

Property Tax Exemptions - Mandatory and Optional

as of January 2012

Mandatory Exemptions - AS 29.45.030

*Estimated values of mandatory exemptions are not maintained **EXCEPT** for the senior citizen and disabled veterans exemption*

- 1 Municipal Property - Federal, State Local Govt
- 2 Household Furniture and Personal Effects of a household
- 3 VFW and other veterans organizations not organized for business
- 4 Money on deposit
- 5 Senior Citizens (age 65 and over) the first \$150,000 assessed value *** **Value loss is reflected on the attached spreadsheet**
- 6 Widows/Widowers of senior citizens aged 60 or more - the first \$150,000 assessed value
- 7 Disabled Veterans (service connected disability of 50% or more) - the first \$150,000 assessed value
- 8 Widows/Widowers of disabled veterans aged 60 or more- the first \$150,000 assessed value
- 9 ANCSA property that is not developed or leased to third parties, or exchanged with municipalities
- 10 Fire protection systems in a structure (2% of the value of the structure)
- 11 Property used exclusively for non-profit religious purposes
- 12 Property used exclusively for non-profit charitable purposes
- 13 Property used exclusively for non-profit cemetery purposes
- 14 Property used exclusively for non-profit hospital purposes
- 15 Property used exclusively for non-profit educational purposes
- 16 Natural resources in place (coal, ore bodies, mineral deposits etc.
- 17 Property owned by a private, non-profit college or university
- 18 Religious purposes includes the following:
 - 19 Parsonages (no limit on number of parsonages)
 - 19 a Homes owned by a religious organization and used for teachers who are ordained ministers
 - 19 b Lots required by local ordinance for parking for religious structures
 - 19 c The structures, furniture and fixtures used for public worship, charitable purposes, religious administrative offices education or hospitals
- 20 One motor vehicle per household owned by a senior citizen

Electric Cooperatives AS 10.25.540(a)(1) and (a)(2)

- 21 Electric Cooperatives exempt from ad valorem (property taxes) - pay an excise tax instead
- 22 Telephone Cooperatives exempt from ad valorem (property taxes) - pay an excise tax instead

Optional Exemptions - AS 29.45.050

All optional exemptions require an ordinance, however, some require an ordinance approved by the voters

*Exemptions requiring voter approval are indicated with ***

- 1 **A residential exemption up to \$20,000 of the assessed value
- 2 Property of a non-profit organization used for community purposes
- 3 Historic sites, buildings and monuments
- 4 Land of a non-profit organization used for agricultural purpose if rights to subdivide are conveyed to the state
- 5 Property used for housing for students of University of Alaska for up to 30 years
- 6 A residential renewable energy system that develops energy without using fossil fuels
- 7 A full or partial exemption of any category of personal property including all personal property
- 8 Privately owned land, wet land, and water areas for which a permanent public use recreation easement is granted to the govt
- 9 Increase in assessed value of improvements if increase is due to alteration of natural features of land or repair or maintenance
- 10 Increase in assessed value to SFR if purpose of improvement was to increase amount of space for occupancy
- 11 Land from a tax for fire protection service and facilities and only tax improvements
- 12 ** Assessed value that exceeds \$150K for senior citizens or disabled veterans
- 13 **Real or personal property used in processing timber after delivered to a processing site for up to 75% of the rate of taxes
- 14 **Pollution control facilities meeting US EPA or DEC requirements
- 15 Property of an interest other than record ownership of low income housing developed or acquired with fed funds for low income
- 16 All or partial exemption for economic development property
- 17 Business inventories intended for export outside the state
- 18 Exempt all or some types of deteriorated property; also allows for a deferment of taxes in addition to exemption
- 19 Partially or totally exempt a private leasehold or other interest held by an applicant in any property or project owned by AIDEA
- 20 Land from which timber is harvested that is infested by insects or at risk of being infested due infestation in the area
- 21 An amount not to exceed \$10K of a residence of a volunteer fire fighter or EMT - up to two exemptions are allowed per residence
- 22 Permanent residence of a widow or widower of a member of armed forces injured serving on active duty and later dies due to injury
- 23 Taxes may be deferred on residences owned by an individual who has occupied it for 10 yrs and whose income is at or below federal poverty guidelines
- 24 Permanent residences of law enforcement officers who have located in a "high crime area" up to \$150K
- 25 Taxes on land actively farmed may have taxes deferred for difference between highest and best use value and farm use value

