



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE

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February 25, 2016

The Honorable Mia Costello
Alaska State Senator
Chair, Senate Labor & Commerce Committee
State Capitol Room 510
Juneau, AK 99801

Dear Senator Costello:

The purpose of this letter is to provide you with responses to the questions asked of the Department of Revenue during our presentation to the Senate Labor & Commerce Committee on February 16, 2016. Please see questions in *italics* and our responses immediately below the questions.

1. Are there any local alcohol taxes in Alaska that layer on top of the state tax?

Please see the attached documents from the Department of Commerce's Alaska Taxable Database. According to this document, the municipalities with separate alcohol taxes are Craig, Dillingham, Galena, St. Mary's, Juneau, Fairbanks, and North Pole, as well as the Fairbanks North Star Borough.

2. How many Alaska breweries fall into the "small brewery" category? How many gallons do they produce?

In FY 2015 there were 27 reduced-rate brewers in Alaska. They produced 6.5 million gallons of beer and sold approximately 2.5 million gallons in Alaska. A barrel contains about 31 gallons, so 2.5 million barrels is equivalent to about 80,000 barrels. Of this amount, 800,000 gallons (25,000 barrels) were sold to individuals and retail establishments and about 1.7 million gallons (55,000 barrels) were sold to licensed bonded warehouses in Alaska. Although a taxable event doesn't occur until the gallons are sold from the warehouse, it is likely that the beer will eventually be sold in Alaska.

In any case, no Alaska brewery exceeded the 60,000-barrel threshold for the reduced tax rate.

3. What are the different cigarette prices around the state?

The Department of Revenue does not track actual retail prices of cigarettes in the state. To do so would require contacting individual shops that sell cigarettes and asking for prices. Cigarette prices depend not only on location but also brand and other factors.

The Department of Revenue believes the overall average price of a pack of cigarettes in Alaska is near \$10, but this does not answer the question of how price varies across the state.

4. Provide more information on how many people would stop smoking in response to the cigarette tax increase in SB 133.

The Department of Revenue uses an estimate of about -0.3 for the short-term price elasticity of demand for cigarettes.¹ This means that for every 10% increase in the price of cigarettes, consumption decreases by about 3%. As noted, the price of cigarettes varies by brand and location, but the Department of Revenue uses an average estimate of \$10 per pack based on recent reports of Alaska cigarette prices. This means the \$1-per-pack increase in SB 133 would constitute a 10% price increase and lead to about a 3% decrease in consumption.

Not all of the consumption decrease comes from people quitting entirely; some will just buy fewer cigarettes. The 2012 Surgeon General's report *Preventing Tobacco Use Among Youth and Young Adults* cited a study that found a 10% increase in price would cause a 3.5% decrease in number of smokers among young adults, but a smaller decrease among older adults.² The Campaign For Tobacco Free Kids also claims that a 10% increase in price causes a 6% to 7% decline in the number of underage smokers.³

According to an analysis by the Department of Health & Social Services, a 10% increase in the price of cigarettes would result in 2,000 fewer adult smokers in Alaska and \$27 million in lifetime savings due to medical costs (\$6 million over the next five years).

5. *Provide tax rates on other tobacco products (OTP) for all other states.*

A document from the Federation of Tax Administrators showing all states' OTP tax rates is attached. For the committee's convenience, a similar document is attached for cigarette taxes. Further information for alcohol, motor fuel, income, and other types of taxes can be found at <http://www.taxadmin.org/current-tax-rates>.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,



Randall Hoffbeck
Commissioner

Attachments: 2015 Municipal Sales Taxes, Special Taxes and Revenues (Cities); 2015 Municipal Sales Taxes, Special Taxes and Revenues (Boroughs); OTP tax rates (FTA); Cigarette tax rates (FTA)

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<https://www.researchgate.net/publication/261589510> Estimation of price elasticity and taxation in the US cigarette industry

