



ALASKA  
MUNICIPAL  
LEAGUE

# Senior Tax Exemptions

2025 Municipal Tax  
Conference

October 23, 2025

Carole  
Triem



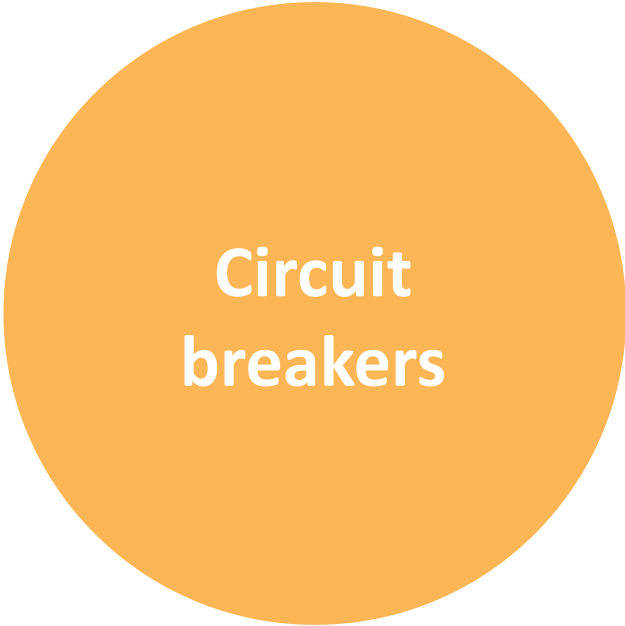
**History of the  
property tax  
exemption**