	VALUE & TAX LOSS OF (OPTIONAL) EXEMPTED VALUES (as of January 1, 2011)							
Boroughs/Unified Municipalities	\$20,000 Residential ¹	Community Purpose ²	Other Real Property ³	Personal Property ⁴	<u>Mandatory</u> ⁵ Senior Citizens	Local Assessed Value ⁶	Percent of Assessed ⁷	Estimated Tax Loss ⁸
Anchorage (Municipality of)	\$923,664,371	\$18,787,680	\$0	\$1,428,543,914	\$1,711,452,597	\$31,390,791,468	7.6%	\$ 62,653,040
Bristol Bay Borough	\$1,820,000	\$0	\$0	\$16,828,918	\$2,716,800	\$244,846,014	7.6%	\$ 256,821
Fairbanks North Star Borough	\$282,894,273	\$21,689,908	\$4,583,188	\$1,409,681,926	\$530,122,411	\$7,062,875,943	24.3%	\$ 30,810,555
Haines Borough	\$0	\$5,195,170	\$0	\$42,415,100	\$25,182,926	\$259,247,679	18.4%	\$ 805,711
Juneau (City & Borough)	\$0	\$19,794,500	\$27,765,100	\$300,607,003	\$199,604,700	\$4,091,508,232	8.5%	\$ 5,776,172
Kenai Peninsula Borough	\$203,374,000	\$44,376,800	\$225,036,800	\$694,946,463	\$465,013,500	\$6,000,350,827	19.5%	\$ 9,429,079
Ketchikan Gateway Borough	\$0	\$2,214,100	\$22,955,700	\$185,235,545	\$100,704,800	\$1,254,230,500	16.8%	\$ 2,269,177
Kodiak Island Borough	\$0	\$3,554,300	\$0	\$226,254,932	\$59,049,300	\$1,039,223,833	22.1%	\$ 3,240,958
Matanuska-Susitna Borough	\$0	\$13,220,900	\$944,800	\$1,156,144,939	\$598,792,769	\$7,721,803,029	15.2%	\$ 19,003,190
North Slope Borough	\$5,200,000	\$7,810,000	\$419,400	\$29,134,452	\$8,893,100	\$372,621,666	11.4%	\$ 951,953
Sitka (City & Borough)	\$0	\$15,811,100	\$0	\$107,319,828	\$69,000,750	\$985,073,129	12.5%	\$ 1,152,791
Skagway (Municipality of)	\$0	\$0	\$2,896,518	\$15,643,986	\$7,536,875	\$316,209,783	5.9%	\$ 191,107
Wrangell (City & Borough)	\$0	\$0	\$0	\$38,766,959	\$22,530,290	\$123,105,720	31.5%	\$ 777,893
Yakutat (City & Borough)	\$0	\$0	\$0	\$20,160,729	\$3,804,570	\$44,476,440	45.3%	\$ 239,653
Total Boroughs	\$1,416,952,644	\$152,454,458	\$284,601,506	\$5,671,684,693	\$3,804,405,388	\$60,906,364,263	12.4%	\$ 137,558,100

