

Department of Commerce, Community, and Economic Development
DIVISION OF COMMUNITY AND REGIONAL
AFFAIRS

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OFFICE OF THE STATE ASSESSOR

Alaska Sales Tax Information

The State of Alaska does not levy a sales tax; there are, however, several municipal governments that do. Therefore, if you are a business entity subject to sales taxes within the state, you will need to contact the local municipal government for their particular sales tax regulations and forms. You can access this local contact information through the Division of Community and Regional Affairs [Research and Analysis Section](#).

The state constitution and other state laws give very broad authority to cities and boroughs in enacting a sales tax ordinance and determining what is taxable. There are very few non-taxable items (exemptions) required by state law. For information on what is not taxable, contact the municipality directly. There are some exemptions spelled out in state law; however, other than these, exemptions are a local issue.

A sales tax is not authorized unless an election is held on the issue and it is approved by a majority of the voters. At one time there was a limit on the maximum amount a municipality could charge for a sales tax, but that limit has been removed. State law also allows municipalities that levy a sales tax to levy a use tax, which is a tax levied on the storage, use, or consumption of goods in a municipality.

Frequently Asked Questions

Can I get the proper form from the state to file my sales tax with the local municipality?

No. In order to file your return, you must get the form from the municipality in which you conducted your business and owe the tax.

Do I have to pay a use tax on goods that I have already paid a sales tax on?

Not necessarily. State law requires that if you furnish proof to the municipality that you have paid a sales tax on the item, you will only have to pay for the difference in the amount of the sales tax paid and the use tax, if there is a difference.

Where can I get a listing of all municipalities that levy a sales tax?

[Alaska Taxable](#) is a yearly publication that lists all municipalities and the types of tax each levies. Alaska Taxable also lists the amount of taxes collected by each of these municipalities. The information in Alaska Taxable is "dated," meaning that it reflects values as of January 1 of the prior year.

Can I be charged a sales tax by both the city and the borough?

It is possible. State law allows both cities and boroughs to levy a sales tax. In many boroughs that levy a sales tax, it is not unusual for a city within that borough to also levy a tax. Please refer to Alaska Taxable, [Table 2-Boroughs](#) or [Table 2-Cities](#) as a reference guide on local sales tax levies. ([AS 29.45.650](#) and [AS 29.45.700](#)).

What is a use tax and how does it work?

A use tax is a tax that is levied on goods that are bought outside the taxing authority's jurisdiction and then brought into the jurisdiction. This tax is designed to discourage the purchase of products that are not subject to a sales tax. By state law, this tax may be levied on the storage, use, or consumption of goods in the borough/city. The use tax must equal the sales tax rate and is levied only on buyers ([AS 29.45.650\(b\)](#)).

Applicable Laws:

State of Alaska Constitution:

Article IX, Section 1 - taxing power, prohibitions

Article IX, Section 2 - non-discrimination in tax rate

Article IX, Section 3 - assessment standards, prescribed by law

Article IX, Section 4 - exemptions, authority to prescribe additional exemptions by law

Article IX, Section 5 - government property, taxability of private use of otherwise exempt property

Article X, Section 1 - provision for maximum local self government and non-duplication of taxing jurisdictions

Article X, Section 2 - dedication of taxing powers to boroughs and cities only

State Statutes:

AS 29.10.200 - Limitation on home rule powers, taxation, assessment, collections, exemptions

AS 29.25.010 - Acts required to be by ordinance, levy taxes, establish penalty

AS 29.35.010 - General powers and duties of municipality, authorization to levy tax and enforce tax law

AS 29.45.020 - Taxpayer notice, format, delivery

AS 29.45.030 - Taxable property and mandatory exemptions, application for exemption, ordinance establishing procedures and deadlines, waiver for late application, state reimbursement for exemptions, definitions

AS 29.45.040 - Property tax equivalency payments, application process

AS 29.45.046 - River habitat protection credit, eligibility, calculation method, exemptions

AS 29.45.050 - Optional exemptions, ordinance ratification, mandatory cap on exemptions, home-rule provisions

AS 29.45.055 - Levy of flat tax on personal property exempted from ad valorem tax

AS 29.45.060 - Farm or agricultural land

AS 29.45.062 - Land subject to a conversation easement

AS 29.45.065 - Assessment of private airports open for public use.

