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(SA) For reading: March 4, 2025

\*\*\* DRAFT \*\*\*

**ANCHORAGE, ALASKA  
AO No. 2024-105(SA)\***

*(NOTE: this (S) version is presented without legislative drafting markup from the original AO text, except to the title, it is written as a new ordinance. See the AM for summary of changes)*

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING  
2 A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT  
3 MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE  
4 MUNICIPALITY THAT WOULD ENACT A SALES AND USE TAX OF THREE  
5 PERCENT (3%) IN THE AGGREGATE ON THE SALE OR USE OF GOODS AND  
6 SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A  
7 MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF A TWO  
8 PERCENT (2%) TAX FOR THE SOLE PURPOSE OF REDUCING PROPERTY  
9 TAXES PROPORTIONATELY THROUGHOUT THE MUNICIPALITY WITHIN THE  
10 "TAX CAP" CALCULATION, AND A ONE PERCENT (1%) TAX OUTSIDE OF  
11 THE TAX CAP DEDICATED FOR ESTABLISHMENT OF A TRUST FUND TO  
12 PAY FOR VOTER APPROVED CAPITAL PROJECTS KNOWN AS MUNICIPAL  
13 AREA PROJECTS (MAPs); COSTS OF ADMINISTRATION, COLLECTION AND  
14 AUDIT OF THESE SALES AND USE TAXES SHALL BE SHARED  
15 PROPORTIONALLY BETWEEN THE TAXES; PROVIDING FOR A MAPs  
16 CITIZENS ADVISORY BOARD; PROVIDING A LIMITED TERM OF SEVEN  
17 (7) YEARS FOR THE AGGREGATED 3% SALES AND USE TAX  
18 LEVY; AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.25  
19 REGARDING THE TAX INCREASE LIMITATION; ADDING A NEW CHAPTER TO  
20 THE ANCHORAGE MUNICIPAL CODE TO PARTIALLY IMPLEMENT THIS TAX  
21 REVENUE DIVERSIFICATION MEASURE; **AMENDING AMC CHAPTER 12.10**  
22 **TO INCREASE THE BUSINESS INVENTORY PERSONAL PROPERTY TAX**  
23 **EXEMPTION TO THE FIRST \$250,000 OF VALUE; CALLING FOR A SPECIAL**  
24 **ELECTION;** AND PROVIDING FOR TRANSITION PROCEDURES AND  
25 EFFECTIVE DATES.

26  
27 **WHEREAS**, there has been a desire by the community to reduce property taxes  
28 and a desire to diversify our tax base by ensuring non-residents who purchase  
29 goods, consume services, benefit from public safety services, and use public  
30 facilities and streets within the Municipality primarily funded through residential  
31 property tax revenue will contribute to their provision and upkeep within the  
32 Municipality of Anchorage; and

33  
34 **WHEREAS**, the Municipality of Anchorage is suffering from a net outmigration of  
35 residents with a net decline from 2013 (302,127) to 2023 (289,653) of 12,474  
36 residents or ~4.1%; of which 18,314 are of working age and multiple forecasts  
37 predict this decline will continue; and

1  
2 **WHEREAS**, there is a desire to revitalize Anchorage through Municipal Area  
3 Projects (MAPs) that will attract and retain residents, increase resident and visitor  
4 enjoyment, and enhance the livability of Anchorage; and

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6 **WHEREAS**, to reduce the regressive effect of a general retail sales tax, exemptions  
7 will be provided for common and necessity transactions; and

8  
9 **WHEREAS**, to reduce the regressive effect of a general retail sales tax, the proposal  
10 recommends a household exemption component in which the Assembly determines  
11 a process whereby Anchorage households with annual income at or below the 80%  
12 federal poverty line may apply for exemption from the sales and use tax altogether,  
13 and

14  
15 **WHEREAS**, there will be a \$2,500 cap on the amount of a purchase transaction  
16 subject to the sales and use taxes, limiting the amount of tax paid to a maximum of  
17 \$75 per transaction; and

18  
19 **WHEREAS**, the term of the tax would be limited to no more than seven (7) full  
20 calendar years from the start of the tax levy and collections, excluding the initial  
21 partial year; and

22  
23 **WHEREAS**, forecasted annual revenue from the tax, based on conservative  
24 estimates, is expected to be \$180 million with two-thirds going to property tax relief  
25 and, one-third going to Municipal Area Projects approved by the voters after  
26 payment of costs of administration, collection and audit of the tax; and

27  
28 **WHEREAS**, the amount of property tax relief is forecasted to be 16% or  
29 approximately \$265 for each \$100,000 assessed home value in the Municipality,  
30 which is a reduction of approximately ~\$1,195 to the property tax bill for an average  
31 home valued at \$450,000; and

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33 **WHEREAS**, Municipal Area Projects would have oversight provided by a MAPs  
34 Citizen Advisory Board when appointed by the Mayor and confirmed by the  
35 Assembly; and

36  
37 **WHEREAS**, a sales and use tax is not new to Alaska with sales taxes, along with  
38 use tax in some instances, implemented in Juneau, Kenai, Homer, Ketchikan,  
39 Kodiak, Palmer, Seward, Soldotna, Wasilla and other jurisdictions; and

40  
41 **WHEREAS**, MAPs will be required to have 80% of funding in place prior to the  
42 commencing of field or site work in order to ensure projects are funded from MAPs  
43 Fund and Trust reserves; and

44  
45 **WHEREAS**, under this proposal the MAPs Fund and Trust reserves shall not be  
46 used to secure general obligation bond debt; now, therefore

1  
2 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot  
3 proposition in substantially the same form as appear in Section 2 below shall be  
4 placed on the ballot and submitted to the qualified voters of the Municipality **at a**  
5 **special municipal election to be held on September 2, 2025.**  
6

7 **Section 2.** A ballot proposition shall be presented in substantially the following  
8 form:  
9

10 **PROPOSITION NO. \_\_\_\_\_**  
11 **PROPERTY TAX REDUCTION AND ECONOMIC DEVELOPMENT**  
12 **MEASURE:**  
13 **CHARTER AMENDMENT AND ORDINANCE TO AUTHORIZE THE LEVY**  
14 **OF A 3% SALES AND USE TAX, COMPRISED OF 2% FOR PROPERTY**  
15 **TAX REDUCTION UNDER THE "TAX CAP," AND 1% DEDICATED TO**  
16 **VOTER APPROVED CAPITAL PROJECTS**  
17

18 The proposed Charter Amendment and Assembly Ordinance 2024-\_\_\_\_  
19 would authorize and enact a seven (7) calendar year term-limited aggregated  
20 three percent (3%) sales and use tax on the sale or use of goods and services  
21 within the Municipality of Anchorage, with certain specified exemptions. This  
22 is comprised of two separate sales and use tax levies for separate purposes:  
23

24 (1) A two percent (2%) sales and use tax for the reduction of property taxes  
25 under the tax cap. The full amount of this tax revenue, after the costs of  
26 administration, collection and audit, shall reduce the amount of property  
27 taxes the Municipality collects, dollar for dollar. This is estimated to reduce  
28 the overall property tax burden by approximately \$120 million, or about 16%  
29 of an average property tax bill.  
30

