

ORDINANCE NO. 6345, AS AMENDED

AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTION 74-40, SALES AND EXCISE TAX REQUIREMENTS DEFINITIONS, SECTION 74-116, ROOM RENTAL TAX DEFINITIONS, AND SECTION 74-118, ROOM RENTAL TAX LEVY AND COLLECTION TO ADD MARKETPLACE FACILITATOR

WHEREAS, there are multiple operators using marketplace facilitators to conduct short-term rental businesses within the city; and

WHEREAS, the Council would like to establish the responsibilities of marketplace facilitators to collect room rental taxes on behalf of an operator or as the seller.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows [amendments shown in **bold** font; deleted text in ~~font~~]:

SECTION 1. Fairbanks General Code Section 74-40, Sales and Excise Tax Requirements Definitions, is hereby amended to read as follows [new text in bold font; deleted text in ~~font~~]:

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Estimated tax means the tax determined under section 74-45.

Marketplace facilitator means a person or entity that contracts with sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale or rental of the seller's property, product, or services through a physical or electronic marketplace operated by the person.

Nontaxable sales mean any sale made within the city that is exempt from levied taxes.

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SECTION 2. Fairbanks General Code Section 74-116, Room Rental Tax Definitions, is hereby amended to read as follows [new text in bold font; deleted text in ~~font~~]:

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Guest or renter means an individual, firm, partnership, joint venture, club, fraternal organization, association, corporation, estate, trust, receiver, or any other entity or group who pays rent for a room for 30 consecutive days or less.

Marketplace facilitator means a person or entity that contracts with sellers

to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale or rental of the seller's property, product, or services through a physical or electronic marketplace operated by the person.

Permanent resident means any natural person who has or will have the right of occupancy of any room or rooms for more than 30 consecutive days.

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SECTION 3. Fairbanks General Code Section 74-118, Room Rental Tax Levy and Collection, is hereby amended to read as follows [new text in underlined bold font; deleted text in ~~strikethrough~~ font]:

- (a) There is levied and imposed upon the use and privilege of renting a room within the city a tax equal to eight percent on the daily rate charged for each such room rented for each 24-hour period or any portion of such period. This tax is imposed upon all room rentals unless the rental is specifically exempted herein or by other applicable law. The tax will not be levied and imposed upon a permanent resident of a room.
- (b) The ultimate incident of and liability for payment of the tax will be borne by the person who occupies the room, and such person is referred to as a guest or renter.
- (c) The tax levied in this section is paid in addition to any and all other taxes and charges. It is the duty of the seller providing rentals taxable under this article to act as trustee for and on account of the city and to secure the tax from the guest or renter of the room and remit the tax as provided in this article.
- (d) Every seller or marketplace facilitator required to collect the tax levied by this article must secure the tax from the guest or renter at the time of rental payment for the room. Upon the invoice, receipt, or other statement or memorandum of the rent given to the guest or renter at the time of payment, the amount due under the tax provided in this article must be stated separately on the documents.
- (e) Accurate records of all taxes levied and collected must be maintained by the person required to collect the tax levied by this article.
- (f) Any seller seeking an exemption under section 74-119(4) or 74-119(5) must keep on file, available for inspection, a lease, contract, or other document detailing the terms of the occupancy.

SECTION 4. The effective date of this ordinance is six days after adoption.


Mindy L. O'Neill, City Mayor

AYES: Ringstad, Therrien, Marney, Sprinkle, Cleworth, Tidwell
NAYS: None
ABSENT: None
ADOPTED: April 13, 2026

ATTEST:

APPROVED AS TO FORM:


D. Danyelle Snider, MMC, City Clerk


Thomas A. Chard II, City Attorney