

VISITOR INDUSTRY TASK FORCE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
February 1, 2020 10:00 AM
City Hall, Assembly Chambers

- I. CALL TO ORDER/ROLL CALL**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES**
- IV. PUBLIC TESTIMONY**
- V. UPDATES ON RELATED PROCESS AND PROJECTS**
 - A. Kirby Day - TBMP Programming 2020**
 - B. Rorie Watt – Marine Passenger Fee Allocation and Sales Tax**
 - C. Michele Elfers - Waterfront Project Status**
 - D. Alexandra Pierce – Blueprint Downtown**
 - i. Visioning Document - <https://beta.juneau.org/community-development/blueprint-downtown>**
- VI. Draft Committee Report**
 - A. Outline**
 - B. Discussion**
- VII. UPCOMING MEETINGS**
 - A. February 18, 2020 12:05pm**
 - B. February 25, 2020 12:05pm**
- VIII. ADJOURNMENT**

Note: Agenda packets are available to review online at <https://juneau.org>

ADA accommodations available upon request: Please contact the City Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape of the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, email: city.clerk@juneau.org

Sales Taxability of Tour Sales

Frequently Asked Questions

Prepared by Clinton Singletary, Sales Tax Administrator

Are tours within CBJ subject to sales tax?

- All tours, excepting flight/air tours, that physically occur within CBJ are subject to sales tax
- Tour operators and Juneau-based tour brokers must impose, collect, and remit CBJ sales taxes
- Federal and state law prohibit taxation of flight/air transportation

What are the common ways tours are purchased by the consumer?

- Direct from the tour operator
- Through a Juneau-based tour broker
- Through a 3rd party seller such as travel agents and cruise lines

What are the sales tax collection requirements for tour operators that sell tours direct to the consumer?

- Tour operators are required to collect sales tax on the full sales price of every non-flight/air tour

What are the sales tax collection requirements for tours sold by a Juneau-based broker?

- Under CBJ 69.05.040(24)*, the commission charged by the Juneau-based broker to the tour operator is exempt from sales tax
- Juneau-based tour brokers are responsible for collecting sales tax on the full sales price of every non-flight/air tour on behalf of the tour operator; including any commission amount included in the sales price of the tour

What are the sales tax collection requirements for 3rd party sellers such as travel agents and cruise lines?

- Under CBJ 69.05.040(25)**, the amount of the selling price that travel agents and cruise lines outside of Juneau are collect as a commissioner or selling cost is exempt from sales tax
- As such, travel agents and cruise lines outside of Juneau do not impose, collect, or remit sales tax on tours they sell for CBJ operators
- However, CBJ tour operators must calculate and remit sales taxes due to CBJ based on the net receipts they receive from travel agents or cruise lines outside of Juneau that did not impose, collect, or remit sales tax

*CBJ 69.05.040(24): The commission charged by an agent for the sale of travel, lodging or tours to the performer of the service. The commission exemption does not apply to the retail price of the travel, lodging or tour charged to the consumer.

**CBJ 69.05.040(25): That part of the selling price of travel and adventure services, and related services, rentals and goods, excluding lodging, sold outside but delivered within the City and Borough, which is not remitted to the provider of the service and which represents a selling cost or commission or similar charge.

Bartlett Regional Hospital

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DATE: November 7, 2019
TO: BRH Finance Committee
FROM: Kevin Benson, Chief Financial Officer
RE: Impact of Tourism on BRH

Last month the Finance Committee posed the question of ‘How much is BRH impacted by tourism?’ We made an attempt to extract patient data from Meditech to identify patient activity related to tourism. We were able to identify both international and out-of-state patients. While this criteria may not be perfect it should be reasonably close. The attached spreadsheet shows the results.

The observations we were able to make are as follows:

- BRH treated 1,665 patients from out-of-state and international locations.
- These patients generated \$10,344,000 of revenue or 6% of BRH’s Total Revenue.
- Reimbursement for international paid claims is at 90% of charges. If it is assumed the balance of the international claims produced no additional payment the discount percent would be 25%. BRH’s total discount percent is 45%. The reimbursement on these claims is very favorable.
- The greatest volume impact was for the Emergency Department which treated 997 patients in FY2019.
- 119 inpatients were treated generating \$4.9 million of revenue.
- Tourism revenue increase 11% from FY2018 to FY2019.
- 83% of revenue generated from tourism occurred during the cruise ship season.
- BRH saw patients from all 50 states.