**Recent  
legislation**



**Local ballot  
propositions**



**Circuit  
breakers**

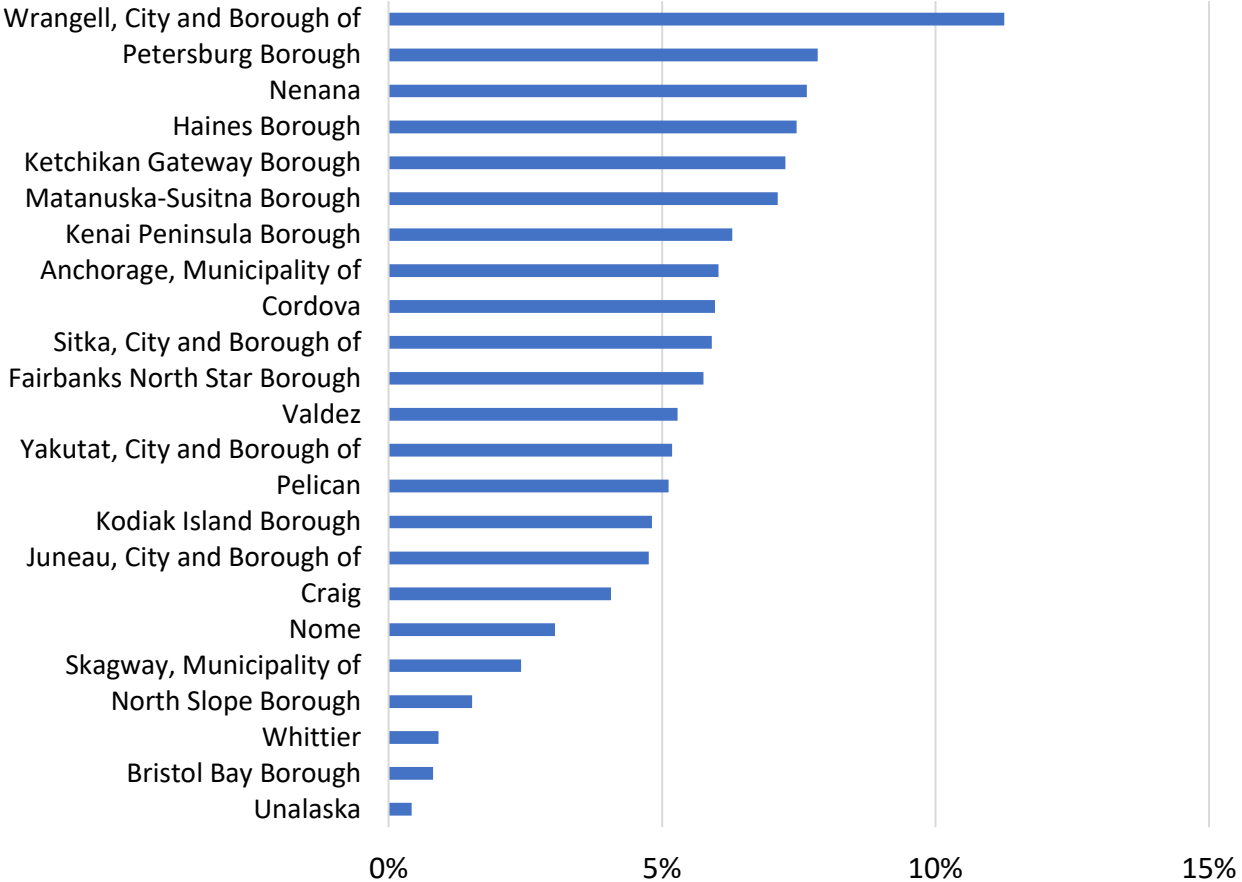


# Senior Property Tax Exemption History

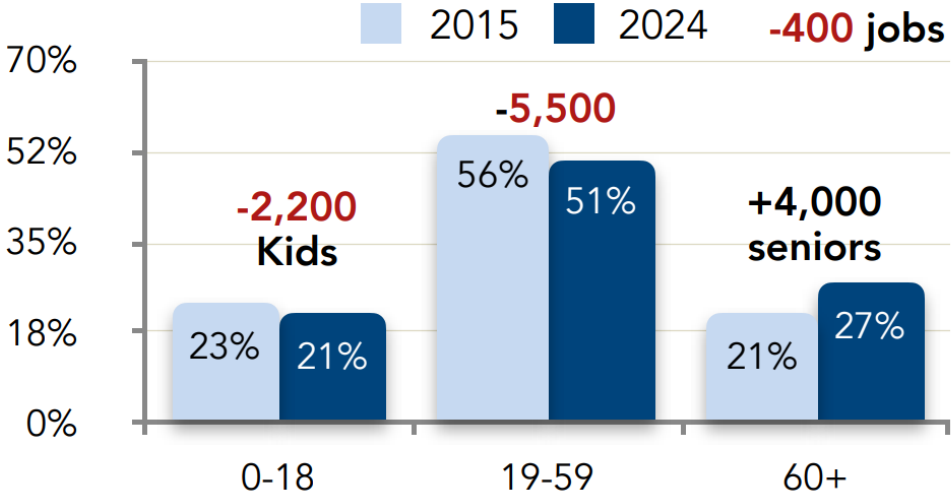
# Senior & Disabled Veteran Exemption

- \$7.56 billion in 2023
- Average 6% of total value
- Larger percentages in places with less commercial/ industrial activity or older populations

Percentage of Property Tax Base Subject to S/DV Exemption, 2023



SE Population by Age, 2015-2024



# Senior Exemption History

- 1972: property tax exemption of the total assessed value of real property provided to service-related seniors whose gross annual income was \$10,000 or less; state legislature reimburses municipalities 100% of mandatory property tax exemptions.
- 1973: eliminated the income requirement and extended eligibility to all seniors.
- 1984-1985: extended exemption to disabled veterans and the eligible surviving spouses of seniors and disabled vets.
- 1986: tax exemption was changed from the total assessed value of real property to the first \$150,000 of the assessed value of the real property; allowed a municipality to exempt beyond the first \$150,000 in cases of hardship; and allowed municipalities, by ordinance approved by voters, to exempt the value that exceeds \$150,000 for all groups. \*due to state budget shortfall, reimbursements to municipalities are now prorated at a lesser amount.
- 1997: Legislature cuts all reimbursements to municipalities for mandatory property tax exemptions.
- 2008: extends the exemption either partially or wholly to a surviving spouse of a member of the US forces or national guard who dies from a service-related injury.

# Senior Exemption History

Original sponsor: Fischer

Offered: 3/22/72  
Referred: Rules

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 296

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation the  
7 real and personal property of certain residents  
8 having limited incomes; and providing for an effec-  
9 tive date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. AS 29.10.336(a) is amended to read:

12 (a) Property owned by the city or the state; the real and  
13 personal property of certain residents of the state to the extent and  
14 subject to the conditions provided in (e) of this section; the house-  
15



# Senior Exemption History

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: CSHB 296, SCS CSHB 296  
Title: City & Borough Property Tax Exemptions for Limited Income Residents  
Requested by: Legislative Finance Date: 3/24/72  
Return Date Requested: 3/31/72  
Agency: Local Affairs Agency Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
900 CENTRAL DUPLICATING		\$1,000				
TOTAL		\$1,000				

# Senior Exemption History

Estimated Loss in Borough and City Revenue:

Average - 1,111 X \$400 = \$444,400

Above average - 1,129 X \$630 = \$711,270

Subtotal \$1,155,670

Less 10% income exclusion \$115,670

Total property tax loss \$1,040,000

# Senior Exemption History

A M E N D M E N T

Offered in the HOUSE

By \_\_\_\_\_

To:   X   HOUSE Bill No.   296  

                     SENATE Bill No.                     

AMENDMENT: Page   2   Line line 16

After (f) on line 16 add the following:

(g) The state shall reimburse the borough or city, as the case may be, for all the real property tax revenues lost to it by the operation of (e) of this section.

