

City & Borough of Juneau
Assembly Finance Committee Meeting
7/30/2015

Estimated Financial Results for Senior Sales Tax Exemption Phase II Changes

1 All Seniors would be exempt on essentials (food, electricity and heating fuel & CBJ Utilities).

Current Senior Exempted Sales Tax (reported by CBJ merchants)	\$2,800,000
Current Senior Sales Tax on CBJ Water/Sewer (tracked internally)	105,000
Less Sales tax to be Paid by Non-Juneau residents	<u>(200,000)</u>
Total Current Senior Sales tax Exempted	\$2,705,000
Cost of Exempting Senior Food Purchases	550,000
Cost of Exempting Senior Residential Electricity	130,000
Cost of Exempting Senior Heating Fuel	240,000
Cost of Exempting City Water / Sewer Fees	<u>105,000</u>
Total Cost from Exempting Essentials for Seniors	<u>1,025,000</u>
Est. Revenue Gain from Limiting Senior Exemption to Essentials	<u><u>\$1,680,000</u></u>

Implement Needs-Based Senior Exemption @ 250% of Federal Poverty

2 Household Income Level

Net Revenue Gain from Limiting Senior Exemption to Essentials	1,680,000
Cost to Implement Needs Based Senior Exemption @ 250% Poverty	<u>(640,000)</u>
Estimated Revenue Gain After Establishing Needs-based Program	<u><u>\$1,040,000</u></u>