AS 29.45.070 - Mobile homes, classification

AS 29.45.080 - Tax on oil and gas production and pipeline property, Department of Revenue valuation

AS 29.45.090 - Tax Limitation and mill rate equity

AS 29.45.100 - No limitation to pay for bonds

AS 29.45.103 - Taxation records, availability

AS 29.45.105 - Errors in taxation procedures, state assessor notice, appeal

AS 29.45.110 - Full and true value, assessment date, low income housing credit valuation and exemption

AS 29.45.120 - Returns

AS 29.45.130 - Independent investigations

AS 29.45.140 - Violations; authorization to prescribe penalties by ordinance

AS 29.45.150 - Reevaluation

AS 29.45.160 - Assessment roll

AS 29.35.170 - Assessment and collection of tax, borough collection of city tax

AS 29.45.180 - Corrections

AS 29.45.190 - Appeal

AS 29.45.200 - Board of Equalization

AS 29.45.210 - Hearing

AS 29.45.220 - Supplementary assessment rolls

AS 29.45.230 - Tax adjustments on property affected by a natural disaster

AS 29.45.240 - Establishment of levy and determination of rate

AS 29.45.250 - Rates of penalty and interest

AS 29.45.550 - Cities outside boroughs

AS 29.45.560 - Cities inside boroughs

AS 29.45.580 - Differential tax zones

AS 29.45.590 - Limited property taxing power for second class cities

AS 29.45.600 - Combining property tax with incorporation of a second class city

AS 29.45.650 - Borough sales and use taxes, exemptions by ordinance, interest on delinquent sales tax - limitations, liens, lien priority, mandatory exemptions

AS 29.45.670 - Notice of tax, publication period, revenue sharing requirement

AS 29.45.670 - Referendum, adoption and modification

AS 29.45.680 - Combining sales and use tax with incorporation of a borough, incorporation subject to passage of tax

AS 29.45.700 - City sales and use tax, power of levy, borough levy, borough ordinance authorizing levy of tax, mandatory exemptions,

AS 29.45.710 - Combining sales and use tax with incorporation of a second class city, incorporation subject to passage of tax

AS 29.45.800-810 - Stranded gas development contract, exemption

AS 29.60.010 - State revenue sharing tax equalization formula

AS 29.60.080 - Definitions

AS 29.45.010 - Authority to levy a property tax, areawide, non-areawide, service area, home rule, first class second class

AS 29.60.010 - State revenue sharing tax equalization formula

AS 29.60.080 - Definitions

AS 43.56.010 - Levy of municipal tax on oil and gas exploration, production, and pipeline property, limitation on tax assessment rate

AS 43.56.020 - Exemptions on levy of municipal tax on oil and gas exploration, production, and pipeline property

AS 43.56.030 - Tax in lieu of

AS 43.56.040 - State assessment review board

AS 43.56.060 - Commerce assessment of oil and gas and pipeline property subject to taxation

AS 43.82.210 - Payment in lieu of taxes on stranded gas development projects

Regulations:

3 AAC 131.010-020 - certification and notification of population for oil & gas property tax limitations, alternate population determination methods

3 AAC 131.030 - definitions

3 AAC 135.010-085 - senior citizen and disabled veteran exemptions, method of application and forms, deadlines and calculations, eligibility of spouse

3 AAC 135.095 - effect of exemption on other legal encumbrances

3 AAC 135.110 - appeal

3 AAC 135.120 - definitions

3 AAC 136.010-045 - senior citizen and disabled veteran property tax equivalency payment forms, rent verification, eligibility, eligible costs, age verification, veteran's disability verification, computation of payment

3 AAC 136.060 - definitions

3 AAC 138.010 - 020 farm and agricultural land assessment and deferment application forms, income verification

3 AAC 138.030 - appeal

3 AAC 138.040-050 - municipal maintenance of agricultural land records, confidentiality

3 AAC 138.060 - definitions

3 AAC 139.010 - state assessor review of written complaint, review of municipal records

3 AAC 139.020 - state assessor notification of error

3 AAC 139.030 - appeal of state assessor's determination

3 AAC 139.900 - definitions

15 AAC 56.005-010 - oil and gas exploration production and pipeline property tax, filing property statement with state, notice of assessment, municipal notification

15 AAC 56.015-045 - standing to appeal, appeal to state, appeal to assessment review board, assessment review board hearing, supplementary assessments

15 AAC 56.050-065 - credit and refund of oil & gas property tax, payment due date,

15 AAC 56.070 - average per capita full and true value determination and notification

15 AAC 56.075-110 - taxable oil & gas property, exploration, production, pipeline property

15 AAC 56.120 - intangible drilling expenses

15 AAC 56.130 - preservation of municipal powers

Mission Statement

Helping Alaska's communities build sustainable economies and a means of self-governance.

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