

Sales Tax Exemptions – Business Checklist

Use this checklist before claiming a sales tax exemption.

Step 1 – Identify the Transaction

- Small or casual sale
- Insurance or bond
- Trade-in credit
- Health care, funeral, or veterinary service
- Nonprofit or charitable organization purchase
- Government purchase
- School, education, or child-related service
- Food assistance program purchase
- Newspaper, membership, or pull-tab sale
- Travel, transportation, or aviation transaction

Step 2 – Verify Eligibility

- Transaction meets all requirements of KGBC 4.50.230
- Required exemption certificate or permit is valid and current
- Exemption applies to this specific item or service

Step 3 – Collect Proof at the Time of Sale

- Valid exemption certificate number provided, if required
- Documentation retained in sales records
- If proof is not provided at the time of sale, sales tax is collected

Step 4 – Keep Records

- Maintain exemption documentation with sales records
- Retain records for audit and review

Final Reminder: Exemptions are conditional. Buyers must qualify, and sellers are responsible for collecting sales tax if valid proof is not provided at the time of sale. This checklist is a general guide only. Full requirements are contained in Ketchikan Gateway Borough Code 4.50.230.