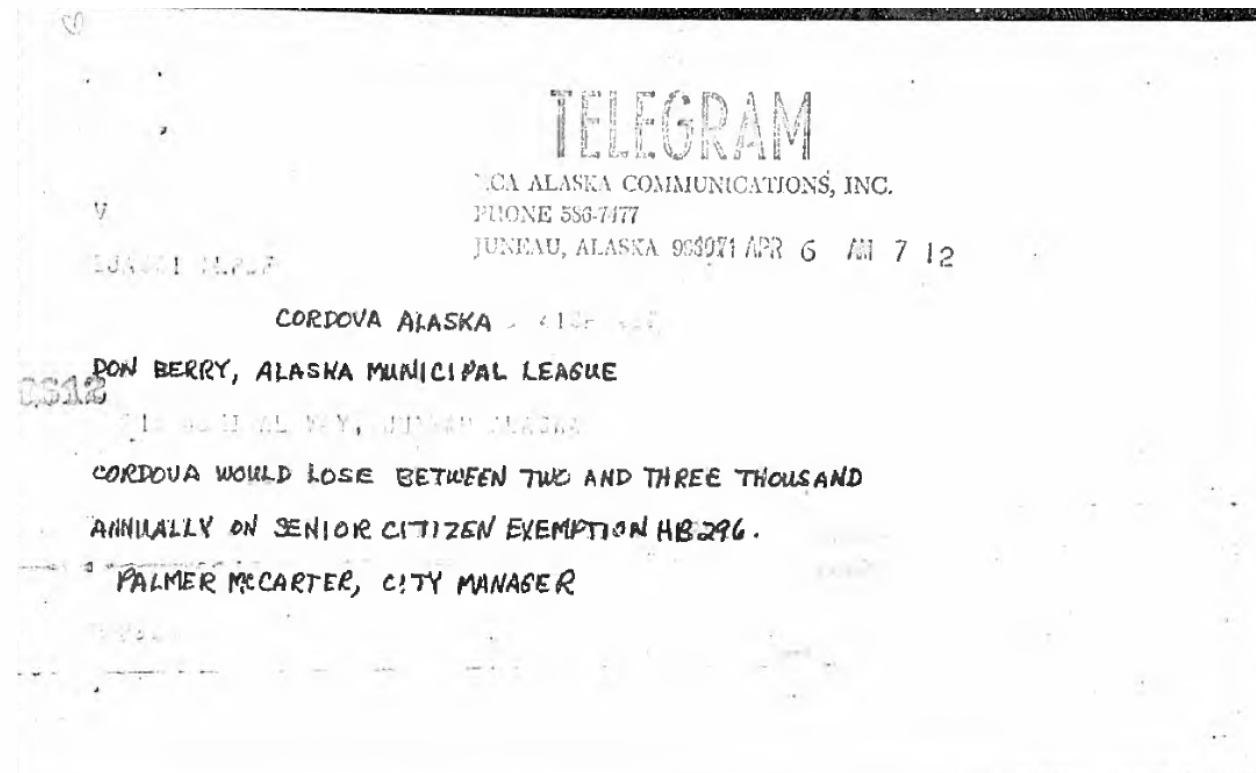
# Senior Exemption History



March 1, 1972

Revenue loss due to exemptions in HB 296:

Wrangell	\$15,000 - \$20,000
Kenai Peninsula	very little
Sitka Borough	\$5411.57
Ketchikan	figures not available



# Senior Exemption History

Alaska State Legislature



House of Representatives

April 16, 1971

George - Enclosed is a communication from Fairbanks indicating the actual expense of their allowance to oldtimers in the area of property taxes. As you can see from the attached clipping, the conditions of their allowance are not identical to those in House Bill 296 but they are sufficiently similar to give some guidance.

# Senior Exemption History

## **AS 29.45.030**

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement may be made to a municipality for revenue lost to it only to the extent that the loss exceeds an exemption that was granted by the municipality, or that on proper application by an individual would have been granted under AS 29.45.050(a). If appropriations are not sufficient to fully fund reimbursements under this subsection, the amount available shall be distributed pro rata among eligible municipalities.

# Senior Exemption History

## AS 29.45.030

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement may be made to a municipality for revenue lost to it only to the extent that the loss exceeds an exemption that was granted by the municipality, or that on proper application by an individual would have been granted under AS 29.45.050(c). If appropriations are not sufficient to fully fund reimbursements under this subsection, the amount available shall be distributed pro rata among eligible municipalities.