² <https://www.tobaccofreekids.org/research/factsheets/pdf/0372.pdf>

³ <https://www.tobaccofreekids.org/research/factsheets/pdf/0146.pdf>

Part 2 - Municipal Class Types, Rates and Revenues

Table 2 - 2015 Municipal Sales Taxes, Special Taxes and Revenues

Municipality	SALES TAX		BED TAX		ALCOHOL TAX		CAR RENTAL TAX		RAW FISH TAX		TOBACCO TAX			MISC. SPECIAL TAXES
	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Whsle Rate*	Retail Rate*	Tax Revenues	
Aleutians East Borough	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	2.0%	\$3,998,104	0.0%	0.0%	\$0	\$0
Akutan	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	1.5%	\$1,816,530	0.0%	0.0%	\$0	\$0
Cold Bay	0.0%	\$0	10.0%	\$22,633	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$17,464 ⁽⁶⁾
False Pass	3.0%	\$26,548	6.0%	\$1,045	0.0%	\$0	0.0%	\$0	2.0%	\$99,150	0.0%	0.0%	\$0	\$0
King Cove	6.0%	\$650,811	0.0%	\$0	0.0%	\$0	0.0%	\$0	2.0%	\$868,352	0.0%	0.0%	\$0	\$100,000 ⁽⁵⁾
Sand Point	4.0%	\$1,079,565	7.0%	\$14,601	0.0%	\$0	0.0%	\$0	2.0%	\$598,088	0.0%	0.0%	\$0	\$0
Anchorage, Municipality of	0.0%	\$0	12.0%	\$24,936,211	0.0%	\$0	8.0%	\$5,637,102	0.0%	\$0	55.0%	118.1	\$21,926,133	\$0
Bristol Bay Borough	0.0%	\$0	10.0%	\$96,991	0.0%	\$0	0.0%	\$0	3.0%	\$2,412,396	0.0%	0.0%	\$0	\$0
Denali Borough	0.0%	\$0	7.0%	\$3,318,321	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$96,086 ⁽³⁾
Anderson	6.0%	\$21,837	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Fairbanks North Star Borough	0.0%	\$0	8.0%	\$1,746,676	5.0%	\$998,195	0.0%	\$0	0.0%	\$0	8.0%	0.0%	\$1,470,899	\$0
Fairbanks	0.0%	\$0	8.0%	\$2,712,661	5.0%	\$2,239,679	0.0%	\$0	0.0%	\$0	8.0%	0.0%	\$887,239	\$0
North Pole	4.0%	\$2,675,696	8.0%	\$82,374	5.0%	\$211,997	0.0%	\$0	0.0%	\$0	8.0%	0.0%	\$132,228	\$0
Haines Borough	5.5%	\$2,805,204	4.0%	\$95,267	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Juneau, City & Borough of	5.0%	\$44,210,114	7.0%	\$1,062,249	3.0%	\$760,910	0.0%	\$0	0.0%	\$0	45.0%	\$3/pack	\$1,845,856	\$0
Kenai Peninsula Borough	3.0%	\$30,040,682	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Homer	4.5%	\$7,484,925	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kachemak	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kenai	3.0%	\$7,136,866	5.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Seldovia	2.5%/4.5% ⁽¹⁾	\$117,065	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Seward	4.0%	\$4,535,707	4.0%	\$421,980	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Soldotna	3.0%	\$7,641,757	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Ketchikan Gateway Borough	2.5%	\$8,483,194	6.0%	\$50,591	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Ketchikan	4.0%	\$10,796,715	7.0%	\$389,342	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Saxman	4.0%	\$115,503	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kodiak Island Borough	0.0%	\$0	5.0%	\$101,595	0.0%	\$0	0.0%	\$0	1.075%	\$1,550,706	0.0%	0.0%	\$0	\$152,550 ⁽⁷⁾
Akhiok	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kodiak	7.0%	\$11,759,863	5.0%	\$212,222	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Larsen Bay	3.0%	\$26,542	\$5/ppd	\$4,320	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$1,950
Old Harbor	3.0%	\$18,022	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Ouzinkie	3.0%	\$5,122	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Port Lions	0.0%	\$0	5.0%	\$4,012	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Lake & Peninsula Borough	0.0%	\$0	6.0%	\$203,579	0.0%	\$0	0.0%	\$0	2.0%	\$1,655,163	0.0%	0.0%	\$0	\$39,717 ⁽⁴⁾
Chignik	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	2.0% ⁽²⁾	\$97,734	0.0%	0.0%	\$0	\$0
Egegik	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	\$1,758,294	0.0%	0.0%	\$0	\$0
Newhalen	2.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nondalton	3.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Pilot Point	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	\$337,215	0.0%	0.0%	\$0	\$0
Port Heiden	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0

*Local municipality rates may be in addition to borough rates, or exclusive of; please check with the local municipality for these details

(1) Seasonal Sales Tax rate varies according to the time of year; rates expressed for periods Oct-Mar and Apr-Sep respectively.

