

## MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM

IM 20-168

**SUBJECT:** AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING 3.60 MARIJUANA SALES TAX, TO ALLOW SALES TAX TO BE INCORPORATED INTO THE TOTAL PRICE OF RETAIL PRODUCTS.

**AGENDA OF:** September 1, 2020

**ASSEMBLY ACTION:**

Adopted with Assembly members  
McKee & Sumner opposed 9-15-20  
(5010)

**MANAGER RECOMMENDATION:** Introduce and set for public hearing.

**APPROVED BY GEORGE HAYS, ACTING BOROUGH MANAGER** *[Signature]*

Route To:	Department/Individual	Initials	Remarks
1	Originator FINANCE/CGRAHAM	<i>[Signature]</i>	
2	Finance Director	<i>[Signature]</i>	
3	Attorney	<i>[Signature]</i>	
4	Borough Clerk	<i>[Signature]</i>	

**ATTACHMENT (S):** Ordinance Serial No. 20-<sup>085</sup> (1 pp)

Fiscal Note: Yes X No       

Attachment: Borough Code 3.60

MSB 3.60.150 (1pp)

**SUMMARY STATEMENT:**

This ordinance is intended to revise the Marijuana Tax Code to allow sales tax to be incorporated into the total sales price of marijuana retail products. A national coin shortage has made it difficult for cash only businesses to provide proper change to consumers. Allowing retailers to incorporate the sales tax into the total price of the product will permit retailers to price their products in whole dollars, alleviating the need to make change with coins. Retailers will be required to disclose to consumers that there is a five percent sales tax levied on all marijuana related sales and that it is already incorporated into the price of the product.

**Recommendation of Administration:** Administration recommends approval of this legislation.

MATANUSKA-SUSITNA BOROUGH  
FISCAL NOTE

Agenda Date: September 1, 2020

SUBJECT: Amending 3.60 Marijuana Regulations

ORIGINATOR: Candie Graham

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED *	FUNDING SOURCE <u>Marijuana Tax</u>
FROM ACCOUNT #	PROJECT
TO ACCOUNT: <u>100.000.000 313.100</u>	PROJECT #
VERIFIED BY: <u>Christine Weiland</u>	CERTIFIED BY:
DATE: <u>8-12-2020</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

  

CAPITAL						
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REVENUE		<u>*</u>				
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FUNDING:

(Thousands of Dollars)

General Fund		<u>*</u>				
State/Federal Funds						
Other						
TOTAL		<u>*</u>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) \* Amount depends on sales. Change in how sales tax is collected by stores only.

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_

DEPARTMENT: Chapman DATE: \_\_\_\_\_

APPROVED BY: Chapman DATE: 8/12/2020

### **3.60.150 PROHIBITED ACTS.**

(A) A person may not fail or refuse to pay the tax imposed by this chapter when it is due and payable to a seller authorized to collect the tax.

(B) A seller may not advertise or state to the public or to any buyer, or render directly or indirectly, that the tax, or any part of it, shall be assumed or absorbed by the seller, or that the tax shall not be added to the sale or that it shall be refunded. A seller may not absorb or fail to add the tax or any part of it, or refund any tax or fail to state the tax separately to the buyer.

(Ord. 16-086, § 2 (part), 2016)

1M 20-168  
OR 20-085