**SUBJECT TO APPROPRIATION**

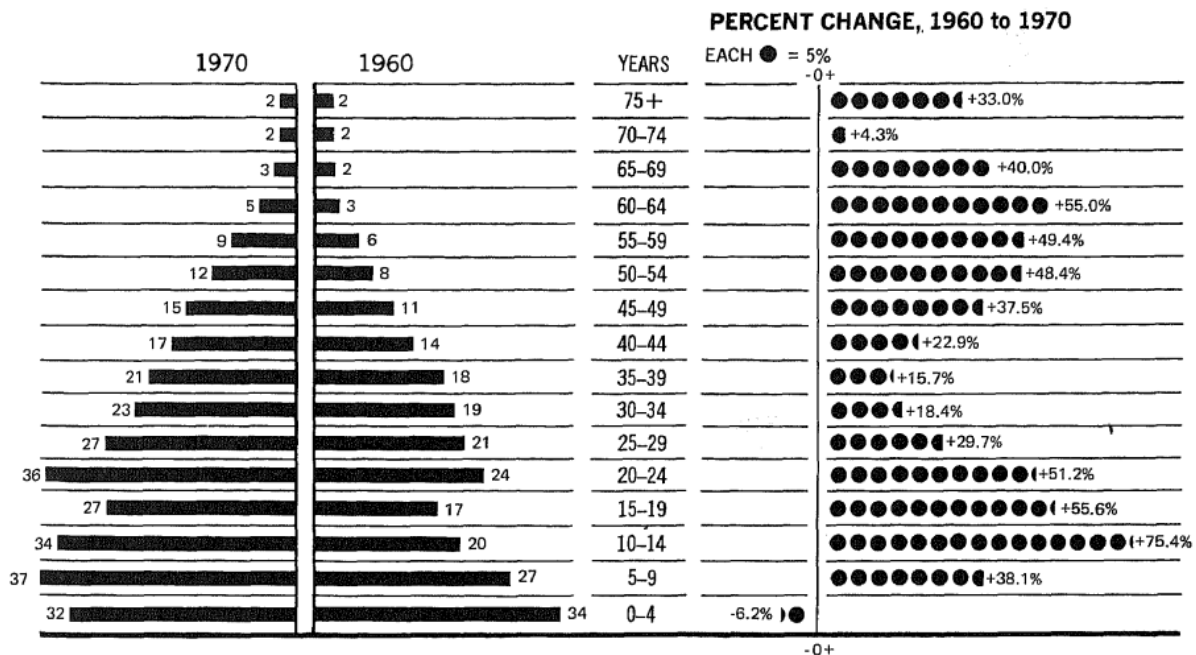
# Senior Exemption History

GENERAL POPULATION CHARACTERISTICS

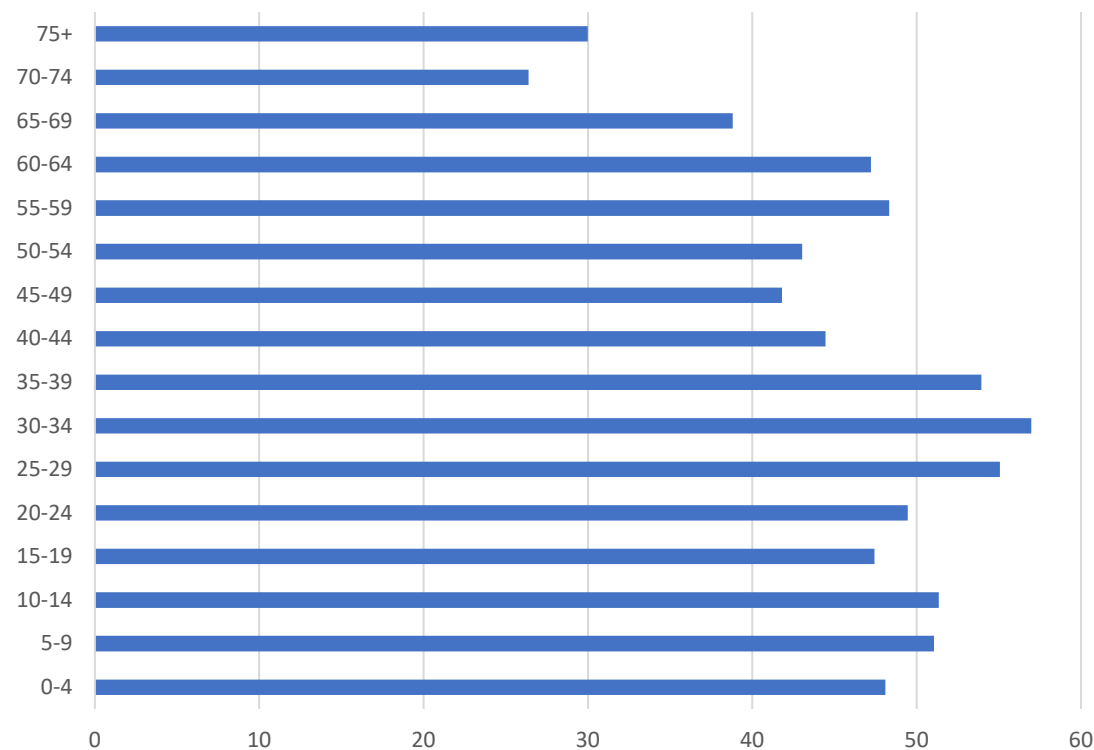
ALASKA

## Population by Age: 1970 and 1960

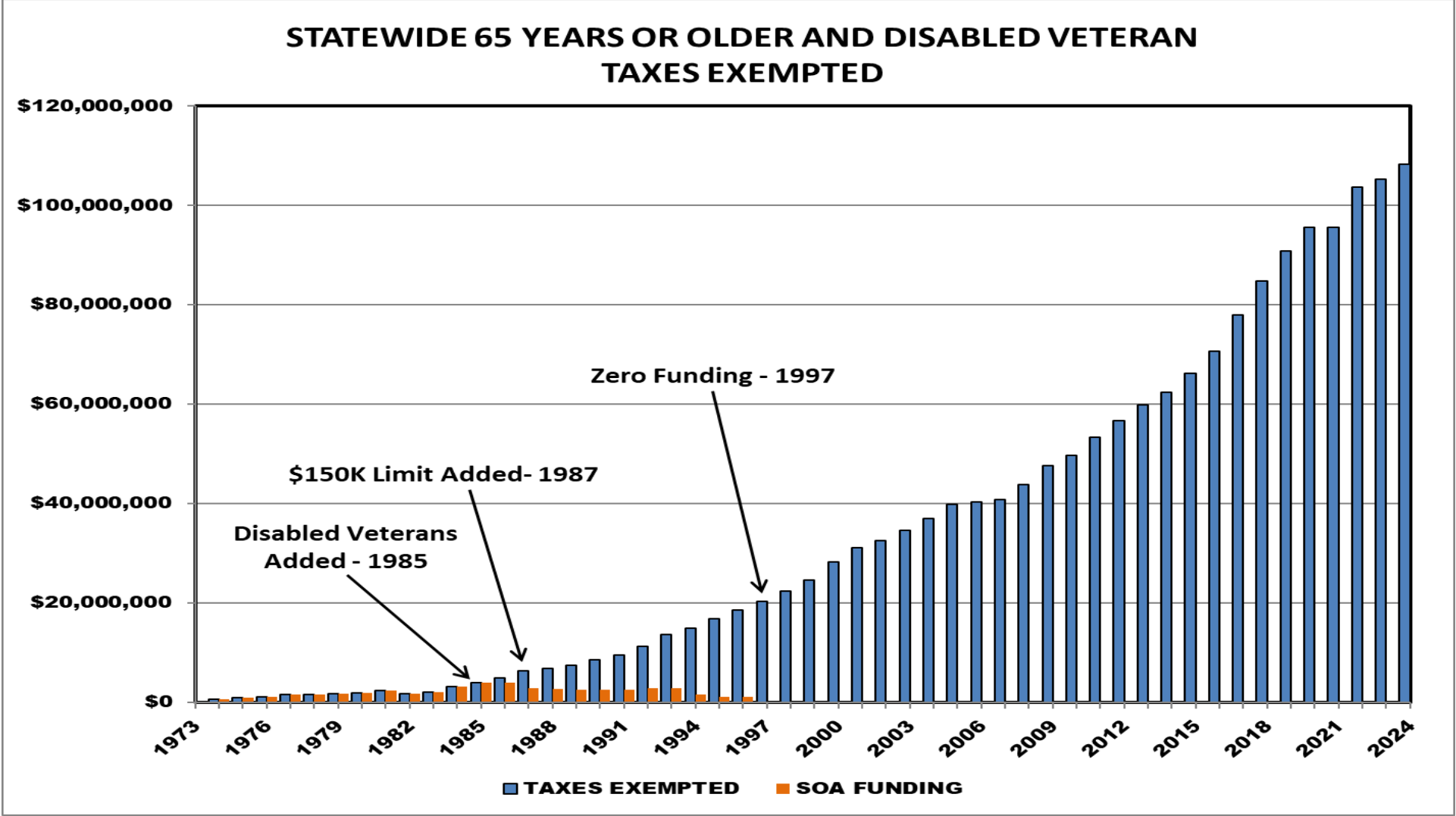
NUMBER IN THOUSANDS



Alaska Population by Age, in thousands  
2020-2024 Estimates



# Senior Exemption History





# Recent Legislation

# Recent Legislation – 34<sup>th</sup> Legislature

## HB 169 Municipal Property Tax Exemption

- **Sponsor:** Tomaszewski
- **Summary:** Increases senior/disabled veteran property tax exemption to \$250,000.
- **Considerations:** Massive impact on local government revenue and operations in jurisdictions with property tax.
- **Status:** Referred to Community & Regional Affairs, and Finance; not heard.

# Recent Legislation – 33<sup>rd</sup> Legislature



Sections 

ANCHORAGE DAILY NEWS Alaska News • Politics • Opinions • Sports •

JUNEAU – Four days before the scheduled end of the Alaska Legislature’s regular session, a Senate committee has proposed a major increase in the state’s property tax exemption for disabled veterans, widows and Alaskans 65 or older.

On Sunday, the Senate Finance Committee [proposed tripling the exemption](#) from \$150,000 to \$450,000. An eligible Alaskan whose home is worth that amount or less would pay no local property taxes.





# Local Ballot Propositions

# Petersburg - 2025

## **PROPOSITION 1**

### **SHOULD THE SENIOR SALES TAX EXEMPTION BE LIMITED TO LOW INCOME SENIORS?**

In the Oct 7, 2025 Borough Election, Petersburg voters will decide whether to add income limits to the senior sales tax exemption. Only seniors who qualify for the State of Alaska Senior Benefits Program would receive the exemption.

