

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY15-22**

A RESOLUTION CLARIFYING SALES TAX EXEMPTIONS FOR EMPLOYEE TIPS

WHEREAS, City of Gustavus Ordinance 4.15.040, Exemptions, is silent regarding whether employee tip collections are subject to, or exempt from, City sales tax, and;

WHEREAS, Gustavus businesses have reported tips inconsistently, suggesting a lack of clarity, and;

WHEREAS, tips are intended to flow to employees rather than the business, and

NOW, THEREFORE, BE IT RESOLVED that the Gustavus City Council interprets City of Gustavus Ordinance 4.15.040 such that employee tips shall not be subject to City sales tax.

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council this 13th day of July, 2015, and effective upon adoption.



Mike Taylor, Mayor



Attest: Lori Ewing, City Clerk