31 (2) A one percent (1%) tax dedicated to fund community infrastructure  
32 projects excluded from the Tax Cap calculation and known as Municipal Area  
33 Projects (MAPs) approved by the voters. The amount of this tax revenue after  
34 the costs of administration, collection and audit, and is solely dedicated to  
35 funding of MAPs projects approved by the voters, listed in this proposition.  
36 This is estimated to produce approximately \$60 million in annual revenue.  
37

38 The tax shall be first levied no earlier than July 1, 2026 and no later than July  
39 1, 2027, the actual date of levy to be determined by the Assembly. For the  
40 first partial calendar year the sales and use tax is levied, the Municipality will  
41 also collect property taxes without reduction.  
42

43 The following MAP capital investments, identified by Anchorage residents,  
44 are authorized to be designed, constructed, acquired, maintained and  
45 operated pursuant to this proposition and the Charter amendments:  
46

1 Projects (detailed descriptions are attached to AO 2024-\_\_\_):

- 2 1. Kincaid Trailside Facility – full-service indoor facility with space for
- 3 year-round recreation amenities like food and beverage concessions,
- 4 outdoor gear rentals, and gathering space.
- 5 2. Goose Lake Trailside Facility – replacement of existing structure with
- 6 full-service indoor facility with space for year-round recreation ameni-
- 7 ties like food and beverage concessions, outdoor gear rentals, and
- 8 gathering space.
- 9 **3. Development of Tract B Cook Subdivision, Formerly Known as**
- 10 **National Archives — Municipal participation in the proposed**
- 11 **development of the National Archives site focused on housing**
- 12 **through the following means: infrastructure, land, or direct**
- 13 **investments including public private partnerships.**
- 14 4. Downtown Arts and Entertainment Redevelopment – upgrade the
- 15 Performing Arts Center and improve downtown core pedestrian
- 16 experience with lighting, wayfinding, walkways, and other pedestrian
- 17 infrastructure.
- 18 5. East Anchorage Sports Center – indoor sports center including an
- 19 indoor track, open turf space, court space, and other features.
- 20 6. Anchorage Children’s Museum – a facility offering exhibits and
- 21 programs designed for children.
- 22 **7. Chester Creek Sports Complex Redevelopment – a sports facility**
- 23 **offering indoor space and other amenities complementing the area’s**
- 24 **revitalization, including focus on housing through infrastructure**
- 25 **development, land acquisition and management, and direct**
- 26 **investments including public private partnerships.**
- 27 8. Eagle River Sports Center – indoor sports center including a track,
- 28 open turf space, court space, and other features for sporting
- 29 activities.
- 30 **9. Girdwood Arts & Recreation District – a community space for art,**
- 31 **special events, and an RV park.**
- 32 **10. Improvements or repairs of municipal facilities that are open to the**
- 33 **general public that residents can access or use. No more than 15%**
- 34 **of the net receipts of the MAPs 1% sales and use tax funds shall be**
- 35 **used to fund existing Municipal facilities, exempting those MAPs**
- 36 **project described herein and projects involving demolition and**
- 37 **replacement of the existing facility.**

38  
39 This Property Tax Reduction and Economic Development Measure would  
40 amend Anchorage Municipal Charter Section 14.03 and add new Section  
41 14.08 as follows (new language proposed is shown in **bold and underlined**;  
42 language to be deleted is shown with [~~strikeout in bold and brackets~~):

43  
44 **Section 14.03. - Tax increase limitation.**

- 45  
46 (a) Except as provided in this section, the total amount of municipal

1 tax that can be levied during a fiscal year shall not exceed the total  
2 amount approved by the assembly for the preceding year by more  
3 than a percentage determined by adding the average percentage  
4 increase in the Federal Consumer Price Index for Anchorage from  
5 the preceding five fiscal years plus the average percentage growth  
6 or loss in the Anchorage municipal population over the preceding  
7 five fiscal years as determined by the state department of  
8 community and regional affairs.

9 (1) The "total amount of the municipal tax that can be levied  
10 during a fiscal year" and the "total amount approved by the  
11 assembly for the preceding year" in subsection (a) of this  
12 section shall include all payments in-lieu of taxes paid or to  
13 be paid by any Municipality of Anchorage utility,  
14 department, agency or public corporation or authority.

15  
16 (2) The "total amount approved by the assembly for the  
17 preceding year" shall be the total amount of the taxes and  
18 payments in-lieu of taxes approved by the assembly for  
19 collection in the preceding year.

20  
21 **(3) For the calendar year that begins following the initial**  
22 **levy of the tax under Charter § 14.08(a), the "total**  
23 **amount of the municipal tax that can be levied during**  
24 **[the] fiscal year" shall be reduced by an amount equal**  
25 **to the net receipts of the two percent (2%) sales and use**  
26 **tax collected pursuant to Charter § 14.08(a) in the year**  
27 **said tax is first levied.**

28  
29 **(4) For the calendar year after the one in subsection (3) and**  
30 **continuing for seven calendar years, "the total amount**  
31 **approved by the assembly for the preceding year" shall**  
32 **include the net receipts of the two percent (2%) sales**  
33 **and use tax collected pursuant to Charter § 14.08(a) the**  
34 **year prior to the year for which the increase limitation**  
35 **is calculated; and the resulting "total amount of the**  
36 **municipal tax that can be levied during [the] fiscal year"**  
37 **shall be adjusted by the same amount.**

38  
39 (b) The limitations set forth in subsection (a) do not apply to the following:

40 (1) Taxes on new construction or property improvements which  
41 occur during the current fiscal year.

42 (2) Taxes required to fund additional services mandated by voter  
43 approved ballot issues.

44 (3) Special taxes authorized by voter approved ballot issues.

45 (4) Taxes required to fund the costs of judgments entered against  
46 the municipality or to pay principal or interest on bonds,

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- including revenue bonds.
- (5) Taxes required to fund the cost of an emergency ordinance enacted pursuant to 10.03 of the Municipal Charter.
- (6) Taxes imposed pursuant to Charter § 14.06 prior to 2019 and subsequent to 2023.
- (7) Taxes imposed pursuant to Charter § 14.08(b).**

(c) Any tax increases which result from the exceptions set forth in subsection (b)(1)— (3) shall be added to the base amount which is used in subsection (a) for the calculations of the subsequent year tax increase limit. Taxes collected pursuant to Charter § 14.06 in 2018 shall be added to the base amount which is used in subsection (a) for calculations of the 2019 tax increase limit. Taxes collected pursuant to Charter § 14.06 in 2024 and subsequent years shall be in addition to taxes that can be levied pursuant to this section. To ameliorate the effect of excepting taxes in subsection (b)(6) subsequent to 2023, the total amount of municipal tax that can be levied as calculated under subsection (a) for 2024 only shall be reduced by one million dollars.

\*\*\*                      \*\*\*                      \*\*\*

**Section 14.08. - Sales and Use Tax; Property Tax Reduction and Dedication to Capital Investments.**

**(a) The assembly is hereby authorized to levy, to the extent provided by law, a two percent (2%) tax on the sale and use of goods and services within the municipality, with exemptions as provided by law. The proceeds of the 2% sales and use tax authorized by this section in one fiscal year, after payment of two-thirds of the costs of administration, collection and audit to the municipality, are to be used in place of property taxes in the following year for any public purpose. The taxes collected used for payment of two-thirds of the costs of administration, collection and audit of the taxes authorized by this section shall be "special taxes" under Charter § 14.03(b).**

**(b) In addition to the tax authorized by subsection (a), the assembly is hereby authorized to levy a one percent (1%) tax on the sale and use of goods and services within the municipality dedicated to funding Municipal Area Projects (MAPs). Each MAP shall be a capital improvement approved by a majority of the qualified voters areawide voting on the question. This tax shall be levied at the same time, in the same manner, and with identical exemptions as the tax authorized by subsection (a). The net receipts from this one percent (1%) sales and use tax, after payment of one-third of the costs of**

1 administration, collection and audit to the municipality for the  
2 taxes authorized by this section, shall be dedicated to  
3 investments for purposes of using earnings to pay the costs  
4 for operations, maintenance and safety for constructed MAPs  
5 and related improvements, and to funding development and  
6 construction costs of MAPs.

