




MUNICIPALITY OF ANCHORAGE
MEMORANDUM

DATE: August 15, 2019

TO: Lance Wilber, OMB Director

THRU:  Daniel Moore, Treasurer

THRU:  Blyss Cruz, Manager, Program Taxes & Tax Collection

FROM:  Regina James, Tax Enforcement Officer II

SUBJECT: Tobacco Tax Adjustment for 2020

In accordance with AMC 12.40.010, the excise tax on cigarettes will be 124.6 mills, or \$0.1246 per cigarette, \$2.49 per pack (rounded), and \$24.92 per carton effective January 1, 2020. This represents a change in the mill rate and is calculated as follows:

$(223.099 + 227.992)/2 = 225.546$	Average of 1st and 2nd halves 2018 CPI.
$(228.858 - 225.546)/225.546 = .014684366$	Change to 1st half of current year (2019)
.1228	2019 tobacco excise tax rate.
<u>x 1.014684366</u>	
.1246	2020 tobacco excise rate (rounded).

Attached is a copy of the July 2019 Consumer Price Index (CPI-U) report for Anchorage.

As of January 1, 2011, the excise tax on other tobacco products has been 55% of the established wholesale price. This rate will not automatically increase on January 1, 2019. The recent annual data reveals tax on cigarettes accounts for about 85% of total annual tobacco taxes collected by the Municipality.

Notification of the 2020 tax rates will be forwarded to current tobacco tax licensees in the near future. Revised tax return forms showing this new rate will be made available to the taxpayers by Treasury no later than January 10, 2020.

Cc: Eric Larson, Revenue Analyst

[Department of Labor / Research and Analysis Section]

Consumer Price Index (CPI)**Consumer Price Index for Urban Alaska (formerly Municipality of Anchorage) and the U.S.
Not Seasonally Adjusted – All Items – Urban Consumers
1960-Present**

Note: the percent change is from the same period of the previous year.

Year	Urban Alaska						U.S.					
	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change
2019	228.858	2.6					254.412	1.7				
2018	223.099	2.1	227.992	4.0	225.545	3.0	250.089	2.5	252.125	2.4	251.107	2.4
2017	218.616	0.7	219.131	0.2	218.873	0.5	244.076	2.2	246.163	2.0	245.120	2.1
2016	216.999	-0.1	218.660	0.9	217.830	0.4	238.778	1.1	241.237	1.5	240.007	1.3
2015	217.111	1.1	216.706	-0.1	216.909	0.5	236.265	-0.1	237.769	0.3	237.017	0.1
2014	214.777	1.9	216.833	1.4	215.805	1.6	236.384	1.7	237.088	1.5	236.736	1.6
2013	210.853	2.7	213.910	3.5	212.381	3.1	232.366	1.5	233.548	1.4	232.957	1.5
2012	205.215	2.5	206.617	2.0	205.916	2.2	228.850	2.3	230.338	1.8	229.594	2.1
2011	200.278	2.8	202.576	3.6	201.427	3.2	223.598	2.8	226.280	3.5	224.939	3.2
2010	194.834	2.5	195.455	1.0	195.144	1.8	217.535	2.1	218.576	1.2	218.056	1.6
2009	190.032	1.3	193.456	1.1	191.744	1.2	213.139	-0.6	215.935	-0.1	214.537	-0.4
2008	187.659	4.6	191.335	4.5	189.497	4.6	214.429	4.2	216.177	3.4	215.303	3.8
2007	179.394	1.5	183.080	2.9	181.237	2.2	205.709	2.5	208.976	3.1	207.342	2.8
2006	176.700	4.2	177.900	2.2	177.300	3.2	200.600	3.8	202.600	2.6	201.600	3.2
2005	169.600	2.4	174.100	3.8	171.800	3.1	193.200	3.0	197.400	3.8	195.300	3.4
2004	165.600	2.8	167.800	2.4	166.700	2.6	187.600	2.3	190.200	3.0	188.900	2.7
2003	161.100	2.3	163.900	3.1	162.500	2.7	183.300	2.5	184.600	2.0	184.000	2.3
2002	157.500	2.0	159.000	1.9	158.200	1.9	178.900	1.3	180.900	1.9	179.900	1.6
2001	154.400	2.9	156.000	2.7	155.200	2.8	176.600	3.4	177.500	2.2	177.100	2.8
2000	150.000	0.9	151.900	2.4	150.900	1.7	170.800	3.3	173.600	3.5	172.200	3.4
1999	148.600	1.3	148.300	0.9	148.400	1.0	165.400	1.9	167.800	2.5	166.600	2.2
1998	146.700	1.8	147.000	1.1	146.900	1.5	162.300	1.5	163.700	1.6	163.000	1.6
1997	144.100	1.6	145.400	1.2	144.800	1.5	159.900	2.6	161.200	2.1	160.500	2.3
1996	141.800	2.6	143.700	3.0	142.700	2.7	155.800	2.8	157.900	3.1	156.900	3.0
1995	138.200	2.9	139.500	2.7	138.900	2.9	151.500	2.9	153.200	2.6	152.400	2.8
1994	134.300	2.1	135.800	2.3	135.000	2.1	147.200	2.4	149.300	2.8	148.200	2.6
1993	131.500	3.3	132.800	2.9	132.200	3.1	143.700	3.2	145.300	2.8	144.500	3.0
1992	127.300	3.2	129.100	3.5	128.200	3.4	139.200	3.0	141.400	3.1	140.300	3.0
1991	123.300	5.5	124.700	3.6	124.000	4.6	135.200	5.1	137.200	3.5	136.200	4.2
1990	116.900	5.4	120.400	7.0	118.600	6.2	128.700	4.9	132.600	5.8	130.700	5.4
1989	110.900	2.3	112.500	3.3	111.700	2.9	122.700	5.1	125.300	4.7	124.000	4.8
1988	108.400	0.1	108.900	0.7	108.600	0.4	116.800	3.9	119.700	4.2	118.300	4.1
1987	108.300	0.0	108.100	0.7	108.200	0.4	112.400	3.0	114.900	4.4	113.600	3.6
1986	108.300	3.4	107.400	0.5	107.800	1.9	109.100	2.3	110.100	1.5	109.600	1.9
1985	104.700	1.9	106.900	2.9	105.800	2.4	106.600	3.6	108.500	3.4	107.600	3.6
1984	102.700		103.900		103.300	4.1	102.900		104.900		103.900	4.3
1983					99.200	1.8					99.600	3.2
1982					97.400	5.4					96.500	6.2
1981					92.400	8.1					90.900	10.3
1980					85.500	10.2					82.400	13.5
1979					77.600	10.5					72.600	11.3