(2) Raw Fish Tax components include: 1% Salmon Landing Tax/2% Non-Salmon Landing Tax/1% Processing Tax.

(3) Resources subject to Severance Tax include: copper, lead, gold, silver, molybdenum and limestone.

(4) Guide Tax at \$3/Day.

(5) Fisheries Business Impact Tax.

(6) Fuel Transfer Tax.

107 Municipalities levy a general sales tax and 5 municipalities did not report (NR= Not Reported)

(7) Resources subject to severance tax: minerals in place; timber or forest products; gravel, sand, rock and coal; raw finfish, shellfish, mollusks & other commercial products at sea.

(8) Salmon Enhancement Tax.

(9) Passenger Transfer Tax at \$2.50/passenger.

(10) Gaming Tax at same percentage is included in the sales tax figures.

(11) Bed Tax % for normal room rentals; Bed Tax Flat Rate for lodging packages.

Part 2 - Municipal Class Types, Rates and Revenues

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	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Whsle Rate*	Retail Rate*	Tax Revenues	
Matanuska-Susitna Borough	0.0%	\$0	8.0%	\$1,117,249	0.0%	\$0	0.0%	\$0	0.0%	\$0	55.0%	114.0	\$7,548,977	\$0
Houston	2.0%	\$159,744	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Palmer	3.0%	\$6,380,979	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Wasilla	3.0%	\$19,454,371	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
North Slope Borough	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Anaktuvuk Pass	3.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	0.0%	\$2,514	\$0
Atkasuk	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Barrow	0.0%	\$0	5.0%	\$121,921	3.0%	\$31,013	0.0%	\$0	0.0%	\$0	12.0%	\$1/pack	\$156,239	\$0
Kaktovik	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nuiqsut	0.0%	\$0	7.0%	\$150,851	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Point Hope	3.0%	\$180,602	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Wainwright	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Northwest Arctic Borough	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Ambler	3.0%	NR	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Buckland	6.0%	\$148,894	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Deering	3.0%	\$24,300	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kiana	3.0%	\$52,989	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kivalina	2.0%	\$30,465	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kobuk	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kotzebue	6.0%	\$3,644,844	6.0%	\$92,420	6.0%	\$183,967	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Noorvik	4.0%	\$116,043	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Selawik	6.5%	\$152,934	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Shungnak	2.0%	NR	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Petersburg Borough	6.0%	\$3,090,350	4.0%	\$61,530	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kupreanof	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Sitka, City & Borough of	5%/6%⁽¹⁾	\$9,471,481	6.0%	\$411,916	0.0%	\$0	0.0%	\$0	\$10/fishbox	\$132,740	45.0%	50.00	\$735,594	\$0
Skagway, Municipality of	3%/5%⁽¹⁾	\$7,067,794	8.0%	\$154,696	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Wrangell, City & Borough of	7.0%	\$2,681,436	6.0%	\$44,502	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Yakutat, City & Borough of	5.0%	\$986,253	8.0%	\$122,562	0.0%	\$0	8.0%	\$37,588	1.0%	\$28,689	0.0%	0.0%	\$0	\$0

