

Taxation and Assessment

Property Tax in Alaska

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Alaska is the only state in the United States where a large part of the land mass is not subject to a property tax. Although property tax is the primary method of raising revenues for most of the larger municipalities in the state, smaller municipalities favor a sales tax. This is due primarily to the fact that the smaller incorporated areas lack a tax base large enough to support the property tax. The unincorporated areas of the state do not have the legal authority to levy a tax.

(See the LOGON sections [Overview of Government in Alaska](#) and [Municipal Government Structure](#) for discussion of incorporated and unincorporated areas of the state.)

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What cities or boroughs levy a property tax?

Twelve of the sixteen organized boroughs levy a property tax. Only thirteen cities outside of organized boroughs levy a property tax. These twenty-five municipalities can be found on the [Directory of Taxing Jurisdictions](#).

Are both real and personal property taxable in Alaska?

Yes. AS [29.45.010](#) allows for the assessment and taxation of both real and personal property. There are several municipalities that have chosen to exempt some or all categories of personal property. For a listing of those municipalities and categories, see the "[Alaska Taxable](#)."

Can the tax rates be less in a borough for outlying, remote areas?

No. Under AS [29.45.090](#), property upon which a tax is levied is taxed at the same rate for the year throughout the municipality. This excludes service area rates since they are unique to each service area.

How is the mill rate or tax levy calculated?

The governing body (city council, or the borough assembly) determines the budget requirements for a municipality and identifies all revenue sources. After all other revenue sources are identified and the budgeted amount is reduced by that amount, the residual is the amount required to be raised by the property tax. That amount is then divided by the total assessed value and the result is identified as a "mill rate". A "mill" is 1/1000 of a dollar, so the mill rate simply states the amount of tax to be charged per \$1,000 of assessed value. For example, a mill rate of 18.5 mills equates to \$18.50 of tax per \$1,000 of assessed value. Under this scenario, a property assessed at \$100,000 would have a

tax liability of \$1,850 annually.

May I appeal the tax rate I have to pay?

You may not appeal the mill rate you have to pay. An appeal is limited to only the assessed value and the only grounds for an appeal is proof of unequal, excessive, improper or under-valuation. The tax is simply a matter of a mathematical calculation of the mill rate and the assessed value. Neither the assessor nor the Board of Equalization has the authority to set or reduce the tax rate, as that is set at the governing body level. The time to argue the tax rate is at the city/assembly budget hearings.

Note: for information on appealing an assessment, see the LOGON section on [Property Tax Assessment](#).

Is there a cap on the amount of property taxes that a municipality may levy?

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For those areas that do have a property tax, it must be assessed and taxed as authorized by AS [29.45.010](#) - .600. All property is taxable unless specifically exempted by law. Property exempt from taxation includes property owned by local, state, and federal governments, except that a private leasehold, contract, or other interest in that property, including the use of that property by an individual, company, or corporation, is taxable to the extent of that interest. Municipalities are given wide latitude to exempt all or some categories of personal property. (See the LOGON section on [Property Tax Exemptions](#) for additional information on exemptions.)

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Publications

Department of Commerce, Community, and Economic Development, Office of the State Assessor, [Alaska Taxable](#)

Websites

- Department of Community and Economic Development, [Office of the State Assessor](#)
- Alaska Legislature "Folio Infobase" - [Current Alaska Statutes](#)
- Alaska Legislature "Folio Infobase" - [Alaska Administrative Code](#)
- Alaska [Department of Law](#)

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State of Alaska Constitution

- 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
- 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 IX, Section 6 - public purpose use of tax revenue
- Article X, Section 1 - provision for maximum local self government and non-duplication of taxing jurisdictions

Alaska Statutes

- AS 14.17.510 (see [Current Alaska Statutes](#)) - assistance to school districts and municipalities in determining full and true value
- 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 [29.25.030](#) - prohibition against levying taxes by emergency ordinance
- AS [29.35.010](#) - General powers and duties of municipality, authorization to levy tax, enforce ordinances

- AS 29.35.170 - Assessment and collection of tax, borough collection of city tax
- AS 29.45.010 - Authority to levy a property tax, areawide, nonareawide, service area, home rule, first class second class
- 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 conservation easement
- AS 29.45.065 - Assessment of private airports open for public use.
- AS 29.45.070 - Mobil homes, classification
- AS 29.45.080 - Tax on oil and gas production and pipeline property, DOR 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 29.45.170 - Assessment notice
- 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, sworn statement, notice, equalization hearing, deadline for determining rate and mailing statements
- AS 29.45.240 - Establishment of levy and determination of rate, ordinance and resolution requirement
- AS 29.45.250 - Rates of penalty and interest, limitation on rate, interest accrual
- 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 29.60.010 - State revenue sharing tax equalization formula
- AS 29.60.080 - Definitions
- AS 44.33.020(17) (see [Current Alaska Statutes](#)) - Commerce assistance on valuation, assessment, and taxation; notification of errors
- 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 - taxes levied are in place 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 56.00-.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

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