



City of Kodiak

Business License and Sales Tax Frequently Asked Questions

(Please refer to the Kodiak Municipal Code for detailed explanations <https://www.codepublishing.com/AK/Kodiak/>)

Business License Questions

1) Why do I need a City of Kodiak Business License?

A license is required for all businesses either located in the City or making sales, rentals or providing services within the city limits of Kodiak. The business license also registers the business to collect the City sales tax. Before engaging in business in the city, a person shall first apply for a business license and pay the required fee. However, if you apply for a business license by December 31, 2021, the fee will be waived.

2) Does every business in Kodiak need to obtain a Business License?

A license is required for all businesses either located in the City or making sales, rentals or providing services within the city limits of Kodiak. A license is required for each line of business and for each location making sales, rentals or providing services within the city limits of Kodiak. Non-profit organizations conducting business are required to obtain a city business license.

3) Do I need any other licenses to do business in Kodiak city limits?

Possibly. The State of Alaska has licensing requirements. Businesses are encouraged to check the requirements [Business Licensing, Division of Corporations, Business and Professional Licensing \(alaska.gov\)](https://alaska.gov) and exemptions to assure compliance with the State of Alaska statutes.

4) How much will a Business License cost?

The fee for a biennial business license is fifty dollars (\$50.00) and is non-refundable. However, if you apply for a business license between now and December 31, 2021, the \$50.00 fee will be waived.

5) How long is the City of Kodiak Business License valid for?

The biennial license is valid for two calendar years, through to December 31st of the year following the year in which it was issued. If you apply for a business license now, if approved, the license will be valid through to December 31, 2023. If you apply for a business license on January 2, 2022, if approved, the license will be valid through to December 31, 2023.

6) Do I have to display the city license?

The city business license must be prominently displayed in all locations where business is conducted, including temporary locations. Any seller who has no regular place of business shall display such license upon request.

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7) If I sell my business, can I transfer the license to the new owner?

No, the city business license is not transferable or assignable. If you close a business, you are required to surrender your old license to the city, submit a final sales tax report and report this closure IN WRITING within SEVEN DAYS of the change in information. Business license fees are non-refundable, even if the business license is canceled prior to its expiration date. If you sell your business, the new owner will need to apply for a new business license prior to engaging in business activity.

8) If I own a residential rental property and do not rent it as a vacation rental (renting for periods less than 30 days), do I need to obtain a Business License?

Yes, a license is required for all businesses either located in the City or making sales, rentals or providing services within the city limits of Kodiak.

9) If I have more than one business, do I need to register all of them separately?

Yes, business owners with multiple businesses must obtain separate business licenses for each business.

10) Do I need a Business License if I am participating in a special event (Crab Fest, Farmer's Market)?

If you furnish goods or services only at a community event, for example, Crab Fest and Farmer's Market, you are required to apply for a transient merchant permit. For more information, refer to [Chapter 5.28 TRANSIENT MERCHANTS \(codepublishing.com\)](#)

11) If I have more than one business, do I need to register all of them separately?

Yes, business owners with multiple businesses must obtain separate business licenses for each business.

12) If I am operating as a non-profit, do I still need a Business License?

If you are a non-profit organization engaging or offering to engage in a trade, a service, a profession, or an activity with the goal of receiving a financial benefit, you are required to obtain a city business license.

13) If it is close to the end of the year, will I have to obtain a new license the following year?

The city license is valid for two calendar years. Newly established businesses applying for a city business license on/after December 1st each year will be issued a license valid through to December 31 of the year following the year in which it was issued.

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14) How do I complete a business license application?

All existing businesses are set up with a MUNIREvs account online and you must link your business account to your User Login with the Account Number and Activation Code sent to you in your Registration Letter. Once your account is activated, you will be prompted to complete the business license application and a fire safety questionnaire.

For new businesses who wish to apply for a city business license, you can set up an account online and complete the business license application online, <https://kodiak.munirevs.com/>. Application forms can also be downloaded from the City website under Business – Forms, Permits and Applications.

15) Do I need to need to register for a City of Kodiak Business License if I have a State of Alaska Business License?

Yes, you will need to register for a city business license. The City of Kodiak requires a separate business license to be obtained even if you have a business license issued by the State of Alaska.

16) Is the information on the Business License confidential?

The personal information obtained from owners, members and officers as well as their signatures is kept confidential. All other information on the license application is public knowledge.

17) I am already registered with the City of Kodiak. Do I need to register again?

All existing businesses who have registered for a sales tax permit will be required to complete the business license application and a fire safety questionnaire. All existing businesses are set up with a MUNIREvs account online and you must link your business account to your User Login with the Account Number and Activation Code sent to you in your Registration Letter.

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Online Portal Questions

1) What if I am unable to use the online system?

If you are unable to use the online system, you may submit the paper copy of the sales tax form, which is available for download from the City's website, www.city.of.kodiak.ak.us under Business – Forms, Permits and Applications and remittances by check are still being accepted and processed by the City of Kodiak.

2) Can I manage multiple businesses with one login?

Yes. MUNIREvs has the ability to add multiple sales tax accounts under one login credential.

3) Can a business have more than one user?

Yes. A Business may have more than one user who can maintain the account.

4) I did not receive or I misplaced the letter with my activation code. What do I do?