	VALUE & TAX LOSS OF(OPTIONAL) EXEMPTED VALUES							
Cities	\$20,000 Residential	Community Purpose	Other Real Property	Personal Property	<u>Mandatory</u> Senior Citizens	Local Assessed Value	Percent of Assessed	Estimated Tax Loss
Cordova	\$0	\$0	\$0	\$62,890,834	\$13,685,900	\$158,862,060	39.6%	\$ 738,899
Craig	\$0	\$2,560,000	\$0	\$31,180,148	\$4,072,100	\$84,688,600	39.8%	\$ 226,874
Dillingham	\$0	\$0	\$0	\$12,069,528	\$8,007,600	\$154,643,587	7.8%	\$ 261,003
Eagle	\$0	\$0	\$0	\$2,785,062	\$0	\$8,537,798	32.6%	\$ -
Nenana	\$0	\$0	\$0	\$4,600,262	\$1,599,050	\$19,358,575	23.8%	\$ 74,391
Nome	\$0	\$0	\$0	\$36,867,062	\$11,382,507	\$232,964,879	15.8%	\$ 482,496
Pelican	\$0	\$0	\$0	\$3,005,993	\$523,167	\$10,733,349	28.0%	\$ 24,104
Petersburg	\$0	\$0	\$190,000	\$68,879,342	\$26,207,565	\$258,583,745	26.7%	\$ 1,047,089
Unalaska	\$0	\$0	\$90,000	\$20,610,894	\$2,032,020	\$454,055,500	4.6%	\$ 238,695
Valdez	\$22,057,032	\$7,904,972	\$0	\$62,075,588	\$12,960,236	\$247,249,958	37.2%	\$ 2,089,708
Whittier	\$0	\$0	\$0	\$2,118,280	\$896,000	\$106,007,014	2.0%	\$ 15,071
Total Cities	\$22,057,032	\$10,464,972	\$280,000	\$307,082,993	\$81,366,145	\$1,735,685,065	19.6%	\$ 5,198,330
Statewide	\$1,439,009,676	\$162,919,430	\$284,881,506	\$5,978,767,686	\$3,885,771,533	\$62,642,049,328	12.6%	\$ 142,756,430

VALUE & TAX LOSS OF (OPTIONAL) EXEMPTED VALUES (as of January 1, 2011)

Explanations of column data from page 3

\$20,000 Residential¹

This optional exemption requires voter approval and exempts up to \$20,000 of assessed value from taxes. Several municipalities have adopted this exemption at various levels, i.e. 10%, 20% and 30% up to the maximum of \$20,000. This exemption is available for only residential property.

Community Purpose²

This optional exemption allows municipalities to exempt any property it perceives meets criteria for Community Purposes. Some of the property exempted under this section includes State Fair Grounds, Senior Housing, Alaska Municipal League, Ski Clubs, and Habitat for Humanity.

Other Real Property³

This column represents other optional exemptions under AS 29.45.050 that includes volunteer firefighters and EMTs, land exempted due to infestation of insects, senior citizens over \$150K and others. The exemptions represented in this column are not allowed by all municipalities and, consequently are all lumped together for reporting values.

Personal Property⁴

This represents the value of all personal property that has been exempted by municipalities. It includes business inventories, automobiles, aircraft, boats, equipment, etc.

Mandatory Senior Citizens⁵

This column does NOT represent an optional exemption. It represents the MANDATORY senior citizen/disabled veteran property tax exemption under AS 29.45.030. It is included here due to the known cost of the revenue loss to municipalities.

Local Assessed Value⁶

This column represents the actual assessed value against which a municipality may levy a property tax. This number does not include a value for any exemptions, mandatory or optional.

Percent of Assessed⁷

This column represents the calculated percentage of all the optional exemptions to the local assessed value, this does not include the senior citizen exemption.

Estimated Tax Loss⁸

This column represents an estimated of the total revenue loss to municipalities due to the exemptions that have been enacted. This does not include cities inside organized boroughs such as Fairbanks, Palmer, Kenai, Kodiak, etc. as that information is not readily available to this office for this report. This column also does not represent revenue loss due to mandated exemptions such as schools, churches, federal property, state property, etc. It does, however, include revenue loss due to the mandated senior/disabled veteran exemption.