7  
8 **(1)** The net proceeds dedicated above shall be used to  
9 establish a trust fund and be deposited therein. The  
10 assembly shall establish by ordinance a level of trust  
11 fund assets reasonable and necessary to hold in reserve  
12 for investment earnings sufficient to be available during  
13 the economic life of any constructed MAPs for the costs  
14 of operations, maintenance and safety improvements.  
15 The assembly may authorize draws from the trust by  
16 ordinance, with the following stipulations:

17  
18 **(i)** Investment earnings are first used for payment of  
19 costs for operations, maintenance and safety  
20 improvements for constructed MAPs and related  
21 improvements. Investment earnings  
22 unencumbered at the end of the fiscal year shall  
23 become part of the trust corpus.

24  
25 **(ii)** Appropriations from the trust corpus are  
26 authorized for costs of funding design,  
27 development, and construction of a project on the  
28 MAPs list; provided that no initial appropriation  
29 for a project's construction costs is permitted  
30 unless the project is 80% funded or more,  
31 regardless of source.

32  
33 **(iii)** Appropriations from the trust corpus may not  
34 cause the balance to fall below the trust reserve  
35 level established by the assembly in accordance  
36 with this section.

37  
38 **(2)** The assembly shall establish an investment policy for  
39 the Trust Fund and Reserves by ordinance.

40  
41 **(c)** The taxes authorized by this section shall first be levied no  
42 earlier than July 1, 2026 and no later than July 1, 2027, as  
43 determined by the assembly by ordinance. The tax levies  
44 shall sunset and be repealed effective at 11:59 p.m. on

December 31 of the seventh full calendar year following the date the tax was first levied.

(d) Sales and uses subject to the taxes levied by Charter §§ 14.06 (marijuana and marijuana products) and 14.07 (alcoholic beverages) are exempt from the taxes levied under this section.

(e) Households with income below a certain threshold based on federal poverty guidelines or regulations and established by the assembly by ordinance shall be exempt from the sales and use tax.

(f) The assembly may enact such additional provisions, not inconsistent with this section, as necessary or desirable to implement this section.

And by amending Anchorage Municipal Charter, Article II (4), and Charter §14.01(b) as follows (underlined and bolded words are proposed new words; ~~strikeouts in bold~~ are proposed deletions):

**ARTICLE II BILL OF RIGHTS**

This Charter guarantees rights to the people of Anchorage that are in addition to rights guaranteed by the Constitution of the United States of America and the Constitution of the State of Alaska. Among rights guaranteed by this Charter are:

\*\*\*      \*\*\*      \*\*\*  
(4) The right of immunity from sales taxes, except upon approval by three-fifths (3/5) of the qualified voters voting on the question except the taxes imposed by Charter ~~§ [Section]~~ 14.05, ~~§ [and Section]~~ 14.07, and § 14.08 shall be effective if approved by a majority (50 percent + one) of the qualified voters voting on the question.

\*\*\*      \*\*\*      \*\*\*

**Section 14.01 Taxing Authority**

\*\*\*      \*\*\*      \*\*\*  
(b) The right of immunity from sales taxes, except upon approval by three-fifths (3/5) of the qualified voters voting on the question except the taxes, imposed by Charter ~~§ [Section]~~ 14.05, ~~§ [and Section]~~ 14.07, and



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**§ 14.08** shall be effective if approved by a majority (50 percent + one) of the qualified voters voting on the question.

If approved by more than 50% of the qualified voters voting on the question at the **September 2, 2025 Special Election**, the Charter amendments will become effective 30 days after certification of the election, and the sales and use tax levy will become effective no later than July 1, 2027, with the date of initial levy to be established by the Anchorage Assembly by ordinance. The sales and use tax levy will be repealed automatically on December 31 of the seventh full calendar year after it is first levied.

Shall the Charter be amended as shown above and become law, authorizing a temporary, dedicated-use aggregated 3% sales and use tax, and the MAPs listed above be authorized?

YES

NO

**Section 3.** Anchorage Municipal Code Title 12 is hereby amended to add a new chapter 12.80 to read as follows, effective if and only if the proposition in Section 2 of this ordinance is approved by the voters:

**Chapter 12.80  
Tax on the Sale or Use of Goods and Services**

- 12.80.010 Aggregated Sales and use tax.
- 12.80.020 Purpose.
- 12.80.025 Interpretation.
- 12.80.030 Definitions.
- 12.80.040 Property Tax Relief 2% sales and use tax.
- 12.80.050 Municipal Area Projects 1% sales and use tax.
- 12.80.060 MAPs Citizen Advisory Board.
- 12.80.070 Non-taxable sales and exemptions.
- 12.80.080 Dedicated Sales and Use Tax Trust Fund.
- 12.80.090 Obligation for payment of tax; disposition of excess collections; liability for uncollected taxes.
- 12.80.100 Alaska Remote Seller Sales Tax Code, adoption.
- 12.80.110 Presumption of taxability; sales price and value.
- 12.80.120 Timely filing allowance, seller reimbursement for collection costs.

**12.80.10 Aggregated sales and use tax.**

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- A. *Sales Tax Imposed.* An aggregated sales tax of 3% is hereby levied on the taxable retail sales of all goods and services sold within the municipality, except as provided in this chapter. This consists of two separate sales and use taxes, one of two percent (2%) for property tax relief, and one of one percent (1%) for funding Municipal Area Projects, as authorized by Charter § 14.08.
- B. *Use Tax Imposed.* A use tax at the same rate as the sales tax in subsection A., for the privilege of use within the municipality, is hereby levied on the person using the following goods acquired on or after the effective date of initial levy of the sales tax authorized by this section:
1. Goods manufactured in the municipality, only if the person manufacturing the good is not engaged in the business of manufacturing for resale to an end user; or
  2. Goods acquired outside of the municipality and primarily used within the municipality, if the acquisition is the result of a transaction subject to the sales tax if it had occurred in the municipality.
  3. The first **two-thousand five hundred dollars \$2,500.00** of goods manufactured in the municipality or goods acquired outside of the municipality and primarily used within the municipality, as described in subparagraphs 1 and 2 above, are exempted from the use tax on an annual basis.
- C. *Credit for taxes previously paid.* The use tax levied under this section shall be adjusted in accordance with AS 29.45.650(c) if the person subject to the use tax provides proof, in the form required by the department, the person previously paid a sales tax imposed by any jurisdiction on the goods.
- D. To the fullest extent permitted under the law and constitutions of the United States and the State of Alaska, and under the Charter, a person who has nexus within the state and whose sales are not subject to the sales taxes shall collect the use tax from the purchaser and pay the tax collected to the municipality.
- E. The aggregated sales and use taxes levied by this section shall be collected for a limited term beginning at 12:01 a.m. on July 1, 2026, for the remainder of that year, plus seven (7) full calendar years until 11:59 p.m. on December 31, 2034 when it shall be repealed by operation of law.