Why the change?

- Focuses the exemption on those most in need.
- Expected to raise \$350,000–\$400,000 each year for essential services like schools, assisted living, and public safety.
- Responds to rising costs, falling revenue, and a senior population up from 6% in 1980 to 24% in 2024.

#### **Ballot Question -**

#### **Limiting Eligibility for the Senior Sales Tax Exemption to Low-Income Seniors.**

This change would limit eligibility for the Borough sales tax senior exemption to those who qualify for the State of Alaska Senior Benefits Payment Program.

Shall Section 4.28.130, Senior citizen exemption, of the Borough Code be amended to limit eligibility to low-income seniors?

- YES – Limit the exemption to low-income seniors**
- NO – Keep the exemption for all seniors, regardless of income**

# Petersburg - 2025

## PROPOSITION 1

JOHN LICHTENBERGER	161	162	343	0	343
<b>Proposition No. 1 (Limiting Eligibility for the Senior Sales Tax Exemption to Low Income Seniors)</b>					
YES	324	309	633	0	633
NO	315	309	624	1	625

We certify that a Regular Election was held in the Petersburg Borough on October 7, 2025 to elect Borough Officials and Advisory Board Members and to answer one proposition, and that no discrepancies or contingencies were found. Results of said election were certified by the Officials of the election to the Canvass Board of the Borough and were canvassed on Friday, October 10, 2025.

