



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: STATE AFFAIRS
Current Version: SB 161
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Fact Sheet for: Senate Bill 161

Short Title: BOROUGH SALES TAX EXEMPTIONS

Summary:

- Allows a borough by ordinance to exempt a source from a borough sales tax that is taxed by a city in that borough.

Benefits:

- Eliminates any barriers that might prevent borough governments from exempting local taxes to avoid "stacking of taxes."
- Grants boroughs the flexibility to maintain a reasonable revenue source for programs and services throughout the municipality.

Background:

- The purpose of Article X, Sec. 1 of the State Constitution regarding Local Government is to provide for "maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions." SB 161 allows a borough to determine if it is in the best interest of residents to equalize taxes by exempting a tax already levied by a city within its boundaries.