**12.80.020 Purpose.** The purposes of this chapter are:

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- A. *Property Tax Reduction.* A purpose of this chapter is to provide property tax relief to the property owners of the municipality. The net receipts of the two percent (2%) sales and use tax, after payment of two-thirds (2/3) of the costs of administration and collection for sales and use taxes, shall be applied to reduce property taxes uniformly throughout the municipality so the benefits of the reduction in property taxes are shared throughout the municipality. The two percent (2%) sales and use tax obtained by the municipality in one fiscal year shall be restricted to application to the following fiscal year's budget by appropriations for any public purpose. The amount of the two percent (2%) sales and use tax obtained by the municipality in one fiscal year shall be included in the tax increase limitation computation for the next fiscal year as an offset amount of the real and personal property taxes to be collected for that fiscal year.
  - B. *Municipal Area Projects (MAPs):* A purpose of this chapter is to provide funding for Municipal Area Projects (MAPs) recommended and desired by the public. The net receipts of the one percent (1%) sales and use tax, after payment of the one-third (1/3) of costs of administration and collection for sales and use taxes, shall be dedicated and restricted to funding of Municipal Area Projects for the benefit of the Municipality, including trust fund reserves to generate investment earnings to pay for operations, maintenance, and safety improvements. No project shall commence construction until a minimum of 80% of funding required for that project has been appropriated, **regardless of source**. MAPs fund and trust reserves shall not be used to secure general obligation bond debt.
  - C. The costs of administration, collection and audit of the total aggregated sales and use tax shall be paid proportionally out of the proceeds from both parts of the aggregated sales and use tax.
  - D. The operations, maintenance and safety for constructed and related improvements under Section 12.80.020B. shall be paid out of the proceeds from the one percent (1%) sales and use tax.

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**12.80.025 - Interpretation.**

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- A. The tax levied by this chapter applies to all sales, rentals and services except those that this chapter expressly exempts from the tax.
  - B. The application of the tax levied under this chapter shall be broadly construed and shall favor inclusion rather than exclusion.

1 C. The exemptions from the tax levied under this chapter shall be  
2 narrowly construed against the claimant and in favor of taxation.  
3  
4

5 **12.80.030 Definitions.**  
6

7 The following words, terms and phrases, when used in this chapter, shall  
8 have the meanings ascribed to them in this section, except where the context  
9 clearly indicates a different meaning:  
10

11 **Certificate of Exemption** shall mean a certificate issued by the  
12 municipality to a person qualifying as an "Exempt Purchaser" of goods  
13 and services, reseller, or other person-based exemption . The  
14 certificate shall be provided at the time of the sales transaction in order  
15 to obtain the permitted exemption.  
16

17 **Chief Fiscal Officer** shall mean the chief fiscal officer of the  
18 municipality, or designee.  
19

20 **Contraceptives** shall mean any device or method for preventing  
21 fertilization, or a term product of conception Types Barrier methods—  
22 condoms, diaphragms, hormone combinations, spermicides,  
23 implantable hormonal devices, RU-486, etc.  
24

25 **Counseling Services** shall mean all services provided to an  
26 individual taxpayer by a psychologist or psychological associate,  
27 psychiatrist, clinical social worker, substance abuse counselor, or a  
28 marital and/or family therapist, licensed or certified to provide such  
29 services by the State of Alaska.  
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31 **Department** shall mean the finance department of the municipality.  
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33 **Exemption** shall mean a buyer or seller is exempt under a provision  
34 of this chapter, or the sale itself is exempt under a provision of this  
35 chapter.  
36

37 **Food and food ingredients** shall mean substances, whether in liquid,  
38 concentrated, solid, frozen, dried, or dehydrated form, that are sold for  
39 ingestion or chewing by humans and are consumed for their taste or  
40 nutritional value. "Food and food ingredients" does not include  
41 "alcoholic beverages" or "tobacco."  
42

43 **Prepared Food shall mean:**

- 44 (i) Food sold in a heated state or heated by the seller;  
45 (ii) Two or more food ingredients mixed or combined by the seller for  
46 sale as a single item; or

1 (iii) Food sold with eating utensils provided by the seller, including  
2 plates, knives, forks, spoons, glasses, cups, napkins, or straws. A  
3 plate does not include a container or packaging used to transport the  
4 food.

5  
6 **Goods** shall mean all tangible personal property that can be seen,  
7 weighed, measured, felt, or touched, or that is in any other manner  
8 perceptible to the senses. "Tangible personal property" includes  
9 electricity, water, gas, steam, and prewritten computer software.

10  
11 **Grooming and hygiene products** are soaps and cleaning solutions,  
12 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions  
13 and screens, regardless of whether the items meet the definition of  
14 "over-the-counter-drugs."

15  
16 **Household Exemption** shall mean the exemption of households with  
17 annual income at or below federal level of eighty-percent (80%)  
18 poverty from the provisions of this sales and use tax.

19  
20 **Legal Services** shall mean all services provided to an individual  
21 taxpayer by a lawyer or paralegal or any other individual licensed or  
22 certified by the State of Alaska to provide legal services.

23  
24 **MAPs Citizen Advisory Board** shall mean a board comprised of  
25 Municipal Citizens as established in this chapter.

26  
27 **Medical Services** shall mean all services provided to an individual  
28 taxpayer by a physician, osteopath, chiropractor, dentist, registered or  
29 practical nurse, physician's assistant, certified nurse's aide,  
30 paramedic, emergency medical technician, naturopath, optometrist,  
31 audiologist, hospital, midwife, birth center, occupational therapist,  
32 physical therapist, or any other person certified or licensed by the state  
33 of Alaska to provide health care services.

34  
35 **Menstrual Hygiene Products** shall mean tampons, panty liners,  
36 menstrual cups, pads, and other similar tangible personal property  
37 designed for use in connection with the human menstrual cycle,  
38 contraceptives, but does not include "grooming and hygiene products"  
39 as defined in this section.

40  
41 **Municipal Area Projects (MAPs)** shall mean capital projects as  
42 defined by municipal code or capital investments that will have benefit  
43 to the Municipality of Anchorage with measurable improvements for  
44 the immediate and long-term livability of Anchorage.

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1           **"Over-the-counter-drug"** means a drug that contains a label that  
2 identifies the product as a drug as required by 21 C.F.R. § 201.66. A  
3 member state may exclude "grooming and hygiene products" from this  
4 definition. The "over-the-counter-drug" label includes:

5           A. "Drug Facts" panel; or

6           B. A statement of the "active ingredient(s)" with a list of those ingredi-  
7 ents contained in the compound, substance or preparation.

8  
9  
10           **Nonprofit Organization** shall mean a business or organization that  
11 has been granted tax-exempt status by the Internal Revenue Service.

12  
13           **Person** shall mean those who are under a duty to perform an act  
14 concerning which a violation of this chapter could occur, such as an  
15 individual, company, partnership, joint venture, joint agreement,  
16 association (mutual or otherwise), corporation, estate, trust, business  
17 trust, receiver or trustee, syndicate, or political subdivision of this state,  
18 or combination acting as a unit including officers or members of any  
19 such entities. It is the intent of this chapter that such persons be  
20 personally liable for unremitted taxes.