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	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Whsle Rate*	Retail Rate*	Tax Revenues	
Adak	4.0%	\$347,670	5.0%	\$8,285	0.0%	\$0	0.0%	\$0	2.0%	\$62,885	0.0%	0.0%	\$0	\$0
Akiak	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Alakanuk	4.0%	NR	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Aleknagik	5.0%	\$67,397	9.0%	\$98,238	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Allakaket	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Angoon	3.0%	\$59,446	5.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Aniak	2.0%	\$64,004	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	30.0%	0.0%	\$42,548	\$0
Anvik	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Atka	0.0%	\$0	10.0%	\$1,167	0.0%	\$0	0.0%	\$0	2.0%	\$61,168	0.0%	0.0%	\$0	\$0
Bethel	6.0% ⁽¹⁰⁾	\$7,448,426	12.0%	\$458,378	0.0%	\$0	0.0%	\$0	0.0%	\$0	45.0%	101.0	\$480,876	\$0
Bettles	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$3,397 ⁽⁶⁾
Brevig Mission	3.0%	\$41,088	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Chefornak	2.0%	\$39,364	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Chevak	3.0%	\$113,669	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Chuathbaluk	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Clark's Point	6.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Coffman Cove	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Cordova	6.0%	\$3,341,198	6.0%	\$114,908	0.0%	\$0	6.0%	\$14,517	0.0%	\$0	0.0%	0.0%	\$0	\$0
Craig	5.0%	\$1,588,679	0.0%	\$0	6.0%	\$121,554	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Delta Junction	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Dillingham	6.0% ⁽¹⁰⁾	\$2,705,136	10.0%	\$83,338	10.0%	\$297,325	0.0%	\$0	2.5%	\$0	0.0%	0.0%	\$0	\$0
Diomedede	4.0%	NR	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Eagle	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Edna Bay	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Eek	2.0%	\$45,000	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Ekwok	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Elim	3.0%	\$75,055	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Emmonak	3.0%	\$282,677	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Fort Yukon	3.0%	\$158,530	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Galena	3.0%	\$179,749	0.0%	\$0	3.0%	\$46,629	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Gambell	3.0%	\$76,450	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Golovin	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Goodnews Bay	3.0%	NR	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Grayling	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Gustavus	3.0%	\$326,674	4.0%	\$56,165	0.0%	\$0	0.0%	\$0	\$10/fishbox	\$12,380	0.0%	0.0%	\$0	\$0
Holy Cross	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Hoonah	6.5%	\$1,460,208	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Hooper Bay	4.0%	\$273,224	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	10.0%	0.0%	\$16,792	\$0
Hughes	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Huslia	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Hydaburg	6.0%	\$39,507	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0

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(4) Guide Tax at \$3/Day.

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(6) Fuel Transfer Tax.

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(7) Resources subject to severance tax: minerals in place; timber or forest products; gravel, sand, rock and coal; raw finfish, shellfish mollusks & other commercial products at sea.

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Part 2 - Municipal Class Types, Rates and Revenues

Table 2 - 2015 Municipal Sales Taxes, Special Taxes and Revenues

Municipality	SALES TAX		BED TAX		ALCOHOL TAX		CAR RENTAL TAX		RAW FISH TAX		TOBACCO TAX			MISC. SPECIAL Revenues
	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Whsle Rate*	Retail Rate*	Tax Revenues	
Kake	5.0%	\$213,067	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kaltag	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kasaan	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Klawock	5.5%	\$674,663	6.0%	\$11,318	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kotlik	3.0%	\$131,718	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Koyuk	2.0%	\$44,847	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Koyukuk	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Kwethluk	5.0%	\$84,704	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Lower Kalskag	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Manokotak	2.0%	\$20,290	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Marshall	4.0%	\$105,752	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
McGrath	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Mekoryuk	4.0%	\$15,400	0.0%	\$0	0.0%	\$0	0.0%	\$0	4.0%	\$0	0.0%	0.0%	\$0	\$0
Metlakatla	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Mountain Village	3.0%	\$170,034	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Napakiak	4.0%	\$75,643	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Napaskiak	3.0%	\$24,919	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nenana	4.0%	\$117,913	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
New Stuyahok	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nightmute	2.0%	\$668	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nikolai	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nome	5.0%	\$5,308,965	6.0%	\$126,834	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nulato	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nunam Iqua	4.0%	\$5,567	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Nunapitchuk	4.0%	\$87,591	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Pelican	4.0%	\$43,370	10% ⁽¹¹⁾	\$10,454	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Pilot Station	4.0%	\$118,861	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Platinum	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Port Alexander	4.0%	\$20,686	6.0%	\$2,825	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Quinhagak	3.0%	\$163,568	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	\$307	0.0%	0.0%	\$0	\$0
Ruby	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Russian Mission	4.0%	\$20,447	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Saint George	3.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	\$0	0.0%	0.0%	\$0	\$0
Saint Mary's	3.0%	\$248,575	0.0%	\$0	3.0%	\$2,059	0.0%	\$0	0.0%	\$0	10.0%	0.0%	\$32,667	\$0
Saint Michael	4.0%	\$134,002	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Saint Paul	3.0%	\$322,213	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	\$2,134,063	0.0%	0.0%	\$0	\$0
Savoonga	3.0%	\$87,686	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Scammon Bay	4.0%	\$92,684	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Shageluk	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Shaktolik	4.0%	\$62,371	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Shishmaref	2.0%	\$68,680	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0

