

# Tax Limit Calculation

## Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2023		2024		Line
		at Revised		at Revised		
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>					1
2	Real/Personal Property Taxes to be Collected		297,648,243		317,799,100	2
3	Auto Tax		10,606,323		10,409,910	3
4	Tobacco Tax		20,700,000		21,500,000	4
5	Marijuana Sales Tax		6,000,000		4,700,000	5
6	Motor Vehicle Rental Tax		8,300,000		10,000,000	6
7	Fuel Excise Tax		13,300,000		14,400,000	7
8	Payment in Lieu of Taxes (State & Federal)		11,620,949		10,999,990	8
9	MUSA/MESA		20,722,252		19,260,458	9
10	Step 1 Total		<u>388,897,767</u>		<u>409,069,458</u>	10
11						11
12	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>					12
13	Judgments/Legal Settlements (One-Time)		(165,050)		(827,500)	13
14	Debt Service (One-Time)		(54,847,881)		(62,839,984)	14
15	Step 2 Total		<u>(55,012,931)</u>		<u>(63,667,484)</u>	15
16						16
17	Tax Limit Base (before Adjustment for Population and CPI)		<u>333,884,836</u>		<u>345,401,974</u>	17
18			218,029			18
19	<u>Step 3: Adjust for Population, Inflation</u>					19
20	Population 5 Year Average	-0.50%	(1,669,420)	-0.50%	(1,727,010)	20
21	Change in Consumer Price Index 5 Year Average	3.30%	11,018,200	3.00%	10,362,060	21
22	Step 3 Total		<u>2.80% 9,348,780</u>		<u>2.50% 8,635,050</u>	22
23						23
24	<b>The Base for Calculating Following Year's Tax Limit</b>		<b>343,233,616</b>		<b>354,037,024</b>	24
25						25
26	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>					26
27	New Construction		1,617,597		4,212,114	27
28	Taxes Authorized by Voter-Approved Ballot - O&M		322,500		338,000	28
29	Judgments/Legal Settlements (One-Time)		827,500		2,455,352	29
30	Debt Service (One-Time)		62,839,984		55,482,032	30
31	Step 4 Total		<u>65,607,581</u>		<u>62,487,498</u>	31
32						32
33	<b>Limit on ALL Taxes that can be collected</b>		<b>408,841,197</b>		<b>416,524,522</b>	33
34						34
35	<u>Step 5: To determine limit on property taxes, back out other taxes</u>					35
36	Automobile Tax		(10,409,910)		(10,311,702)	36
37	Tobacco Tax		(21,500,000)		(19,050,000)	37
38	Marijuana Sales Tax		(5,700,000)		-	38
39	Motor Vehicle Rental Tax		(10,000,000)		(10,000,000)	39
40	Fuel Excise Tax		(14,400,000)		(13,500,000)	40
41	Payment in Lieu of Taxes (Utility, State, and Federal)		(10,999,990)		(10,070,633)	41
42	MUSA/MESA		(19,260,458)		(19,820,796)	42
43	Step 5 Total		<u>(92,270,358)</u>		<u>(82,753,131)</u>	43
44						44
45	<b>Limit on PROPERTY Taxes that can be collected</b>		<b>316,570,839</b>		<b>333,771,391</b>	45
46						46
47a	Add General Government use of tax capacity within the Tax Cap for 2023		1,286,151		-	47a
47b	for 2024 with 2023 ASD Correction		-		(1,121,200)	47b
47c	for 2024 with 1/2 of ASD 2024-2025 tax capacity of \$3,366,843		-		1,683,422	47c
48						48
49	<b>Limit on PROPERTY Taxes that can be collected within the Tax Cap</b>		<b>316,570,839</b>		<b>334,333,613</b>	49
50						50
51	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>					51
52	Property taxes to be collected based on spending decisions minus other available revenue.					52
53						53
54	<b>Property taxes TO BE COLLECTED</b>		<b>317,799,100</b>		<b>333,298,677</b>	54
55						55
56	<b>Amount below limit on property taxes that can be collected ("under the cap")</b>		<b>(1,228,261)</b>		<b>1,034,936</b>	56

There also are service areas with boards that set their maximum mill levies. The property taxes in these service areas are not subject to the Tax Limit Calculation ("outside the cap"). The 2024 total property taxes "outside the cap" is **\$26,594,951**, making the total of all property taxes to be collected for General Government **\$359,893,628**.