21  
22           **Precious metals bullion** shall mean any precious metal, including,  
23 but not limited to, gold, silver, platinum, and palladium, that is in such  
24 a state or condition that its value depends upon its precious metal  
25 content and not its form.

26  
27           **Prescription medicine** shall mean an order, formula or recipe issued  
28 in any form of oral, written, electronic, or other means of transmission  
29 by a duly licensed practitioner authorized by the laws of the state.

30  
31           **Purchaser** shall mean a person to whom a sale is made.

32  
33           **Real Property** shall mean land, whether subdivided or not, all  
34 buildings, structures, improvements and fixtures of any kind thereon,  
35 and all possessory rights and privileges belonging and pertaining  
36 thereto.

37  
38           **Resale** shall mean:

39           A. the sale of goods by a manufacturer, wholesaler or distributor  
40 to a retail vendor; sales to a wholesale or retail dealer who deals  
41 in the property sold, for the purpose of resale by the dealer.

42           B. Sales of personal property as raw material to a person  
43 engaged in manufacturing components for sale, where the  
44 property sold is consumed in the manufacturing process of, or  
45 becomes an ingredient or component part of, a product  
46 manufactured for sale by the manufacturer.

1 C. Sale of personal property as construction material to a  
2 licensed building contractor where the property sold becomes  
3 part of the permanent structure.  
4

5 **Services** shall mean all services of every manner and description  
6 performed or furnished for compensation within the municipality as  
7 required to install, construct, repair or complete specified results or  
8 end products and professional services, services in which a product  
9 or sale of property may be involved, repair, transportation, advertising,  
10 recreation, amusement, craftsmen's services, and services wherein  
11 labor and materials are provided to accomplish a specific result.  
12

13 **Seller** shall mean every person, whether acting as principal, agent or  
14 employee, who makes a sale subject to this tax.  
15

16 **Selling price** applies to the measure subject to sales and use tax and  
17 means the total amount of consideration, including cash, credit,  
18 property, and services, for which personal property or services are  
19 sold, leased, or rented, valued in money, whether received in money  
20 or otherwise, without any deduction for the following:  
21

- 22 a. The cost of materials used, labor or service cost,  
23 interest, losses, all costs of transportation to the seller,  
24 all taxes imposed on the seller, and any other expense  
25 of the seller;
- 26 b. Charges by the seller for any services necessary to  
27 complete the sale, other than delivery and installation  
28 charges;
- 29 c. Delivery charges;
- 30 d. Installation charges; and
- 31 e. Credit for any trade-in, as determined by state law.  
32

33 **Tax Payer** shall mean any person responsible for the payment of any  
34 sales or use tax as required by this chapter.  
35

36 **12.80.040 Property Tax Relief 2% sales and use tax.**  
37

38 The two percent (2%) sales and use tax levied by Section 12.80.010 and  
39 authorized by Charter § 14.08(a), after two-thirds (2/3) of the costs of  
40 administration, collection, and audit to the municipality for the tax, is solely  
41 dedicated to reduction of property taxes by substitution. The department  
42 shall implement this section.  
43

44 **12.80.050 Municipal Area Projects 1% sales and use tax.**  
45

46 A. The net receipts of the one percent (1%) sales and use tax levied by

1 section 12.80.010 and authorized by Charter § 14.08(b) for Municipal  
2 Area Projects, after payment or transfer for one-third (1/3) of the costs  
3 of administration, collection, and audit to the municipality for the tax,  
4 shall be deposited in the MAPs trust fund and managed and  
5 administered in accordance with this chapter.  
6

7 B. Projects to be funded: The net receipts of the MAPs 1% sales and use  
8 tax funds available for funding MAPs projects may be expended only  
9 for the following limited purposes (the "projects") approved by the  
10 voters by Proposition at a **duly held municipal** election:  
11

- 12 1. Kincaid Trailside Facility – full-service indoor facility with space for year-  
13 round recreation amenities like food and beverage concessions, outdoor  
14 gear rentals, and gathering space.
- 15 2. Goose Lake Trailside Facility – replacement of existing structure with full-  
16 service indoor facility with space for year-round recreation amenities like  
17 food and beverage concessions, outdoor gear rentals, and gathering space.
- 18 **3. Development of Tract B Cook Subdivision, Formerly Known as National**  
19 **Archives — Municipal participation in the proposed development of the**  
20 **National Archives site focused on housing through the following means:**  
21 **infrastructure, land, or direct investments including public private**  
22 **partnerships.**
- 23 4. Downtown Arts and Entertainment Redevelopment – upgrade the  
24 Performing Arts Center and improve downtown core pedestrian experience  
25 with lighting, wayfinding, walkways, and other pedestrian infrastructure.
- 26 5. East Anchorage Sports Center – indoor sports center including an indoor  
27 track, open turf space, court space, and other features.
- 28 6. Anchorage Children’s Museum – a facility offering exhibits and programs  
29 designed for children.
- 30 **7. Chester Creek Sports Complex Redevelopment – a sports facility offering**  
31 **indoor space and other amenities complementing the area’s revitalization,**  
32 **including focus on housing through infrastructure development, land**  
33 **acquisition and management, and direct investments including public**  
34 **private partnerships.**
- 35 8. Eagle River Sports Center – indoor sports center including a track, open turf  
36 space, court space, and other features for sporting activities.
- 37 **9. Girdwood Arts & Recreation District – a community space for art, special**  
38 **events, and an RV park.**
- 39 **10. Improvements or repairs of municipal facilities that are open to the general**  
40 **public that residents can access or use. No more than 15% of the net**  
41 **receipts of the MAPs 1% sales and use tax funds shall be used to fund**  
42 **existing Municipal facilities, exempting those MAP s project described**  
43 **herein and projects involving demolition and replacement of the existing**  
44 **facility.**  
45  
46



1 C. Additional or substituted projects must be placed on the ballot and  
2 approved by voters with a vote of 50% plus one.

3  
4 D. No more than 15% of the net receipts of the MAPs 1% sales and use  
5 tax funds shall be used to fund existing Municipal facilities, exempting  
6 those described herein and projects involving demolition and  
7 replacement of the existing facility.

8  
9 E. There is hereby established a limited purpose tax fund to be known as  
10 the "Municipal Area Projects Tax Trust Fund" into which all revenues  
11 collected pursuant to Subsection 12.80.040A. above shall be  
12 deposited. Monies in said limited-purpose Trust Fund shall be  
13 accumulated from year-to-year. Monies in said limited purpose trust  
14 fund shall be expended only as accumulated and only for the limited  
15 purposes (projects and administration, collection, audit, long term  
16 operations, maintenance and safety for constructed and related  
17 improvements) described in Charter § 14.09.

18  
19 **12.80.060 MAPs Citizen Advisory Board.**

20  
21 A. There is hereby authorized the establishment of a MAPs Citizen  
22 Advisory Board to review proposed and actual expenditures of such  
23 monies from the MAPs Tax Trust Fund and submit recommendations  
24 to the assembly and mayor regarding such expenditures, the order of  
25 projects funded, and modifications to the list of tax exemptions. The  
26 board must be seated and hold its first meeting with quorum at least  
27 60 days prior to expenditure of any monies from the MAPs Tax Trust  
28 Fund

29  
30 1. The formation of the Board shall be at the discretion of the  
31 Mayor with appointment approval by the Assembly.