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	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Rate*	Revenues	Whsle Rate*	Retail Rate*	Tax Revenues	
Stebbins	3.0%	\$74,600	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Tanana	2.0%	\$23,635	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Teller	3.0%	\$37,562	0.0%	\$0	0.0%	\$0	0.0%	\$0	3.0%	\$0	0.0%	0.0%	\$0	\$0
Tenakee Springs	2.0%	\$16,286	6.0%	\$2,692	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Thorne Bay	6.0%	\$412,067	4.0%	\$11,728	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Togiak	2.0%	\$146,091	0.0%	\$0	0.0%	\$0	0.0%	\$0	2.0%	\$94,278	0.0%	0.0%	\$0	\$0
Toksook Bay	2.0%	\$36,873	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Unalakleet	5.0%	\$412,734	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Unalaska	3.0%	\$11,241,479	5.0%	\$189,387	0.0%	\$0	0.0%	\$0	2.0%	\$4,430,781	0.0%	0.0%	\$0	\$0
Upper Kalskag	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Valdez	0.0%	\$0	6.0%	\$417,158	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
Wales	3.0%	\$25,227	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0
White Mountain	1.0% ⁽¹⁰⁾	\$9,679	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$0 ⁽¹⁰⁾
Whittier	0%/5% ⁽¹⁾	\$588,596	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	0.0%	\$0	\$270,666 ⁽⁹⁾

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OTHER TOBACCO PRODUCTS TAX

(January 1, 2016)

State	Tax Rate/Base (1)	State	Tax Rate/Base (1)
Alabama (2)		Massachusetts	40% Wholesale Price
Cigars	3.0¢-40.5¢/ 10 cigars	Michigan	32% Wholesale Price
Tobacco/Snuff	2¢-8¢/ ounce	Minnesota (7)	95% Wholesale Price
Alaska	75% Wholesale Price	Mississippi	15% Manufacturer's Price
Arizona		Missouri	10% Manufacturer's Price
Cigars	22.01¢-\$2.18/10 cigars	Montana (4)	50% Wholesale Price
Tobacco/Snuff	22.3¢/ounce	Nebraska (4)	20% Wholesale Price
Arkansas	68% Manufacturer's Price	Nevada	30% Wholesale Price
California (3)	28.13% Wholesale Price	New Hampshire	48% Wholesale Price
Colorado	40% Manufacturer's Price	New Jersey (4)	30% Wholesale Price
Connecticut (4)	50% Wholesale Price	New Mexico	25% Product value
Delaware (4)	15% Wholesale Price	New York (4)	75% Wholesale Price
Florida (5)		North Carolina (7)	12.8% Wholesale Price
Tobacco/Snuff	85% Wholesale Price	North Dakota	
Georgia		Cigars & Tobacco	28% Wholesale Price
Little Cigars	2.5¢/10 cigars	Chew Tobacco & Snuff	16¢-60¢ /ounce
Other Cigars	23% Wholesale Price	Ohio	17% Wholesale Price
Tobacco	10% Wholesale Price	Oklahoma	
Hawaii (6)		Cigars Little&Large	\$1.20/ 10 cigars
Large Cigars	50% Wholesale Price	Snuff&Tobacco	60%-80% Factory list price
Tobacco/Snuff	70% Wholesale Price	Oregon (4)	65% Wholesale Price
Idaho	40% Wholesale Price	Rhode Island	80% Wholesale Price
Illinois (4)	36% Wholesale Price	South Carolina	5% Manufacturer's Price
Indiana	24% Wholesale Price	South Dakota	35% Wholesale Price
Iowa (6)	50% Wholesale Price	Tennessee	6.6% Wholesale Price
Kansas (7)	10% Wholesale Price	Texas	
Kentucky	15% Wholesale Price	Cigar	1.0¢-15.0¢ /10 cigars
Louisiana (7)		Tobacco/Snuff	\$1.22 /ounce
Cigars	8%-20% Manufacturer's Price	Utah (4) (6)	86% Manufacturer's Price
Snuff/Smoking Tobacco	20%-33% Manufacturer's Price	Virginia (4)	10% Manufacturer's Price
Maine		Vermont (4)	92% Wholesale Price
Chewing Tob./Snuff	\$2.02/ounce	Cigar	\$20-\$40 /10 cigars
Smoking Tob./Cigars	20% Wholesale Price	Tobacco/Snuff	\$2.57 /ounce
Maryland		Washington (4) (6)	95% Wholesale Price
Tobacco/Snuff	30% Wholesale Price	West Virginia	7% Wholesale Price
Cigars	70% Wholesale Price	Wisconsin	71% Manufacturer's Price
		Wyoming (4)	20% Wholesale Price
		Dist.of Columbia (3) (7)	67% Wholesale Price