**Limiting Eligibility for the Senior Sales Tax Exemption to Low Income Seniors.**  
This change would limit eligibility for the Borough sales tax senior exemption to those who qualify for the State of Alaska Senior Benefits Payment Program. Shall Section 4.28.130, Senior citizen exemption, of the Borough Code be amended to limit eligibility to low-income seniors?

- YES - Limit the exemption to low-income seniors
- NO - Keep the exemption for all seniors, regardless of income

# Kenai Peninsula Borough - 2025

## **KPB PROPOSITION NO. 3** (To be voted on by all borough voters)

### **Ordinance 2025-16: Residential Property Tax Exemption Change**

Shall Ordinance 2025-16, amending the Kenai Peninsula Borough Code of Ordinances 5.12.115 to increase the residential real property tax exemption from \$50,000 to \$75,000, be ratified?

## **KPB PROPOSITION NO. 4** (To be voted on by all borough voters)

### **Ordinance 2025-14: Annually Adjust the Sales Tax Cap for Inflation**

Shall Ordinance 2025-14, amending the Kenai Peninsula Borough Code of Ordinances 5.18.430 to annually adjust the sales tax cap for inflation once every fifth year, be ratified?

## **KPB PROPOSITION NO. 3 (Vote for 1)**

		Total	
Times Cast		9,447 / 55,216	17.11%
Candidate	Party	Total	
YES		7,355	
NO		1,962	
Total Votes		9,317	
		Total	
Unresolved Write-In		0	

## **KPB PROPOSITION NO. 4 (Vote for 1)**

		Total	
Times Cast		9,447 / 55,216	17.11%
Candidate	Party	Total	
YES		4,105	
NO		5,086	
Total Votes		9,191	
		Total	
Unresolved Write-In		0	

# Haines - 2024

## INITIATIVE NO. 1

Shall the Haines Borough increase the property tax exemption level from \$150,000 to \$300,000 for those Haines residents who qualify for exemptions described in Haines Borough Code Section 3.70.030(a)(6)?

YES

NO

Haines Borough General Election		663 Valid ballots cast at the polls/Election Day 568-Haines #1; 95- Haines #2]						
October 1, 2024		456 Early Voting [421- Haines #1; 35 Haines #2]						
<b>Official Results</b>		43 Absentee ballots counted on Election night						
		20 Questioned, Special Needs & absentee counted at canvass						
		1,182 Total valid ballots cast (48% of 2,459 registered voters)						
		[Note: 2023 - 1,176 valid ballots cast or 48% of 2,413 registered]						
	Haines #1 Precinct 03-330	Haines #2 Precinct 03-335	Early or Absentee voting	TOTAL Counted Election	Canvassed on 10/8	Final Vote Total		
<b>Borough Assembly</b> (three vacancies)								
Richard Clement	303	45	216	564	14	578	Elected to a 1-yr term	
Natalie Dawson	235	43	259	537	13	550		
Debra Schnabel	231	44	267	542	13	555		
Mark H. Smith	308	50	210	568	13	581	Elected to 3-yr term	
Cheryl D. Stickler	362	47	236	645	13	658	Elected to 3-yr term	
Nora Zimmerly	165	36	230	431	11	442		
<b>Total Valid Votes Cast</b>	<b>1604</b>	<b>265</b>	<b>1418</b>	<b>3287</b>	<b>77</b>	<b>3364</b>		
<b>Planning Commission</b> ( two vacancies)								
Jerry L. Lapp	387	55	247	689	13	702	Elected to 3-yr term	
Joe Parnell	208	45	239	492	13	505		
Eben Sargent	289	45	278	612	16	628	Elected to 3-yr term	
<b>Total Valid Votes Cast</b>	<b>884</b>	<b>145</b>	<b>764</b>	<b>1793</b>	<b>42</b>	<b>1835</b>		
<b>School Board</b> (three vacancies)								
Brian Clay	329	54	291	674	16	690	Elected to 3-yr term	
Reba Hylton	247	32	246	525	12	537		
Kari Johnson	382	42	262	686	16	702	Elected to 3-yr term	
Michael Wald	306	45	260	611	14	625	Elected to 2-yr term	
<b>Total Votes Cast</b>	<b>1264</b>	<b>173</b>	<b>1059</b>	<b>2496</b>	<b>58</b>	<b>2554</b>		
<b>Initiative No.1 - Increase SR Exemption to \$300,000</b>								
Yes	325	66	248	639	15	654		
No	208	23	211	442	11	453		
<b>Total Votes Cast</b>	<b>533</b>	<b>89</b>	<b>459</b>	<b>1081</b>	<b>26</b>	<b>1107</b>		
Election was canvassed 10/8/24 and will be certified 10/22/24. New terms will begin immediately after certification.								