32  
33 2. The board shall have seven (7) members, appointed by the  
34 mayor and confirmed by the assembly, who shall serve for a  
35 term of 3 years.

36  
37 3. The board shall recommend to the mayor and assembly the  
38 priority order in which projects should be funded through  
39 appropriations as required by the Charter § 14.08.

40  
41 4. The board shall recommend appropriations for operations,  
42 maintenance, security and safety for constructed and related  
43 improvements as required by Charter Amendment.

44  
45 5. The board shall at least on an annual basis provide a report to  
46 the mayor and assembly on the status of the tax and any

1 exemptions that they recommend be added, deleted, or  
2 changed.

3  
4 **12.80.070 Non-taxable sales, exclusions and exemptions.**

5  
6 A. The following sales are not taxable under this chapter under state or  
7 federal law:

- 8  
9 1. Sales to or uses by an agency of the United States government,  
10 an instrumentality of the State of Alaska as that term is defined  
11 in AS 39.52.960, a municipality or school district, including the  
12 Anchorage School District, a Regional Housing Authority  
13 created pursuant to A.S.18.55.996, or a Native entity or tribe  
14 included on the federal list published under 25 U.S.C. 5131.  
15  
16 2. Sales to or uses by foreign diplomats under the Foreign  
17 Missions Act (22 U.S.C. 4301 *et seq.*).  
18  
19 3. Sales to or uses by the Alaska Life and Health Insurance  
20 Guaranty Association, under AS 21.79.130.  
21  
22 4. Sales or use of goods related to an orbital space facility,  
23 pursuant to AS 29.45.650(h).  
24  
25 5. A purchase made with (a) food coupons, food stamps, or other  
26 type of allotment issued under 7 U.S.C. 2011--2036 (Food  
27 Stamp Program); or (b) food instruments, food vouchers, or  
28 other type of certificate issued under 42 U.S.C. 1786 (Special  
29 Supplemental Food Program for Women, Infants, and  
30 Children). For purposes of this subsection, the value of a food  
31 stamp allotment paid in the form of a wage subsidy as  
32 authorized under AS 47.25.975(b) is not considered to be an  
33 allotment issued under 7 U.S.C. 2011--2036 (Food Stamp  
34 Program).  
35  
36 6. The retail sale, use, or transfer of refined fuel.  
37  
38 7. A construction contract awarded by the state or a state agency,  
39 or on a subcontract awarded in connection with the project  
40 funded under the construction contract.  
41  
42 8. Other sales or uses the municipality is prohibited from taxing  
43 under the federal or state Constitutions or laws of the United  
44 States or the State of Alaska.  
45

1 B. *Maximum tax per transaction.* Only the first \$2,500.00 of the price in  
2 each transaction shall be subject to sales tax levied under this chapter,  
3 the amount in excess in each transaction is excluded and not taxable.  
4 This rule applies as follows in the circumstances described:

- 5  
6 1. The payment of rent for personal property in excess of  
7 \$2,500.00, and for more than one month shall be treated as  
8 separate transactions covering the rental for one month each.  
9 A transaction involving payment for services to be rendered or  
10 delivered over a period of more than one month for a  
11 consideration in excess of \$2,500.00 shall be treated as  
12 separate transactions occurring one each month over the  
13 period of time that the service is rendered.
- 14  
15 2. Each night of each individual room rental shall be considered a  
16 separate transaction and therefore the maximum tax  
17 computation shall be calculated on a per room per night basis.
- 18  
19 3. Capital Leases. Contracts to purchase the property at the end  
20 of a lease shall be treated as a sale on the effective date of the  
21 contract and are subject to the maximum tax per transaction  
22 pursuant to subsection (A) of this section.
- 23  
24 4. Other Lease Types. Leases that have an option to purchase at  
25 the end of the lease are taxed on the principal amount of each  
26 lease payment for the term of the lease. If the purchase is made  
27 at the end of the lease, the purchase transaction would be  
28 treated as another separate transaction. Interest and financing  
29 charges related to the lease payment are not subject to tax.
- 30  
31 5. Installment Payments. When payments for a single transaction  
32 are made on an installment basis the sales tax on the  
33 transaction shall be collected on the first payment.

34  
35 C. The municipality hereby declares the following exemptions from the  
36 taxes imposed by this chapter:

- 37  
38 1. Sales of food, except prepared food shall be taxable.
- 39  
40 2. Sale of prescription medicine or medical goods prescribed by a  
41 physician, psychiatrist or other person licensed in the United  
42 States to lawfully authorize such prescription.
- 43  
44 3. The provision of medical services or counseling services.
- 45  
46 4. The sale of gasoline or diesel fuel.

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5. Small business transactions for businesses classified as a Cottage Industry business, or as a small manufacturing operation run out of a home by a single individual or a family.
6. Financial service transactions. For purposes of this chapter, financial service transactions are limited to: deposit account services, loan transaction fees, transactions relating to the sale or exchange of currency or securities or precious metals bullion, transactions for conversion of negotiable instruments, safe deposit services, escrow collection services, late fees, overdraft fees, and interest charged on past due accounts.
7. The use by an individual of personal or household effects brought into the municipality for the establishment by the individual of an initial residence in the municipality is exempt from the use tax.
8. Licensed childcare services, childcare products, and menstrual hygiene products, and contraceptives.
9. Isolated sales by one individual to another when the seller is not generally engaged in the business of selling the same or similar property.
10. Rental of personal property, unless the rental transaction for personal property provides a right of purchase at the end of the rental contract. However, this provision does not exempt motor vehicle rentals that are also subject to the motor vehicle rental tax in chapter 12.45.
11. The sale or rental of real property (including all necessary or customary services provided in order to legally accomplish a sale or rental of real property), except the rental of a room or rooms taxable under chapter 12.20 are also taxable under this chapter.
12. The sale of contracts of insurance.
13. Sale of school classroom items and professional development courses or other goods or services qualifying for the federal income tax educator expense deduction, to those presenting a valid teacher's identification or certificate.
14. Purchases made by nonprofits. The Municipality shall develop an online registration for certifying that a nonprofit is eligible for

1 exemption as a "nonprofit exempt purchaser," at no cost to the  
2 nonprofit. Upon certification the nonprofit exempt purchaser  
3 shall provide their federal tax identification number to a seller  
4 of goods at the time of purchase in order to obtain the permitted  
5 exemption.  
6

7 **15. Retail sales of alcoholic beverages as defined in chapter**  
8 **12.65, and marijuana or marijuana products as defined in**  
9 **chapter 12.50, as required to be exempt under Charter §**  
10 **14.08.**  
11

12 D. The following sales are exempt from the taxes imposed by this  
13 chapter, provided the seller or purchaser, as applicable, is in  
14 possession of a valid certificate of exemption:  
15

16 1. Sales and purchases by a nonprofit organization, provided the  
17 sale of goods or services is incidental and all the proceeds of  
18 the sale go to the organization and its mission, and is not part  
19 of an "unrelated trade or business" as that term is defined by  
20 the Internal Revenue Code.  
21

22 2. Sale of goods for resale.  
23

24 E. The application of the exemptions provided for in subsections A-D of  
25 this section to specific goods and services shall be determined by the  
26 department.  
27

28 F. The Assembly by majority vote may, after formal recommendation  
29 from the MAPs Citizen Advisory Board, alter or modify a determination  
30 of the department concerning the application of any exemption  
31 provided for in subsection A-D of this section to any specific goods or  
32 services.  
33

34 G. The Administration shall establish a Universal Municipal Services  
35 Application process allowing households to qualify for, among other  
36 services administered by the Municipality, a household exemption  
37 from the sales and use tax. Households with incomes below the  
38 federal level of eighty percent (80%) poverty shall be exempt from the  
39 sales and use tax on retail purchases. The implementation of this  
40 section shall be determined by the Assembly by ordinance, and shall  
41 consist of staffing and administration to establish a program such as,  
42 but not limited to, a card or certificate of exemption, an annual rebate,  
43 or other streamlined form of exemption for households eligible for  
44 exemption.  
45

1           **12.80.080     Dedicated sales and use tax trust fund.**  
2

3           A.     Pursuant to Charter § 14.08, there is established a Dedicated Sales  
4           and Use Tax Trust Fund. The Trust Fund is dedicated for the net  
5           receipts of the one percent (1%) sales and use tax, after payment  
6           of one-third (1/3) of the costs of administration, collection and audit  
7           to the Municipality.

