612 West Willoughby Avenue
Juneau, AK 99801
Phone: (907) 523-2300
Fax: (907) 463-3929
www.JEDC.org

JEDC Research Note: Analysis of Proposition C for October 2026 Juneau Municipal Election

September 14, 2026

Juneau Ballot Measures: Household and Revenue Implications

Two citizen ballot initiatives on the October 6, 2026, regular municipal election aim to restore revenue lost and provide the ability to raise future revenue changed by the October 2025 election results, which saw the food and utility sales-tax exemptions approved and the operational mill rate cap lowered to 9 mills.

This analysis uses 2025 sales-tax data, an estimated 13,167 Juneau households, a 2026 cruise passenger estimate of 1.669 million, and an average assessed residential property value of $484,618[1]. It assumes Proposition A[2] passes, and Juneau retains a 5% base sales tax year-round, consistent with historical voting patterns.

This analysis focuses specifically on Proposition C, as stated "Within the entire City and Borough an additional one percent from April 1 to September 30."[3] This proposal would implement a 1% seasonal tax, intended (though not required) to support indoor and outdoor recreation in Juneau.

Methodology

This analysis estimates the potential local and visitor shares of Proposition C's additional 1% seasonal sales tax, assuming Proposition A passes and the 5% base rate remains in place. Juneau's Q2–Q3 2020 sales-tax revenue—when visitor activity was exceptionally limited—is used as a proxy for resident taxable spending during the April–September seasonal-tax period. Those 2020 values were adjusted for inflation to 2025 dollars. Estimated visitor spending is the difference between total Q2–Q3 2025 sales-tax revenue and the inflation-adjusted resident benchmark. Total cruise passenger volume reported by Cruise Lines International Association Alaska is used as a proxy for total visitor volume when calculating the per-visitor estimate.

Food-tax exemptions were estimated using quarterly food sales-tax data provided by CBJ. Utility-tax exemptions were estimated using the Space Heating Fuel Comparison Calculator and published annual flat rates for local utility services. The model assumes a summer-winter energy use allocation of 40-60%, respectively. These estimated exemptions were subtracted from gross

---

[1] CBJ 2026 Assessor Database

[2] Proposition A as stated: "Shall the City and Borough of Juneau, Alaska, levy and collect a temporary 3% areawide sales tax on the price of all taxable sales of goods and delivered in the City and Borough, effective July 1, 2027, for a period of five years only, in addition to the 1% permanent areawide sales tax and the 1% temporary areawide sales tax?" Under the assumed Proposition A outcome, Juneau maintains a 5% sales tax in all four quarters. This tax structure generates approximately $58 million annually from taxable sales.

[3] CBJ. (2026). Official Ballot Regular Municipal Election.

taxable sales across industries to establish the post-exemption tax base, then divided across 13,167 Juneau households to calculate an average household impact. This is a communitywide average—not a flat household cost—and actual effects would vary by taxable spending, household size, and the household's food and utility exemption savings.

Proposition C: Seasonal 1% sales tax

Proposition C would add a 1% sales tax from April-September. Under the assumption that Proposition A maintains the 5% sales tax, Proposition C would increase the summer (April to September) rate from 5% to 6%, while leaving the winter (October to March) at 5%.

The case for the seasonal sales-tax increase is best framed in relation to last year's voter-approved exemptions for food and utilities. The CBJ estimated that those exemptions would have reduced annual sales tax revenue by approximately $11.7 million in 2025, however revenue loss due to exemptions is more likely to be around $10 million in 2026. The 1% seasonal tax would recover roughly 80% of that estimated revenue loss.

