



The Juneau Chamber of Commerce

9301 Glacier Hwy, Suite 110 • Juneau AK 99801

Board Members

Eric Eriksen, *President*
AEL&P
Richard Burns, *President Elect*
Juneau Radio Center
Dan Fabrella, *Past President*
Jensen Yorba Lott
Bruce Denton, *Treasurer*
Juneau Self Storage
Mike Satre, *Secretary*
Hecla Greens Creek Mine
Bill Peters
True North FCU
Bruce Abel
Don Abel Building Supply
Travis McCain
Alaska Litho
Hayden Garrison
Creative Source
Charlie Williams
Valley Paint Center
Linda Thomas
Alaskan Brewing Co
Erica Simpson
Alaska Excursions
Dan Bruce
Baxter, Bruce & Sullivan
Eric Forst
Red Dog Saloon

Benefactor Members

Alaska Airlines
Alaska Communications
Alaska Marine Lines
Avista
Exxon Mobil
Fred Meyer
Huna Totem Corp.
Juneau Empire
Juneau Radio Center
Northrim Bank
Sealaska

Platinum Members

AEL&P
Alaska Litho
Alaska USA FCU
Alaskan Brewing Company
Allen Marine
Bartlett Regional Hospital
BP Alaska
Capital Office
CBJ (Manager's Office)
Chatham Electric
Coastal Helicopters
Cocur Alaska, Inc.
ConocoPhillips
Coogan Construction
Crowley Fuel Alaska
Delta Western
Elgee Rehfeldt & Mertz
First Bank
First National Bank of Alaska
GCI
Goldbelt, Inc.
Hecla Greens Creek Mining
Juneau Hydropower
Key Bank
Samson Tug & Barge
SEARHC
Shattuck & Grummett
Sportsman's Warehouse
Taku Glacier Lodge
True North FCU
UAS
Wells Fargo Bank of Alaska
Westmann and Associates

March 3, 2017

Honorable Mayor Ken Koelsch, and
Assembly
City and Borough of Juneau
155 South Seward
Juneau, Alaska 99801

RE: Sales tax exemption for retail sales onboard cruise ships

Dear Mayor Koelsch and Assembly;

In 2017, over 1 million passengers are expected to arrive via cruise ship in Juneau. These passengers, on average, are expected to spend \$179 per person while they are in our city which will generate over \$8 million in sales taxes to be remitted to the City and Borough of Juneau (CBJ). Cruise passengers also generate a total of \$13 million in state and local passenger taxes which has been available to the CBJ for port infrastructure. Spending by these passengers and the tax revenue generated by them make up a significant portion of Juneau's economy.

The CBJ Assembly has proposed an ordinance to clarify the existing code. Specifically, the ordinance would make it clear that the small amount of sales onboard cruise ships are not subject to the local sales tax. Currently, the CBJ does not enforce collection of sales taxes for goods and services purchased while ships are in the borough therefore, this proposal will in no way reduce revenues to the city. The Juneau Chamber of Commerce supports this exemption as it codifies what is currently in practice.

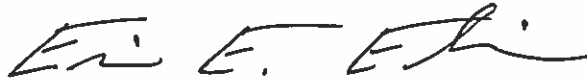
The Chamber supports tax policies that encourage spending and investment in the private sector. Given that cruise ship passengers already pay a head tax, as well as sales taxes on all tours, goods and services purchased while they are ashore in Juneau, it is a reasonable public policy accommodation to exempt sales on board ships in light of the extensive tax already generated by the industry.

Requiring collection of tax for sales occurring on board will place an undue burden on cruise ships as they will be forced to provide additional record keeping for taxable and non-taxable sales as their ships maneuver in and out of CBJ waters. This will ultimately result in shortened port stays in Juneau as cruise companies seek to minimize their regulatory burden which will result in less money spent in local businesses, and ultimately less money into CBJ coffers.

9301 Glacier Hwy, Suite 110 • Juneau AK 99801 • (907) 463-3488 • Fax (907) 463-3489
info@juneauchamber.com • www.JuneauChamber.com

The Juneau Chamber of Commerce supports CBJ efforts to clarify the sales tax code and encourage spending by cruise ship passengers in our local businesses. This will send a clear message that Juneau is "open for business" and that we support continued growth in the tourism sector.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric E. Eriksen". The signature is fluid and cursive, with the first name "Eric" being the most prominent.

Eric E. Eriksen
President
Juneau Chamber of Commerce