8  
9           1.     The Trust Fund shall be invested as prescribed by an  
10           investment policy approved by the assembly.

11  
12           2.     The Trust Fund shall be managed by a board of trustees,  
13           appointed by the mayor and confirmed by the Assembly,  
14           each of whom shall serve for a term of 3 years.

15  
16  
17           **12.80.090     Obligation for payment of tax; disposition of excess**  
18           **collections; liability for uncollected taxes.**  
19

20           A.     The purchaser is obligated to pay the aggregated sales and use tax  
21           under this chapter, and the sales tax shall be collected by the seller at  
22           the time of the sale transaction or acquisition. The tax rate is applied  
23           to the selling price.

24  
25           1.     If a purchaser produces a certificate of exemption issued or  
26           recognized by the municipality at the time of the sale  
27           transaction, the seller shall not collect the tax. The seller shall  
28           retain verification of the exempt status of the transaction in its  
29           records. If no verification is retained, the seller is liable for the  
30           uncollected taxes.

31  
32           2.     If the purchaser does not produce an exemption certificate, but  
33           the transaction is in fact exempt under federal, state, local or  
34           other law, the seller is not liable for the uncollected tax,  
35           provided verification of the purchaser's exemption is retained in  
36           the seller's records or otherwise readily available and reported  
37           to the department.

38  
39           3.     Any uncollected sales tax under this subsection, which should  
40           have been collected, is a liability of the seller.

41  
42           4.     If the selling price cannot be determined for purposes of  
43           calculating the amount of sales and use tax, the fair market  
44           value at the time of sale shall be subject to the sales and use  
45           tax.

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- B. All sales taxes collected pursuant to this chapter are municipal funds for which the seller is liable to the municipality. The seller is liable to the extent permitted by law for all monies collected from the purchaser as sales tax in excess of the tax imposed by section 12.80.010. The seller shall make reasonable efforts to return excess tax collected to the purchaser. If the seller is unable to return it, the excess tax collected shall be reported and remitted to the municipality with the regular tax return.
- C. Any person acquiring an ownership interest in the accounts receivable of a business, whether by purchase, foreclosure, or otherwise, shall also be liable for the payment of taxes, penalties, interest, fees and costs accruing and unpaid to the municipality from those accounts receivable.
- D. Any person acquiring an ownership interest in an ongoing business, whether by purchase, foreclosure or otherwise, shall also be liable to the extent permitted by law for the payment of any taxes, penalties, interests, fee or costs owed to the municipality for taxes collected by the former owner or seller of the business.
- E. The president and any officer, member, manager or agent of a corporation or limited liability company with control of, supervision of, or charged with the responsibility of filing sales and use tax returns or remitting sales taxes is personally liable for any unpaid taxes, penalties, interest, fees and costs accruing and unpaid to the municipality. Dissolution of, or sale of, or other change in the form of the corporation or company does not discharge this personal liability.
- F. The municipality may pursue collection of unpaid and unremitted taxes as provided in this chapter.

**12.80.100 Alaska Remote Seller Sales Tax Code, adoption.**

The municipality hereby adopts and incorporates herein by reference the Remote Seller Sales Tax Code, published by the Alaska Remote Sellers Sales Tax Commission, in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. In case of a conflict between the Remote Seller Sales Tax Code and this chapter, for transactions by sellers within the municipality this chapter shall govern, and for transactions by remote sellers the Remote Seller Sales Tax Code shall govern.

**12.80.110 Presumption of taxability; sales price and value.**

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- A. To prevent evasion of the aggregated sales and use tax and to aid in its administration, it is presumed:
  - 1. All sales of goods or services by a person engaging in business in the municipality are subject to the tax, unless exempt by this chapter; and
  - 2. All goods or services purchased or sold by any person for delivery into the municipality are purchased or sold for a taxable use in the municipality.
- B. For purposes of this section, the sales price or value of property, goods or services shall be determined as of the time of acquisition, introduction into the municipality, or conversion to use, whichever is latest.
- C. If the department has reasonable cause to believe a seller structured a transaction to avoid collecting or remitting the tax levied under this chapter, there is a rebuttable presumption that the substance of the transaction is a taxable sale under this chapter.

**12.80.110 Timely filing allowance, seller reimbursement for collection costs and confidentiality of information.**

- A. A seller authorized to collect the aggregated sales tax under this chapter and who is in otherwise full compliance with this chapter may retain three percent (3%) of the tax collected, up to a maximum of \$3,000 in a calendar year, for purposes of offsetting a portion of the costs incurred by the seller in collecting the tax for the municipality, provided the seller's tax return and full remittance is received by the department on or before the due date.
- B. If the seller is not in full compliance with this chapter, the seller is not eligible for and may not retain the three percent (3%) costs offset.
- C. A seller is not in full compliance if the seller:
  - 1. has an account with a past-due balance, or
  - 2. has a missing or incomplete return outstanding, or
  - 3. is in any manner not in compliance with a municipally approved payment plan.
- D. The seller shall report on each tax return the amount retained under this section for that reporting period, and the total amount retained in the calendar year up to the last day of the reporting period.



1 E. Confidentiality of information

- 2 1. The records of the seller retained pursuant to this chapter shall  
3 be considered proprietary and confidential and shall not be  
4 disclosed to any person except employees and agents of the  
5 Municipality acting in their official capacity and then only for  
6 purposes reasonably related to the collection and remittance of  
7 the sales and use tax.  
8 2. Notwithstanding subsection a., the department may, at its  
9 discretion for the sole purpose of enforcing this chapter, share  
10 any and all sales and use tax returns, registration information  
11 or other data gathered under this chapter with other federal,  
12 state and municipal tax collection agencies and other  
13 government agencies only as necessary to enforce this  
14 chapter, collect tax monies, or perform an audit.  
15 3. Violation or aiding a violation of this subsection E. is a Class B  
16 misdemeanor.  
17  
18

19 **Section 4.** Anchorage Municipal Code chapter 12.25 is hereby amended to read  
20 as follows (*the remainder of the chapter is not affected and therefore not set out*):  
21

22 **Chapter 12.25 TAX INCREASE LIMITATION**

23 \*\*\* \*\*

24 **12.25.030 - Ballot information; establishment of baseline.**

- 25  
26  
27 A. *Ballot information.* In the interest of better citizen understanding of the  
28 impacts of their approval of special projects and programs, all  
29 municipal programs or projects placed on the ballot soliciting voter  
30 approval, except those Municipal Area Projects (MAPs) approved by  
31 the voters and listed in chapter 12.80, will include for approval an  
32 estimation of operation and maintenance costs for the first full year of  
33 operation.  
34