Source: Compiled by FTA from various sources.

Notes: Pennsylvania does not impose an OTP tax.

(1) The volume-based tax rates were converted to cents per 10 cigars or per ounce for consistency.

(2) Alabama's cigar tax rate rises with the retail price; the rate on smoking tobacco and snuff depends on package weight.

(3) California and the Dist. of Columbia adjusts the tax rate annually, effective July 1st for CA and October 1st for DC each year.

(4) Tax rate on Snuff per ounce is \$1.00 in CT, 54¢ in DE, 30¢ in IL, 19¢ in KY, 85¢ in MT, 44¢ in NE, 75¢ in NJ, \$2.00 in NY, \$1.78 in OR, \$1.83 in UT, 18¢ in VA, \$2.57 in VT, \$2.105 in WA and 60¢ in WY.

(5) Florida's rate includes a 60% surtax.

(6) Little cigars are taxed as cigarettes.

(7) Five states apply tax to E-cigarette/Vapor Products. DC and MN apply general OTP tax. LA and NC applies a 5 cent/milliliter of vapor product. KS will apply a \$0.20/milliliter tax beginning after 7/1/16.

STATE EXCISE TAX RATES ON CIGARETTES

(January 1, 2016)

STATE	TAX RATE (¢ per pack)	RANK	STATE	TAX RATE (¢ per pack)	RANK
Alabama (a)	67.5	39	Nebraska	64	40
Alaska	200	12	Nevada	180	18
Arizona	200	12	New Hampshire	178	19
Arkansas	115	32	New Jersey	270	9
California	87	35	New Mexico	166	22
Colorado	84	37	New York (a)	435	1
Connecticut (b)	365	3	North Carolina	45	47
Delaware	160	23	North Dakota	44	48
Florida (c)	133.9	29	Ohio	160	23
Georgia	37	49	Oklahoma	103	33
Hawaii	320	5	Oregon	132	30
Idaho	57	44	Pennsylvania	160	23
Illinois (a)	198	17	Rhode Island	375	2
Indiana	99.5	34	South Carolina	57	44
Iowa	136	28	South Dakota	153	26
Kansas	129	31	Tennessee (a) (d)	62	41
Kentucky	60	42	Texas	141	27
Louisiana	86	36	Utah	170	20
Maine	200	12	Vermont	308	6
Maryland	200	12	Virginia (a)	30	50
Massachusetts	351	4	Washington	302.5	7
Michigan	200	12	West Virginia	55	46
Minnesota (e)	300	8	Wisconsin	252	10
Mississippi	68	38	Wyoming	60	42
Missouri (a)	17	51			
Montana	170	20	Dist. of Columbia (f)	250	11
			U. S. Median	153.0	

Source: Compiled by FTA from state sources.

(a) Counties and cities may impose an additional tax on a pack of cigarettes: in Alabama, 1¢ to 25¢; Illinois, 10¢ to \$4.18; Missouri, 4¢ to 7¢; New York City, \$1.50; Tennessee, 1¢; and Virginia, 2¢ to 15¢.

(b) Connecticut tax rate is scheduled to increase to \$3.90 per pack on 7/1/16.

(c) Florida's rate includes a surcharge of \$1 per pack.

(d) Dealers pay an additional enforcement and administrative fee of 0.05¢ in Tennessee.

(e) In addition, Minnesota imposes an in lieu cigarette sales tax determined annually by the Department.

The current rate is 54.3¢ through December 31, 2016.

(f) In addition, District of Columbia imposes an in lieu cigarette sales tax calculated every March 31. The current rate is 41¢.