ATTACHMENT D:
Call For Written Suggestions & Comments
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The Assembly Finance Committee has asked our task force on the senior sales tax exemption to address two difficult questions:

- If the senior tax exemption must be eliminated, what approach should the assembly take in doing that?
- What alternative programs or policies should the assembly consider for seniors if the exemption is eliminated?

Attached to this page is a list of possible options to eliminate the Senior Sales Tax Exemption. The Senior Sales Tax Exemption Committee has been charged with developing an option to eliminate the Senior Sales Tax Exemption for the Assembly to consider. Please review the options and submit your suggestion for a senior sales tax exemption elimination option in writing to the

Senior Sales Tax Exemption Task Force
C/O City Clerk
City and Borough of Juneau
155 S. Seward Street
Juneau, Alaska 99801

Please submit your proposed option for committee review no later than March 10, 2006.
Draft Senior Sales Tax Exemption Elimination Options

1. Eliminate the tax beginning at a certain date such as January 1, 2007 and grandfather in current recipients as of that date and allow no one else to enter after that date. Seniors would have to refile for the exemption every three years.

2. Eliminate the tax beginning at a certain date such as January 1, 2008 and grandfather in current recipients as of that date and allow no one else to enter after that date.

3. If the tax is eliminated but current recipients grandfathered in then still allow those that move to Juneau and age qualify to apply for exemption.

4. Adopt a means test for recipients to limit the exemption to those who are really in need of it. Criteria that could be used are: Federal poverty rate guidelines or the Alaska Pioneer Home payment assistance program.

5. Change the basis of the program to a rebate program. Put the burden on the recipient rather than businesses who currently have to file paperwork on purchases by recipients. The recipients who qualify under the income criteria could apply for a rebate with the CBJ. Example with the $250.00 per year rebate: based on current sales tax exemption of $1.2 million a year and giving this deduction to 2000 seniors ($500,000) there would be a savings of $700,000 a year in lost revenue; 2500 seniors ($625,000) savings of ($575,000).

6. CBJ to pay each senior a Juneau Longevity Bonus of $250.00 per month to those 65 years of age and older and qualify. Eliminate senior sales tax exemption completely.
7. Take away the sales tax exemption for all Non Juneau Residents.

8. Take away the sales tax exemption on restaurant, fast food, hotel and lodging purchases for everyone.

9. For new persons applying for the sales tax exemption they must have lived in Juneau for one year (prior to requesting a tax exempt card) and this must be their principal residence.

10. CBJ to pay Seniors:
    
    • $250 per month if per-Senior net income under $1,000 per month,
    
    • $200 per month if income between $1001 and $1500 per month,
    
    • $150 per month if income between $1501 and $2000 per month
    
    • $100 per month if income between $2001 and $2500 per month, and $25 per month if income $2501 or above.
    
    • but only for the months actually in Juneau at least 20 days.

11. Any change must not disadvantage the 50-65 age group, as compared to the 65+ age group.

12. CBJ to pass its own minimum wage law, starting at $12.00 per hour. The reason: this will help mostly non-Seniors, as more non-Seniors than Seniors are now working and because of claims that non-Seniors cannot find affordable housing in Juneau (as a reason for phasing out Senior Sales Tax exemption. On “equity” grounds).
13. Place the exemption into an appropriation, i.e., divide the projected exemption by the number of seniors and appropriate them $541 (or whatever the amount is per capita each year from the CBJ general fund). This would transparently balance money paid to seniors vs. other budget items.

14. Eliminate the sales tax exemption for seniors and eliminate the sales tax on food for everyone.

Do you support elimination of the Senior Sales Tax Exemption?

Yes

No