used to calculate previous year mill rate

U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
 Western Information Office, 90 7th St., Suite 14-100, San Francisco, CA 94103
 Information Staff (415) 625-2270 / Fax (415) 625-2351

URBAN ALASKA
 Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

This page is no longer being updated.
 Due to the 2018 CPI Geographic Revision the Urban Alaska CPI is now published bi-monthly.
 Bi-monthly data, as well as semi-annual and annual averages, can now be accessed at:
https://www.bls.gov/regions/west/data/cpi_tables.pdf

YEAR	SEMI-ANNUAL AVERAGE		ANNUAL AVERAGE	OVER-THE-YEAR PERCENT CHANGE		
	1st Half	2nd Half		1st Half	2nd Half	ANNUAL AVERAGE
1995	138.2	139.5	138.9	2.9	2.7	2.9
1996	141.8	143.7	142.7	2.6	3.0	2.7
1997	144.1	145.4	144.8	1.6	1.2	1.5
1998	146.7	147.0	146.9	1.8	1.1	1.5
1999	148.6	148.3	148.4	1.3	0.9	1.0
2000	150.0	151.9	150.9	0.9	2.4	1.7
2001	154.4	156.0	155.2	2.9	2.7	2.8
2002	157.5	159.0	158.2	2.0	1.9	1.9
2003	161.1	163.9	162.5	2.3	3.1	2.7
2004	165.6	167.8	166.7	2.8	2.4	2.6
2005	169.6	174.1	171.8	2.4	3.8	3.1
2006	176.7	177.9	177.3	4.2	2.2	3.2
2007	179.394	183.080	181.237	1.5	2.9	2.2
2008	187.659	191.335	189.497	4.6	4.5	4.6
2009	190.032	193.456	191.744	1.3	1.1	1.2
2010	194.834	195.455	195.144	2.5	1.0	1.8
2011	200.278	202.576	201.427	2.8	3.6	3.2
2012	205.215	206.617	205.916	2.5	2.0	2.2
2013	210.853	213.910	212.381	2.7	3.5	3.1
2014	214.777	216.833	215.805	1.9	1.4	1.6
2015	217.111	216.706	216.909	1.1	-0.1	0.5
2016	216.999	218.660	217.830	-0.1	0.9	0.4
2017	218.616	219.131	218.873	0.7	0.2	0.5
2018	223.099	227.992	225.545	2.1	4.0	3.0

Table of over-the-year percent increases. An entry for 2ndHalf 2005 indicates the percentage increase from 2ndHalf 2004 to 2ndHalf 2005 (in this example 3.8 percent).