance 12-54\(S\)](#)

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