You may contact MUNIREvs support at: 1-888-751-1911 or contact City of Kodiak sales tax office at 907-486-8655 for assistance with your activation code.

5) How do I change the user on a business?

You may change the user on a business by logging in to MUNIREvs and click "Manage your Account" on the dashboard.

6) I forgot my password. What do I do?

To reset your password, click the "Forgot Password" tool in the log in page. You will be asked to provide your existing email address. A link will be sent to a valid email address and you can follow the prompt to recover or reset your password.

7) Do I have to login to MUNIREvs to see my alerts and reminders?

You must be logged in to MUNIREvs to be able to see the complete list of your account reminders or open tasks pertaining to your sales tax account.

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Sales Tax Questions

1) If I fail to remit sales tax, can I lose my license?

Yes, the license may be revoked or suspended if the seller fails to remit delinquent sales taxes, penalty and interest within thirty (30) days after notice. It is then unlawful for a seller to engage in business without a current city business license.

2) Do I have to charge and collect the city sales tax and what sales are taxable?

Yes, city sales tax is imposed and collected pursuant to the authority granted by Alaska Statutes (Section 29.45.700). This sales tax is to be liberally construed and includes all sales, rentals, and service activities delivered or provided in the City. If your business is engaging in sales and services inside city limits, you are required to collect and remit sales tax.

3) Does everyone get charged sales tax?

Yes, everyone is charged sales tax. Only those payers who have evidence of a current City of Kodiak sales tax exemption certificate, obtained from and issued by the City of Kodiak, will not be charged. It is in your best interest to obtain a copy of each exemption that is granted.

4) What is the most sales tax charged on a sale?

For all sales, rentals and services, the sales tax is 7% of the sales price or charge for all sales, rentals and services. The maximum taxable amount in a single transaction is capped at \$3,000.00 while the maximum taxable amount for each rental of any residential or commercial real property for a period of one month is capped at \$750 for a single transaction.

For all transient room rentals, the sales tax of 12% of the room rental charge. The 12% consists of 5% bed tax and 7% sales tax.

5) May I pay the sales tax myself and not charge the customer?

Generally, sales tax is collected from the recipients of goods and services.

6) What if I don't pay the City the sales tax I charged my customers?

The sales tax collected from the customers must be remitted to the City of Kodiak on or before the due date for that sales tax period. In the event of delinquency, the City may impose civil penalties including filing liens against the business entity or the Business Owner. (KCC 3.08.240)

7) Can I file a zero file tax return through MUNIREvs?

Yes, you can file zero returns online through MUNIREvs.

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Sales Tax Questions

8) What if I didn't collect any sales tax during a month?

All sales, rentals, and service activities delivered or provided in the City must be reported. Businesses with no sales or only exempt sales are required to file a zero return. Sales tax returns can be filed online and remit payment online through MUNIREvs. Failure to collect sales tax will result in an estimation of tax due, a civil penalty of double the tax that should have been collected as determined by an audit, and your business license will be revoked. (KCC 3.08.190)

9) When must I submit the sales tax to the City?

Each person who sells or rents property or renders services taxable in any quarter ending March 31, June 30, September 30, and December 31 shall, on or before the last day of the month following the end of each quarter year, or April 30, July 31, October 31, and January 31, respectively, complete, sign, and file with the city a return for that quarter even if there no reportable revenue to remit.

If the day established for filing any sales tax return is a Saturday, Sunday, or legal holiday, tax returns and remittances shall be considered filed on time if delivered by hand to city offices or postmarked on or before the close of business on the first business day following that Saturday, Sunday, or holiday. (KCC 3.08.140)

10) What if I turn in my sales tax after the due date? Can the penalty be waived?

A penalty for the delinquent remittance of sales tax or failure to file a sales tax return may be waived by the finance director. If all the delinquent tax, penalty and interest are paid within 45 calendar days after the date of delinquency, the taxpayer may request in writing that the penalty be waived. A seller may not be granted more than one waiver of penalty in any one calendar year.

11) What if I do not receive a sales tax form or other notices in the mail?

You can find your sales tax form in your Business Center on MUNIREvs. Additionally, sales tax forms can be found the City website, www.city.of.kodiak.ak.us under Business – Forms, Permits and Applications. Not receiving your sales tax form in the mail does not relieve you from filing and remitting your sales tax on time.

12) How do I amend a return?

Sales tax remitters may request to amend their previously submitted sales tax form along with documentation warranting the amendment. The request is subject for approval by the City. The City shall notify the seller in writing (by email or otherwise) whether the City accepts or rejects an amended return, including the reasons for any rejection. (KCC 3.08.162)

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13) What payment types are accepted by the City through MUNIREvs?

You can remit sales tax using debit/credit cards (Visa and MasterCard) or with your bank account (E-Check or Electronic Check). A convenience fee of 3% on the transaction amount will be charged for credit/debit card payments.

14) Can I schedule a payment in MUNIREvs?

No, you cannot schedule a payment through MUNIREvs.

15) I am trying to pay with an online check but the transaction keeps failing. What do I do?

Contact the City of Kodiak sales tax office at 907-486-8655 or email salestax@city.kodiak.ak.us

16) What if I want to file my report online but mail in my check or pay in person?

If you file your sales tax report online and have a payment due, your payment must be postmarked on or before the deadline for that sales tax period in order to avoid a late filing fee, and penalty and interest being assessed on your account.