

Sponsored by: Councilmember Cleworth*
Councilmember Therrien*
Councilmember Marney
Councilmember Sprinkle
Councilmember Tidwell
Councilmember Ringstad
Mayor O'Neall
*indicates original sponsor
Date: February 9, 2026

RESOLUTION NO. 5200

A RESOLUTION URGING THE STATE LEGISLATURE TO REJECT PROPOSALS FOR A STATEWIDE SALES TAX

WHEREAS, the State has reserved for itself the right to impose a tax on income, thereby, leaving a sales tax as one of the revenue sources available for local governments to fund the needs of their communities; and

WHEREAS, studies have shown that sales taxes are extremely regressive; and

WHEREAS, the State government would withhold the ability for local government to determine exemptions from the sales tax collections, including such items as food, and would not provide for senior exemptions; and

WHEREAS, a statewide sales tax would be in addition to existing municipal sales taxes, significantly adding to our cost of living; and

WHEREAS, retail outlets on military bases and some internet sales would be exempt from State sales taxes and, unfortunately, would receive a benefit at the expense of local retailers; and

WHEREAS, addressing problems with exemptions, limits, auditing, and collection would require a very complicated and controversial piece of legislation; and

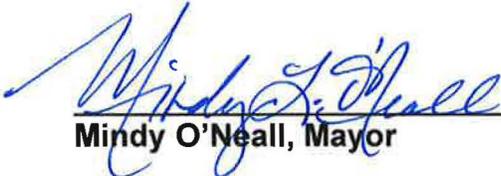
WHEREAS, the State plans to collect all the sales tax revenue, hiring an estimated 65 employees, bypassing local authorities who already have a collection process in effect and would be more able to determine those in default; and

WHEREAS, the Governor intends to sunset the law after ten years but wants to require that the State continue to collect sales taxes for local governments and charge for this collection effort; and

WHEREAS, the State of Alaska has failed to timely provide local governments with their portion of community assistance in the past and may also fail to provide the sales tax revenue to local governments in a timely manner.

NOW, THEREFORE BE IT RESOLVED that the Fairbanks City Council respectfully requests that the Alaska Legislature reject any proposals for a statewide sales tax; and

BE IT FURTHER RESOLVED that this resolution shall take effect upon adoption by the Fairbanks City Council and that the City Clerk is hereby directed to send a copy of this resolution to Governor Dunleavy, members of the Interior Delegation, and the Alaska Municipal League.

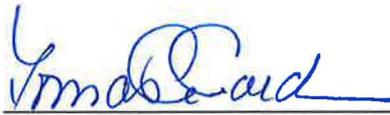

Mindy O'Neall, Mayor

AYES: PASSED on the CONSENT AGENDA
NAYS: None
ABSENT: None
ADOPTED: February 9, 2026

ATTEST:

APPROVED AS TO FORM:


D. Danyelle Snider, MMC, City Clerk


Thomas A. Chard II, City Attorney