

ESTIMATED IMPACT OF 5%/6% SEASONAL RATE AND FOOD EXEMPTION

Analysis of Variable Impact on Visitors and Resident Households

Prepared by Jeff Rogers, Finance Director, City and Borough of Juneau

		All Payers		
		Food	Non-Food	Subtotal
Gross Sales	Q1	\$ 26,464,871	\$ 152,969,433	\$ 179,434,304
	Q2	\$ 30,430,917	\$ 246,887,275	\$ 277,318,192
	Q3	\$ 31,973,141	\$ 307,130,112	\$ 339,103,253
	Q4	\$ 31,951,619	\$ 172,192,633	\$ 204,144,251
	Total	\$ 120,820,548	\$ 879,179,452	\$ 1,000,000,000

Variables	
% of Annual Sales to Visitors	18%
% of Visitors Sales on Food	5%
Assumptions	
Resident Households	12,273
Summer Visitors	1,300,000
Juneau/BLS Adjustment (Food)	208.8%
Juneau/BLS Adjustment (Other)	190.9%

		Residents			Visitors			All Payers
		Food	Non-Food	Subtotal	Food	Non-Food	Subtotal	Total
Gross Sales	Q1	\$ 26,464,871	\$ 152,969,433	\$ 179,434,304	\$ -	\$ -	\$ -	\$ 179,434,304
	Q2	\$ 26,420,238	\$ 170,684,389	\$ 197,104,627	\$ 4,010,678	\$ 76,202,887	\$ 80,213,565	\$ 277,318,192
	Q3	\$ 26,983,820	\$ 212,332,998	\$ 239,316,818	\$ 4,989,322	\$ 94,797,113	\$ 99,786,435	\$ 339,103,253
	Q4	\$ 31,951,619	\$ 172,192,633	\$ 204,144,251	\$ -	\$ -	\$ -	\$ 204,144,251
	Total	\$ 111,820,548	\$ 708,179,452	\$ 820,000,000	\$ 9,000,000	\$ 171,000,000	\$ 180,000,000	\$ 1,000,000,000

		Residents			Visitors			All Payers
		Food	Non-Food	Subtotal	Food	Non-Food	Subtotal	Total
Status Quo Tax Revenue	Q1	\$ 1,323,244	\$ 7,648,472	\$ 8,971,715	\$ -	\$ -	\$ -	\$ 8,971,715
	Q2	\$ 1,321,012	\$ 8,534,219	\$ 9,855,231	\$ 200,534	\$ 3,810,144	\$ 4,010,678	\$ 13,865,910
	Q3	\$ 1,349,191	\$ 10,616,650	\$ 11,965,841	\$ 249,466	\$ 4,739,856	\$ 4,989,322	\$ 16,955,163
	Q4	\$ 1,597,581	\$ 8,609,632	\$ 10,207,213	\$ -	\$ -	\$ -	\$ 10,207,213
	Total	\$ 5,591,027	\$ 35,408,973	\$ 41,000,000	\$ 450,000	\$ 8,550,000	\$ 9,000,000	\$ 50,000,000

		Residents			Visitors			All Payers
		Food	Non-Food	Subtotal	Food	Non-Food	Subtotal	Total
Tax Revenue with 5%/6% Rate and Food Exemption	Q1	\$ -	\$ 7,648,472	\$ 7,648,472	\$ -	\$ -	\$ -	\$ 7,648,472
	Q2	\$ -	\$ 10,241,063	\$ 10,241,063	\$ -	\$ 4,572,173	\$ 4,572,173	\$ 14,813,237
	Q3	\$ -	\$ 12,739,980	\$ 12,739,980	\$ -	\$ 5,687,827	\$ 5,687,827	\$ 18,427,807
	Q4	\$ -	\$ 8,609,632	\$ 8,609,632	\$ -	\$ -	\$ -	\$ 8,609,632
	Total	\$ -	\$ 39,239,146	\$ 39,239,146	\$ -	\$ 10,260,000	\$ 10,260,000	\$ 49,499,146

Annual Sales Tax Savings for Residents	\$ 1,760,854	Annual Sales Tax Increase on Visitors	\$ 1,260,000
Annual Sales Tax Savings per Resident Household	\$ 143.47	Additional Sales Tax Cost per Visitor	\$ 0.97