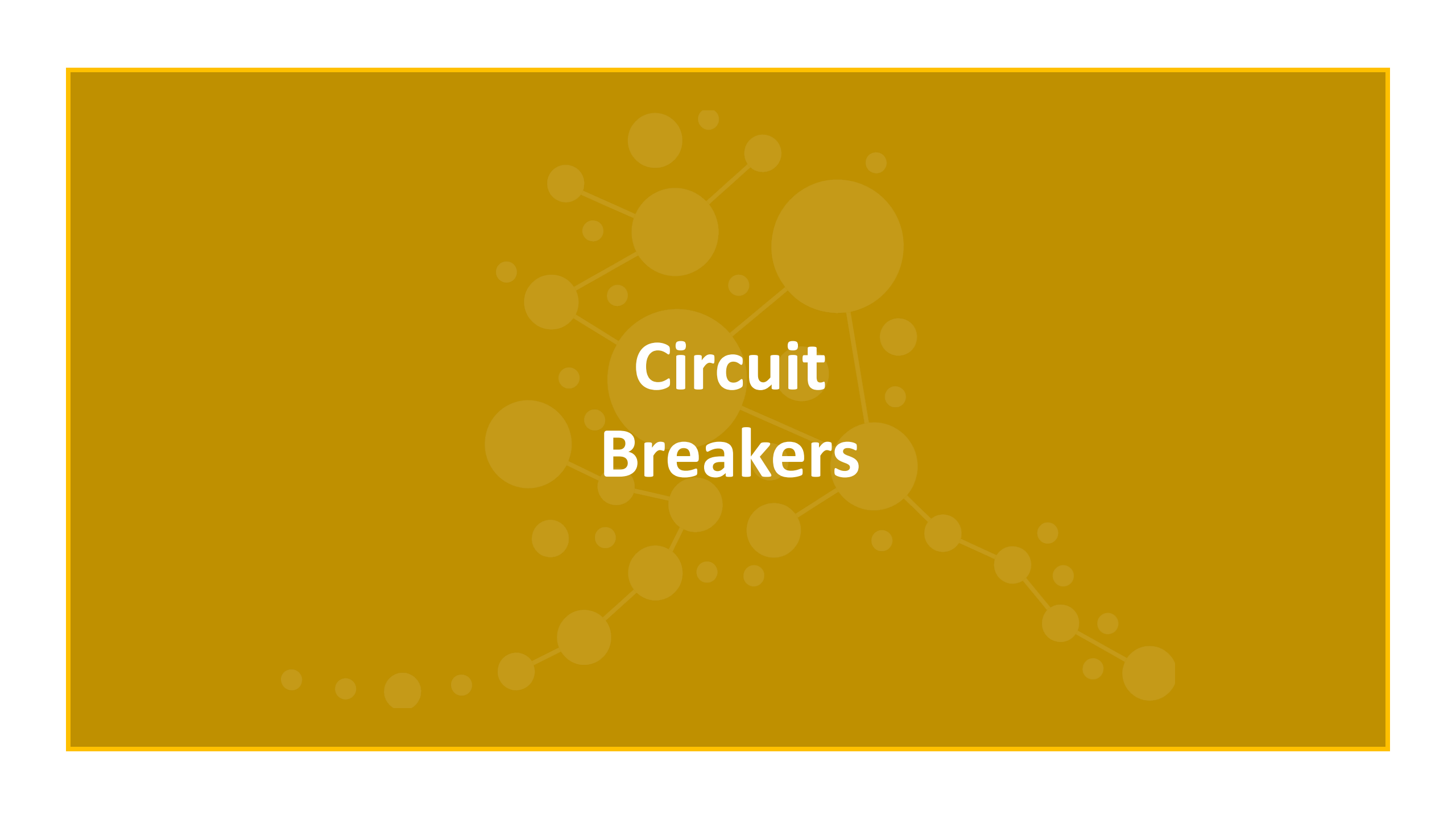
## Juneau riles seniors with loss of sales tax exemption

By Pat Forgey

Published: October 1, 2015

JUNEAU -- Angry Juneau seniors are accusing the city government of targeting them with an unfair tax increase, and some are threatening retaliation.

The threats range from withholding their volunteer labor and donations to nonprofits to retribution at the ballot box -- and even leaving town for places where they say seniors are considered assets to the community.



# Circuit Breakers

# Relief?

# Policy Considerations

- Should it cover elderly / disabled taxpayers, non-elderly, or both?
- Should it apply to homeowners only, or also renters? (Many states extend to renters because property tax burdens may pass through to renters.)
- What should be the maximum income level for eligibility? (In 2018 ranges: from ~\$5,500 in Arizona to ~\$147,000 in Vermont)
- What should be the maximum credit/dollar cap? (Example: \$50 in Hawaii vs \$8,000 in Vermont) Value may erode if not indexed for inflation.
- Should the income limit or credit amount be indexed for inflation so value doesn't erode over time?
- What percentage of income constitutes an "overload" threshold (for instance: taxes > 4% of income in West Virginia)
- How should the credit be administered? Through income tax returns or a separate form, automatic vs application required.

# Policy Considerations

- What are the policy goals?
- Are tax exemptions the right way to accomplish them?
- Policies and programs meant to lower the cost of living require revenue (gov. investment in child care, affordable housing, etc.)

