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Proposition C: 1% Seasonal Sales Tax, Some Pros and Cons

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Citizen Initiative Petition Short Title: 1% Seasonal Sales Tax
There shall be levied and collected a tax equal to the percentage of the selling price on retail sales and rentals made and services performed within the City and Borough as follows:

> **"Within the entire City and Borough an additional one percent from April 1 to September 30."**

This initiative shall be effective 30 days after enactment. The revenue is intended, though not required, to be used for indoor and outdoor recreation within the City and Borough of Juneau.

Context: Juneau's Competitiveness
One of Juneau's main economic challenges is related to workforce and population: the community must attract and retain working-age adults and families. Juneau (or anywhere in Alaska) cannot realistically compete on low cost of living alone, but it can compete by pairing affordability measures with the high-quality amenities, public spaces, recreation, culture, and family supports that make people choose to build a life here.

Juneau's future sustainability and potential for growth depends on its ability to attract and retain working-age residents and families. Juneau has lost population since 2014, including substantial declines among children, young adults, and mid-career adults, while the population age 60 and older has increased. At the same time, 24.1% of Juneau's cumulative workforce lived outside Alaska in 2024, including 31% of private-sector workers.[1]

JEDC's research consistently identifies housing availability, housing cost, cost of living, childcare, and year-round employment as major obstacles to long-term residence.[2] But workers—especially those with partners or children—also identify gaps in youth activities, family-oriented recreation, affordable fitness and recreation, indoor activities, cultural opportunities, transportation, safety, and social connection as reasons to remain elsewhere.

JEDC is not taking a position FOR or AGAINST the citizen propositions B and C, but we are interested in sharing information so voters can make informed decisions. Below are some arguments and facts we have identified in support of and against Proposition C, a seasonal sales tax.

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[1] JEDC Economic Indicator Report
[2] JEDC 2025 Alaska State Legislative Satisfaction Survey; JEDC 2025 Juneau Nonresident Miners Satisfaction Survey; JEDC 2025 Seasonal Workforce Survey

We may add more information about the impacts of propositions or fact-based arguments for or against these propositions as we learn more from our own research or as we receive questions or feedback.

The Case For:

It captures substantial revenue from visitors rather than just residents.
Proposition C is projected to generate about $7.97 million annually, of which approximately $4.04 million, or 50.7%, would come from visitor spending during April–September. The added visitor cost is estimated at roughly $2.42 per cruise passenger.[3]

It increases municipal revenue while preserving food and utility tax relief.
Food and residential-utility sales-tax exemptions approved in 2025 were estimated to reduce annual CBJ sales-tax revenue by approximately $10 million annually. Proposition C would recover roughly 80% of that revenue loss.

It can fund amenities needed to retain young families and workers.
Juneau has lost population since 2014, with pronounced declines under 20, ages 20–39, and ages 40–59.[4] JEDC research finds that housing and cost of living are significant barriers, but that recreation, youth activities, childcare, family-oriented amenities, arts and culture, safety, accessible public spaces, and year-round quality of life also influence whether workers and families decide to settle permanently.

It creates a visible community dividend from the visitor economy.
Visitor activity creates peak-season demand on public facilities, infrastructure, transportation, emergency services, parks, trails, and downtown public spaces. Using seasonal visitor-economy revenue for indoor and outdoor recreation, parks, trails, youth facilities, maintenance, and public-space improvements could make the benefits of tourism more visible to residents and strengthen public acceptance of tourism. Approximately 50% of all sales tax generated from April through September is contributed by visitors to Juneau.

A seasonal summer rate is regionally normal and administratively manageable.
Proposition C would increase the rate from 5% to 6% from April through September. Sitka, Skagway, Craig, Haines Borough Townsite, and Ketchikan apply (mostly higher) seasonal rates.[5]

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[3] JEDC October 2026 Tax Proposal Analysis
[4] JEDC Economic Indicator Report
[5] Alaska Remote Seller Sales Tax Commission. (September 2026). Sales Tax Rate Sheet.

Businesses would make only two fixed annual point-of-sale changes, on April 1 and October 1; this is an established compliance practice in Alaska communities.

Seasonal sales-tax structures are established in multiple Alaska visitor communities. Available visitor-volume data do not demonstrate that these modest, predictable peak-season rate differentials have impaired tourism demand. JEDC has not found an Alaska study (or even a national study) that has isolated the independent effect of seasonal sales-tax rates on tourism spending or individual business performance.

The Case Against

It is a permanent tax increase for local residents.
Residents would pay nearly half of the new revenue—estimated at $3.93 million annually, or an average of approximately $299 per household over a year.[6] Although food and utility exemptions offset that average cost for many households, the actual burden varies, and households making major taxable purchases during summer could pay more.

Sales taxes can be regressive and summer is a high-expense season.
Sales taxes take a larger share of income from lower-income households because they apply to consumption. The April–September period coincides with construction, home repairs, moving, seasonal work, outdoor purchases, and other potentially large household expenses. Existing food and utility exemptions make sales tax less regressive (a regressive tax takes a larger share of income from lower income households).

It raises operating costs for local businesses and could marginally affect tourism and local spending.
Businesses will need to update point-of-sale systems, websites, invoices, payroll or accounting workflows, customer notices, and tax reporting processes twice each year. For small businesses and firms using manual systems, the burden may be modest but real. A higher tax can make taxable purchases more expensive and may slightly reduce discretionary spending, particularly for cost-sensitive independent travelers or local households. Available research suggests that Alaskan seasonal sales taxes shift a larger share of tax responsibility to visitors while preserving aggregate business activity.

The revenue is not legally dedicated to recreation.
Proposition C expresses an intent to support indoor and outdoor recreation. The Assembly retains

[6] JEDC October 2026 Tax Proposal Analysis

appropriation authority, so voters cannot be certain the additional $7.97 million will finance specific recreation projects rather than general municipal costs.

We may add more information about the impacts of propositions or fact-based arguments for or against these propositions as we learn more from our own research or as we receive questions or feedback. Reach out to us at media@JEDC.org