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National BLS Data (2017)	Income Level					
	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile	All Households
Annual Household Income	\$ 11,394	\$ 29,821	\$ 52,431	\$ 86,363	\$ 188,103	\$ 73,573
Annual Household Expenditures	\$ 26,019	\$ 39,300	\$ 50,470	\$ 67,604	\$ 116,988	\$ 60,060
Amount Spent on Food at Home	\$ 2,582	\$ 3,622	\$ 4,038	\$ 4,893	\$ 6,677	\$ 4,363
Amount Spent on Other Taxable Items	\$ 13,316	\$ 19,891	\$ 25,730	\$ 33,732	\$ 58,511	\$ 30,230

National BLS Data Adjusted to Juneau Tax Data	Income Level					
	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile	All Households
Annual Household Income	\$ 22,771	\$ 62,274	\$ 109,490	\$ 180,349	\$ 392,809	\$ 153,640
Annual Household Expenditures	\$ 51,999	\$ 82,069	\$ 105,395	\$ 141,175	\$ 244,302	\$ 125,421
Amount Spent on Food at Home	\$ 5,392	\$ 7,564	\$ 8,432	\$ 10,218	\$ 13,943	\$ 9,111
Amount Spent on Other Taxable Items	\$ 25,417	\$ 37,967	\$ 49,113	\$ 64,387	\$ 111,684	\$ 57,702

Status Quo Tax Program	Income Level					
	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile	All Households
Sales Tax paid on Food for Home	\$ 269.60	\$ 378.18	\$ 421.62	\$ 510.89	\$ 697.17	\$ 455.56
Sales Tax Paid on Other Taxable Items	\$ 1,270.86	\$ 1,898.37	\$ 2,455.64	\$ 3,219.34	\$ 5,584.21	\$ 2,885.11
Total Sales Tax Paid	\$ 1,540.46	\$ 2,276.56	\$ 2,877.26	\$ 3,730.23	\$ 6,281.38	\$ 3,340.67
Sales Tax Paid as % of Resident Household Income	6.76%	3.66%	2.63%	2.07%	1.60%	2.17%
Sales Tax Paid as % of Resident Household Expenditure	2.96%	2.77%	2.73%	2.64%	2.57%	2.66%
Sales Tax Paid by Residents on Food for Home						\$ 5,591,027
Sales Tax Paid by Residents on Other Taxable Items						\$ 35,408,973
Total Sales Tax Paid by Residents						\$ 41,000,000

Tax Program with 5%/6% Rate and Food Exemption	Income Level					
	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile	All Households
Sales Tax paid on Food for Home	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax Paid on Other Taxable Items: Q1	\$ 274.51	\$ 410.06	\$ 530.43	\$ 695.39	\$ 1,206.21	\$ 623.19
Sales Tax Paid on Other Taxable Items: Q2	\$ 367.56	\$ 549.05	\$ 710.23	\$ 931.10	\$ 1,615.08	\$ 834.44
Sales Tax Paid on Other Taxable Items: Q3	\$ 457.25	\$ 683.02	\$ 883.53	\$ 1,158.30	\$ 2,009.17	\$ 1,038.05
Sales Tax Paid on Other Taxable Items: Q4	\$ 309.01	\$ 461.59	\$ 597.08	\$ 782.78	\$ 1,357.79	\$ 701.51
Total Sales Tax Paid	\$ 1,408.33	\$ 2,103.72	\$ 2,721.26	\$ 3,567.57	\$ 6,188.25	\$ 3,197.19
Sales Tax Paid as % of Resident Household Income	6.18%	3.38%	2.49%	1.98%	1.58%	2.08%
Sales Tax Paid as % of Resident Household Expenditure	2.71%	2.56%	2.58%	2.53%	2.53%	2.55%
Sales Tax Paid by Residents on Food for Home						\$ -
Sales Tax Paid by Residents on Other Taxable Items						\$ 39,239,146
Total Sales Tax Paid by Residents						\$ 39,239,146

Annual Savings from 5%/6% Rate and Food Exemption	Income Level					
	Lowest Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile	All Households
Annual Sales Tax Savings per Resident Household	\$ 132.13	\$ 172.84	\$ 156.00	\$ 162.66	\$ 93.13	\$ 143.47
Annual Savings as % of Resident Household Income	0.58%	0.28%	0.14%	0.09%	0.02%	0.09%
Annual Savings as % of Resident Household Expenditure	0.25%	0.21%	0.15%	0.12%	0.04%	0.11%
Total Annual Sales Tax Savings by Residents						\$ 1,760,854