35 \*\*\* \*\*

36 (AO No. 84-208(S-A))

37 \*\*\* \*\*

38 **12.25.040 - Computation of maximum attainable tax revenue amount.**

39  
40 The estimate of maximum attainable tax revenue (next year revenue  
41 available) is computed for the next fiscal year according to the following  
42 procedures:  
43

- 44 A. Define the tax increase escalation amount, (L):

1 L = (T - d - e) × (1 + C + P) where the base amount for calculating the  
2 next year's tax increase limit shall be the total amount of the municipal  
3 taxes to be collected for the current fiscal year and:

- 4 1. L is the allowable tax increase due to population and inflation  
5 growth factors.  
6 2. T is the total amount of:  
7 a. Real property and personal property taxes to be  
8 collected for the current fiscal year reduced by the  
9 amount of 2% sales and use taxes collected in the prior  
10 year, if any, and restricted to reduction of property taxes,  
11 b. Municipal payments in-lieu of taxes paid or to be paid by  
12 any municipality of Anchorage utility, department,  
13 agency, public corporation or authority (MPILT),  
14 c. Auto fees, and  
15 d. State and federal payments in lieu of taxes levied in the  
16 current fiscal year in current-year dollars.

17 \*\*\* \*\*

18  
19  
20 B. Define exclusions in accordance with Charter section 14.03(b) and the  
21 following guidance:

22 \*\*\* \*\*

- 23 8. The taxes used for payment of costs of administration,  
24 collection and audit to the municipality from the two percent  
25 (2%) sales and use tax authorized by Charter § 14.08(a).  
26 9. The gross receipts of the one percent (1%) sales and use  
27 taxes authorized by Charter § 14.08(b).

28  
29 C. The summation of the amounts defined in subsections A and B defines  
30 the total tax revenue that may be collected [AVAILABLE FOR NEXT YEAR'S  
31 BUDGET PLANNING] and establishes the next fiscal year property tax  
32 required, hence the next year's mill levy.

33  
34 (AO No. 84-208(S-A); AO No. 2003-160, §§ 2, 3, 1-1-04; AO No. 2003-161,  
35 § 1, 12-16-03; AO No. 2003-164, § 1, 12-16-03; AO No. 2004-22, § 1, 2-3-  
36 04; AO No. 2005-47, § 1, 4-19-05; AO No. 2005-48, § 1, 4-19-05; AO No.  
37 2005-49, § 1, 4-19-05; AO No. 2009-109, § 2, 1-10-10; AO No. 2011-38, § 1,  
38 3-29-11; AO No. 2019-12, § 3, 3-5-19)

39  
40 **Section 5.** Anchorage Municipal Code chapter 12.10 is hereby amended to read  
41 as follows, effective if and only if the proposition in Section 2 of this ordinance is  
42 approved by the voters (*the remainder of the chapter is not affected and therefore*  
43 *not set out*):

44  
45 **Chapter 12.10 PERSONAL PROPERTY TAXATION<sup>[1]</sup>**  
46

1           **12.10.010    Property subject to taxation.**

2  
3           A.       Except as otherwise provided in this chapter, the following personal  
4           property which has a tax situs within the municipality is subject to  
5           taxation:

6                   \*\*\*                   \*\*\*                   \*\*\*

7                   3.       *Taxable business personal property.*

8  
9                   a.       Business personal property is taxable to the extent that  
10                  a taxpayer's total assessed value for all business  
11                  personal property within the Municipality of Anchorage  
12                  exceeds **\$250,000.00** [**\$20,000.00**].

13  
14                   \*\*\*                   \*\*\*                   \*\*\*

15                  (AO 220-76, § 1, 11-16-06; AO No. 81-218(S); AO No. 94-74(S-1), § 1, 1-1-  
16                  95; AO No. 94-211, § 2, 1-1-95; AO No. 2004-140, § 1, 10-26-04; AO No.  
17                  2010-81(S-1), § 15, 12-7-10, eff. 1-1-11; AO No. 2011-30, § 2, 3-8-11, eff. 1-  
18                  1-12; AO No. 2020-96, § 3, 9-1-21\*)

19  
20           **12.10.020    Exemptions.**

21  
22           A.       Individual personal property utilized solely and exclusively for  
23           personal, non-business uses or purposes is exempt from taxation  
24           under this chapter.

25  
26           B.       The first **\$250,000.00** [**\$20,000.00**] of assessed valuation of taxable  
27           personal property owned by each taxpayer shall be exempt from  
28           municipal property taxation.

29  
30                   1.       For a taxpayer with more than one personal property tax  
31                  account, the **\$250,000.00** [**\$20,000.00**] exemption shall be  
32                  distributed pro rata among all of the taxpayer's accounts, based  
33                  on the proportion of the assessed value in each account to the  
34                  total assessed value of that taxpayer's personal property.

35  
36                  (GAAB 10.05.030; AO No. 81-218(S); AO No. 85-182, 1-1-86; AO No. 86-  
37                  211(S-1); AO No. 94-74(S-1), § 2, 1-1-95; AO No. 94-97(S), § 2, 1-1-95; AO  
38                  No. 94-211, § 3, 1-1-95; AO No. 94-219, § 1, 1-1-95; AO No. 97-128, § 1, 10-  
39                  21-97; AO No. 2004-140, § 2, 10-26-04; AO No. 2020-96, § 3, 9-1-21\*)

40  
41                   \*\*\*                   \*\*\*                   \*\*\*

42    **Section 6.**    The full text of Sections 2, 3, and 5 shall be published conspicuously  
43    on the Municipality's web pages, including the elections web pages, no later than  
44    the day ballot packages are first mailed to voters pursuant to Title 28, and made  
45    available at every accessible vote center and the Election Center on special election

1 day, and at any location established for early voting prior to election day at all times  
2 when such location is open for marking and casting ballots.

3  
4 **Section 7.** It is the policy intent of the Municipal Assembly that if the sales tax  
5 should be approved by the voters and a subsequent sales tax is put before the  
6 voters, the retail sales of alcohol beverages as defined in chapter 12.65 as well as  
7 marijuana or marijuana products as defined in chapter 12.50 shall be included as  
8 taxable items within the subsequent sales tax proposal.

9  
10 **Section 8.** The Assembly hereby calls and authorizes a special election of the  
11 qualified voters areawide within the Municipality of Anchorage to be held on  
12 September 2, 2025, to vote on the proposition set forth in this ordinance.

13  
14 **Section 9.** The Charter amendments set forth in the proposition in Section 2 and  
15 the Code amendments set forth in Sections 3, 4, and 5 of this ordinance shall  
16 become effective on **October 1, 2025**, if and only if, said proposition is approved by  
17 a majority of the qualified voters of the Municipality voting on the proposition during  
18 the **special** Anchorage Municipal election held on **September 2, 2025**. The  
19 remainder of this ordinance shall be effective upon passage and approval.

20  
21 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day  
22 of \_\_\_\_\_, 2025.

23  
24 \_\_\_\_\_  
25 Chair

26 ATTEST:

27  
28  
29 \_\_\_\_\_  
30 Municipal Clerk