

Memorandum



To: Stephen Giesbrecht, Assembly Manager
CC: Kathy 'Rear, Borough Clerk - Assembly packet dated 7/7/14
From: Jody Tow, Finance Director
Date: 7/2/2014
Re: Tobacco Excise Tax

After the review of several Alaskan municipal tobacco excise tax ordinances there seems to be a state standard in that there is a separate excise tax on cigarettes from tobacco. At the last assembly meeting there was a discussion of issuing a \$2/pack tax on cigarettes and 45% on the wholesale price of all other tobacco products. This is what went into the final draft of the Petersburg Borough's tobacco tax ordinance. For reference I have included other municipal tobacco tax rates.

Municipality	Cigarettes	Tobacco
Juneau	100 cents/pack = \$1/pack	45% wholesale price
Sitka	50 mills/cigarette = .05 cents/cigarette = \$1/pack*	45% wholesale price
Mat-Su Borough	110 mills/cigarette = .11/cigarette = \$2.20 /pack*	55% wholesale price
Anchorage	110 mills/cigarette = .11/cigarette = \$2.20 /pack*	55% wholesale price
Fairbanks	8% of wholesale price	

*Assuming pack contains 20 cigarettes