



## Frequently Asked Questions - Senior Sales Tax Changes

On September 21, 2015 the CBJ Assembly adopted ordinance 2015-41(b) which narrows the scope of the CBJ Senior Sales Tax Exemption and provides for a Low-Income Rebate for qualifying senior citizens. Below are some common questions and answers to those questions. Of course, you are welcome to contact the CBJ Sales Tax office with any other questions and concerns you might have.

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Q-1. What items / services will seniors be able to purchase tax exempt?

A. The following purchases can be exempted using your CBJ Senior Sales Tax exemption card:

- Food – Food as defined by the Federal Food Stamp / “SNAP” program can be exempted from sales tax for seniors. Food is defined as any food or food product for home consumption.
- Electricity – The electricity bill at your primary residence can be exempted from sales tax for seniors.
- Heating Fuel – This includes heating oil, propane, wood pellets (only heating pellets), wood and kerosene purchased by the senior for the purpose of heating their primary residence.
- CBJ Water Utilities – City water and wastewater service at your primary residence can be exempted from sales tax for seniors.
- Garbage Collection / Landfill – Curbside garbage / recycling collection at your primary residence and charges for the senior’s personal use of the landfill can be exempted from sales tax for seniors.

For a more detailed list of what will be taxed and what will be exempt, see the table on the third page of this document.

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Q-2. Am I losing my CBJ Sales tax exemption because of these changes? Or will I have to get a new card?

A. No, you are not losing your sales tax exemption. The exemption is only being limited for some seniors. If you have a senior exemption card # that begins with **SNR**, you will still be able to use your card for certain essential purchases. No new card will be required.

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Q-3. Why did seniors have to get new exemption cards in June 2015?

A. New cards were issued in June for multiple reasons, but primarily to narrow the exemption to Juneau residents only. We also were able to clean up our records and get updated contact info and mailing addresses for all current senior exemption card-holders.

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Q-4. What is the Needs-Based Sales Tax Rebate Program? Do eligible seniors have to get a second card?

A. Qualifying seniors will be able to apply for a rebate of sales tax paid on non-exempt purchases. In order to

qualify, a senior must:

- Apply by June 30,
  - Be issued a senior citizen tax exemption card prior to June 30,
  - And have an income level not exceeding 250% of the US Federal Poverty Guidelines for the State of Alaska.
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Q-5. How do I apply for the rebate?

A. An application form will be made available for the senior and their spouse. Proof of income such as a Federal Income tax return from the prior year must be submitted. The application and proof of income must be submitted by June 30. You will need to reapply for the rebate each year you are eligible.

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Q-6. Will my income information and SSN# be kept secure?

A. Yes. The Sales tax office handles confidential information securely every day. Your personal information will not be shared and will be kept safe. Rebate applications & income tax returns will be stored in a locked cabinet, then stored electronically after being processed. SSN#s on the income tax returns will be blacked out as they are not needed.

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Q-7. How will merchants be affected?

A. With these changes, the huge majority of merchants will no longer need to worry about documenting senior exempt transactions. It is estimated that only about 20 merchants out of 4,000+ will be selling “essential” items.

Each merchant selling “essential” items will be provided educational information on the senior exemption changes by CBJ Sales Tax and worked with to ensure their understanding and compliance with the changes.

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Q-8. Will the public be notified of these changes? How?

A. Yes. The Sales Tax office is preparing detailed written information and guidance for both the senior population and CBJ Merchants.

Each senior citizen who has been issued a tax exempt card will be sent a letter outlining the new rules in detail. We are anticipating these letters will be sent early November 2015. Affected merchants will also be sent industry specific guidance on the changes.

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Q-9. When will these changes become effective?

A. Both the “essential items” piece and the “Needs-Based” rebate piece will become effective **January 1, 2016**. For the rest of 2015, your exemption card can be used on all purchases for your own use and consumption.

**City & Borough of Juneau**  
**Finance Department-Sales Tax Division**  
 November 2015

A list of commonly purchased goods and services purchased by CBJ citizens.

| <b>Commonly Purchased<br/>Items / Services</b> | <b>Exempt Purchases</b>           |                                   | <b>Taxable Purchases</b>                                       |
|--|-----------------------------------|-----------------------------------|--|
| <i>This list is not all-inclusive</i>          | <i>Exempt to<br/>all Citizens</i> | <i>Exempt to<br/>Seniors Only</i> | <i>Sales Tax paid at time of<br/>purchase by all Citizens*</i> |
| Accounting Services                            |                                   |                                   | X  |
| Alcoholic Beverages                            |                                   |                                   | X  |
| Arts / Crafts / Hobby Supplies                 |                                   |                                   | X  |
| Boats / Marine Repair                          |                                   |                                   | X  |
| Cable / Satellite TV                           |                                   |                                   | X  |
| Catering Services                              |                                   |                                   | X  |
| CBJ Water / Sewer utilities                    |                                   | X                                 |  |
| Cell Phone / Landline                          |                                   |                                   | X  |
| Clothing                                       |                                   |                                   | X  |
| Curbside Garbage Collection                    |                                   | X                                 |  |
| Curbside Recycling Collection                  |                                   | X                                 |  |
| Electricity-Commercial                         |                                   |                                   | X  |
| Electricity-Residential                        |                                   | X                                 |  |
| Electronics                                    |                                   |                                   | X  |
| Gasoline / Auto Fuel                           |                                   |                                   | X  |
| Grocery Food                                   |                                   | X                                 |  |
| Home Heating Oil / Heating Fuel                |                                   | X                                 |  |
| Home Maintenance / Repair                      |                                   |                                   | X  |
| Hotel / Motel                                  |                                   |                                   | X  |
| Housing / Rent                                 | X                                 |                                   |  |
| Internet Service                               |                                   |                                   | X  |
| Landfill Charges                               |                                   | X                                 |  |
| Legal Services                                 |                                   |                                   | X  |
| Marine Fuel                                    |                                   |                                   | X  |
| Medical Services                               | X                                 |                                   |  |
| Moorage Fees / Launch permits                  |                                   |                                   | X  |
| Paper products                                 |                                   |                                   | X  |
| Prescriptions                                  | X                                 |                                   |  |
| Recreational Activities                        |                                   |                                   | X  |
| Restaurant Meals / Hot Foods                   |                                   |                                   | X  |
| Salon / Barbershop charges                     |                                   |                                   | X  |
| Sporting Goods                                 |                                   |                                   | X  |
| Tobacco Products                               |                                   |                                   | X  |
| Travel – Airfare, Ferry Service                | X                                 |                                   |  |
| Vehicles / Auto Repair                         |                                   |                                   | X  |