## HB 13 Municipal Property Tax Exemptions

- **Sponsor:** Gray
- **Cosponsors:** Eischeid, Fields, Galvin, Josephson, Mina
- **Summary:** Would create new optional exemptions for converting STRs to LTRs, new mobile home parks, low-income rentals, first-time homebuyers, duplicates “homestead exemption”. Would get us up to (ee) in 29.45.050.
- **Considerations:** Should already be allowable under economic development exemption. Reduces local revenue but not FVD.
- **Status:** Passed in the House near the end of session, Senate referrals are Community & Regional Affairs and State Affairs

# Administrative Considerations

- Often application-based: eligible taxpayers must apply; non-take-up rates may be high if awareness is low.
- Awareness and outreach are essential — without them many eligible households may not benefit.
- Potential design trade-offs: income limits, credit caps, thresholds make it complex to apply and to verify eligibility

## Senior Citizen Sales Tax Hardship Rebate

The Hardship Sales Tax Rebate offers eligible applicants an annual rebate of sales taxes paid at the time of purchase on items that are not eligible for sales tax exemption under the Senior Citizen Sales Tax Exemption program. In order to qualify for the Hardship Sales Tax Rebate, applicants must possess a valid CBJ Senior Sales Tax Exemption Card and have a gross income at or below 250% of the most current U.S. Federal Poverty Guidelines for the State of Alaska. Gross income includes all taxable and nontaxable income. Applications are due by June 30, and rebates are sent out by September 30. Applications for the current year will be available in March. Contact the Sales Tax Office at **(907) 586-5215 x4901** if you have any questions.



City and Borough of Juneau, Alaska  
Finance Department, Sales Tax Office  
155 Heritage Way Juneau, AK 99801  
Ph (907) 586-5215, Fax (907) 586-0365

## Application for Senior Citizen Sales Tax Exemption Card

Senior Sales Tax Exemption Card application fee: \$20.00 per card

<b>Applicant Information:</b>	<b>Spouse Information: (use if under age 65)</b>
Name: _____	Name: _____
Date of Birth: _____	Date of Birth: _____
Phone: _____	Phone: _____

Mailing Address: \_\_\_\_\_ Email: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Own: \_\_\_\_\_ Rent: \_\_\_\_\_ Live with Relative: \_\_\_\_\_  
Relative's Name

I certify, to the best of my knowledge, that the information provided above is correct and complete. I have read the information related to the use and restrictions contained on the reverse side of this form.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date



FINANCE DEPARTMENT – SALES TAX  
 155 Heritage Way, Juneau, Alaska 99801  
 Phone (907) 586-5215 ext. 4901  
 Email: sales.tax.office@juneau.gov

## 2025 SENIOR CITIZEN SALES TAX HARDSHIP REBATE APPLICATION

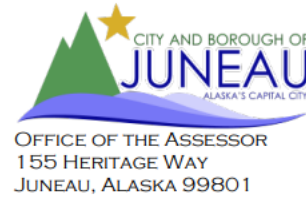
APPLICANT INFORMATION			
Applicant Name:			
Date of birth:		Contact Phone #:	
Mailing address:			
City:		State:	ZIP Code:
Physical Address:			
CBJ Senior Sales Tax Exemption Card #		Expiration Date:	

SPOUSE INFORMATION <i>(only if applying jointly)</i>			
Spouse Name:			
Date of birth:		Contact Phone #:	
CBJ Senior Sales Tax Exemption Card #		Expiration Date:	

HARDSHIP REBATE PAYMENT METHOD <i>(select only one option)</i>	
Option #1 – Mail a Paper Check	<input type="checkbox"/>
Option #2 – Direct Deposit into Checking *	<input type="checkbox"/> Attach Direct Deposit Authorization Form
Option #3 – Credit to CBJ Water Account *	<input type="checkbox"/> Provide copy of the latest CBJ Water/Sewer bill

FINANCIAL INFORMATION	
I am required to file a Federal Income Tax Return and have attached copies of my 2024 tax return, including all additional schedules & 1099s	<input type="checkbox"/>
I am <u>not</u> required to file a Federal Income Tax Return and I have attached the completed Hardship Rebate Income Affidavit	<input type="checkbox"/>

SIGNATURES	
I have read the information related to the eligibility and income documentation requirements. I certify, to the best of my knowledge, that the information provided above is correct and complete.	
Signature of Applicant:	Date:
Signature of Spouse:	Date:



Senior Citizen/Disabled Veteran Real Property Hardship Exemption	
Assessment Year	
Parcel ID #	
Name of Applicant	

Mailing Address		Residence Address	
Primary Phone		Secondary Phone	
Email Address			

Explanation and Affidavit of Hardship			
Size of Household		Gross Household Income*	\$
Gross household income means <b>total</b> annual compensation <u>earned</u> & <u>unearned</u> , <u>taxable</u> and <u>non-taxable</u> from <u>all</u> sources of all members of the household for the calendar year prior to the year of this application. Losses are not considered income for purposes of this exemption.			
Explanation of Hardship:			
<b>Attach Last Year's IRS Tax Documentation</b> Certification: I hereby certify that the answers given on this application are true & correct to the best of my knowledge. I certify that the income information I have provided includes income for all members of my household. I understand that a willful misstatement is punishable by fine or imprisonment under AS 11.56.210.			
Signature of Applicant:			Date:

# THANK YOU



Strengthening Local Governments