

CLERK'S OFFICE  
APPROVED

Submitted by: ASSEMBLY CHAIR TRAINI  
Prepared by: Assembly Counsel  
For reading: September 28, 2010

Date: 11-9-10

ANCHORAGE, ALASKA  
AO NO. 2010-70

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING  
2 PROVISIONS OF ANCHORAGE MUNICIPAL CODE CHAPTER 12.40 TO INCREASE  
3 THE MILL RATE ON THE EXCISE TAX FOR CIGARETTES BROUGHT INTO THE  
4 MUNICIPALITY, TO INCREASE THE EXCISE TAX ON OTHER TOBACCO PRODUCTS  
5 BROUGHT INTO THE MUNICIPALITY, AND TO PROVIDE THE EFFECTIVE DATES.

6  
7 THE ANCHORAGE ASSEMBLY ORDAINS:

8  
9 **Section 1.** Anchorage Municipal Code Section 12.40.010 is hereby amended to read as  
10 follows (*language showing no amendment is included for context only*):

11  
12 **12.40.010** **Tax on cigarettes.**

- 13  
14 A. The municipality hereby levies an excise tax of 110.3 [65] mills,  
15 adjusted annually as provided in subsection B of this section, on each  
16 cigarette brought into the municipality after December 31, 2010  
17 [SEPTEMBER 30, 2004]. Cigarettes upon which the tax is imposed are  
18 not again subject to the tax when acquired by another person.  
19  
20 B. The annual Consumer Price Index adjustment shall be based on the  
21 August release date of the semiannual report for the municipality from  
22 the U.S. Department of Labor statistics and determined to be the  
23 percent change to the current year from the average of the first and  
24 second half of the prior year, and will be effective January 1 of each  
25 year following the August release date. The first such adjustment date  
26 shall be January 1, 2012 [1992].  
27

28 (AO No. 89-89(S-1); AO No. 89-142(S); AO No. 90-137(S-1); AO No. 94-182, § 4, 7-1-95;  
29 AO No. 95-77(S), § 2, 7-1-95; AO No. 95-111, § 1, 4-25-95; AO No. 2004-131, § 1, 9-21-04)

30  
31 **Section 2.** Anchorage Municipal Code Section 12.40.020 is hereby amended to read as  
32 follows:

33  
34 **12.40.020** **Tax on other tobacco products.**

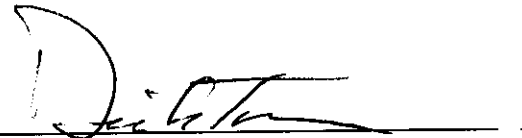
35  
36 An excise tax of 55 [45] percent of the wholesale price is levied on tobacco products,  
37 other than cigarettes, brought into the municipality. The tax is levied effective January  
38 1, 2011 [OCTOBER 1, 2004]. Tobacco products upon which this tax is imposed are  
39 not again subject to this tax when acquired by another person.  
40

41 (AO No. 89-89(S-1); AO No. 89-142(S); AO No. 90-137(S-1); AO No. 94-182, § 4, 7-1-95;  
42 AO No. 95-77(S), § 3, 7-1-95; AO No. 95-111, § 1, 4-25-95; AO No. 2004-131, § 2, 9-21-04)

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**Section 3.** This ordinance shall become effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 9<sup>th</sup> day of November, 2010.

  
Chair

ATTEST:

  
Municipal Clerk



**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY MEMORANDUM**  
No. AM 526-2010

**Meeting Date:** September 28, 2010

1 **From:** ASSEMBLY CHAIR TRAINI

2 **Subject:** AO 2010-70 — AN ORDINANCE OF THE ANCHORAGE MUNICIPAL  
3 ASSEMBLY PROVISIONS OF ANCHORAGE MUNICIPAL CODE  
4 CHAPTER 12.40 TO INCREASE THE MILL RATE ON THE EXCISE TAX  
5 FOR CIGARETTES BROUGHT INTO THE MUNICIPALITY, TO INCREASE  
6 THE EXCISE TAX ON OTHER TOBACCO PRODUCTS BROUGHT INTO  
7 THE MUNICIPALITY, AND TO PROVIDE THE EFFECTIVE DATES.  
8

9 AO 2010-70 marks the beginning of the Anchorage Municipal Assembly's response to  
10 the recent Anchorage Community Conversations on the Anchorage Budget. Real  
11 property owners within the Municipality of Anchorage currently bear most of the cost of  
12 Municipal government operations. In order to provide relief, this ordinance will increase  
13 the cigarette and tobacco products excise tax by 75¢ to 110.3 mills, and is expected to  
14 offset property taxes between \$5.2 Million to \$6.2 Million.  
15

16 Based on the budget dialogues conducted throughout the city in August, the  
17 Administration and the Anchorage Municipal Assembly received the message, loud and  
18 clear, from the community that residents strongly favor taxing people for what people do  
19 and not what they own.  
20

21 Anchorage first implemented a cigarette and tobacco products excise tax by ordinance  
22 in 1989. The cigarette and tobacco products excise tax has not been raised, except for  
23 Consumer Price Index adjustments, since 2004.  
24

25 The new excise tax rate will effect cigarette and tobacco products beginning January 1,  
26 2011.  
27

28 Respectfully submitted:  
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30  
31 Dick Traini, Assembly Member, Section 4