



Northwest Arctic Borough

163 Lagoon Street
P.O. Box 1110 Kotzebue, Alaska 99752
(907) 442-2500 Fax (907) 442-2930
www.nwabor.org

June 21, 2016

Re: Northwest Arctic Borough Tobacco Excise Tax

Dear Distributor:

We understand that you may import cigarettes or other tobacco products into the Northwest Arctic Borough. The Borough enacted a tobacco excise tax. The tax was adopted as Chapter 7.12 of the Northwest Arctic Borough Code, a copy of which is enclosed. The tax is imposed on each “distributor” who brings cigarettes or other tobacco products into the Borough after July 1, 2016. If you purchase cigarettes or other tobacco products outside the Borough and import them into the Borough to sell, then you must register as a distributor and pay the tax.

The tax is not imposed directly on stores or other retailers who sell tobacco products in the Borough to retail consumers. If you only purchase cigarettes or other tobacco products from a distributor who has brought the cigarettes or other tobacco products into the Borough, you are not subject to the tax. This credit also applies to any other municipal tobacco excise tax adopted by a Borough village.

We encourage you to thoroughly review the Ordinance that is enclosed with this letter. In general, for cigarettes, the tax is \$2.00 per pack of cigarettes brought into the Borough. For other tobacco products, the tax is 45 percent of the wholesale price of tobacco products brought into the Borough. If you are subject to the tax, you may qualify for a tax credit attributable to any other municipalities that already incur a tobacco tax (which would reduce your tax liability), as they have also instituted a similar tax, including the City of Kotzebue.

Please let us know if you have any questions about the tobacco excise tax. For example, contact us at the number below if you are unsure of whether you must register as a “distributor” or whether you qualify for a tax credit. You can contact us in a number of ways. First, you can email your questions to our department at finance@nwabor.org. Second, you can mail your questions to P.O. Box 1110, Kotzebue, AK 99752. Finally, you can discuss the tax with us over the telephone by calling 907-442-2500.

We look forward to hearing from you.

Sincerely,

Angie Sturm
Finance Director

CC: Matt Mead, Legal Counsel LANDYE BENNETT BLUMSTEIN LLP

Ambler Ivisaappaat, Buckland Nunatchiaq, Deering Ipnatchiaq, Kiana Katyaak, Kivalina Kivalieiq, Kobuk Laugviik, Kotzebue Qikiqtaruk, Noatak Nautaaq, Noorvik Nuurvik, Selawik Akulibaq, Shungnak Isiɛnaq