On its own, the additional 1% seasonal levy is projected to raise approximately $7.97 million annually. The cost of that new 1% levy is estimated to be distributed as follows:

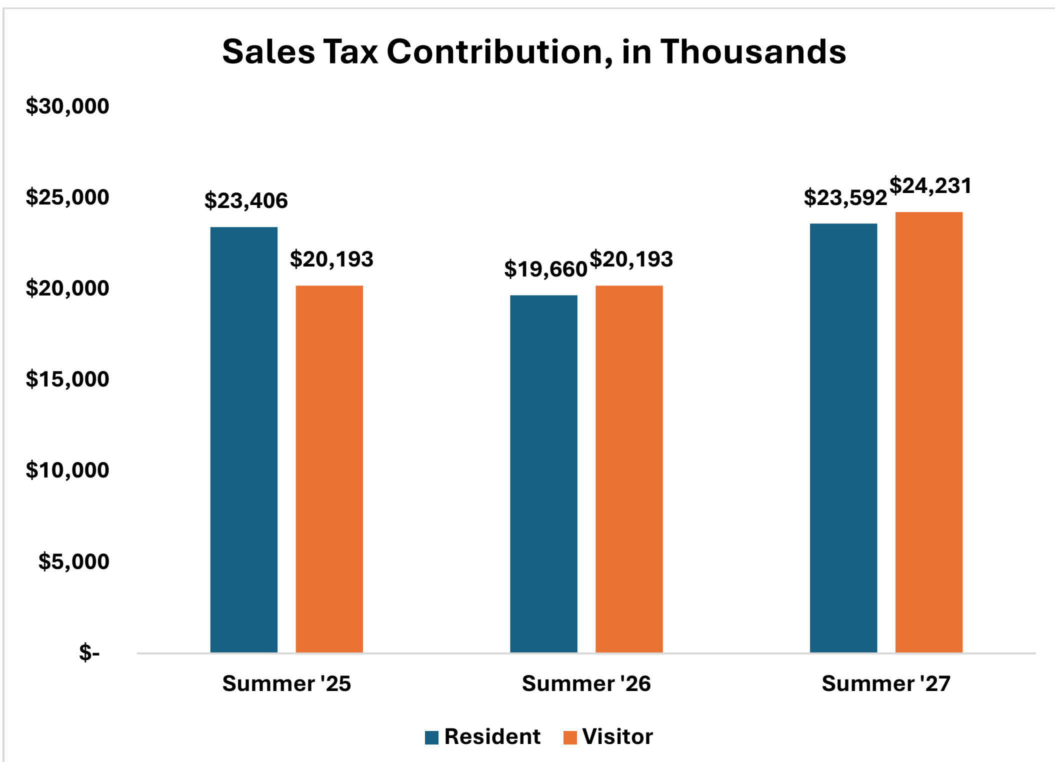
Measure	Annual amount
Total new seasonal sales-tax revenue	$7.97 million
Visitor share	$4.04 million
Local share	$3.93 million
Visitor share of new revenue	50.7%
Local share of new revenue	49.3%
Added local cost per household	$299 per year
Added visitor cost per cruise passenger	$2.42

The estimated $299 annual impact of the 1% seasonal sales tax is an aggregate measure of direct taxable spending. After factoring in the $759 per year Juneau households saved as a result of the food and utility exemptions enacted last year, the net average impact on Juneau households would be a savings of approximately $460 per year. Individual impacts would differ depending on household size, summer purchasing patterns, and the extent to which a household buys taxable goods and services during Q2 and Q3. Nevertheless, the seasonal tax would shift part of the cost of municipal services toward the visitors who use Juneau's infrastructure, transportation systems, public spaces, emergency services, and community amenities during peak months.

The central feature of Proposition C is that visitors would pay a slightly larger share of the new revenue than residents. Although local households remain contributors, the increase is targeted during the high-volume visitor season. Under the analysis, visitors would contribute roughly $4.04 million—more than half of the revenue produced by the new 1% seasonal levy.

Summer 2026 experienced a lower tax contribution from residents because of the exemptions passed in October 2025, however, the projected rates for Summer 2027 are nearly identical to what residents were paying before 2026, as seen in Figure 1. While the resident burden is about the same, visitor contribution increases significantly.

Figure 1: Comparison of Tax Burden 2024, 2025, and 2026 (potential), in Thousands[4]



[4] JEDC October 2026 Tax Proposal Analysis

Opposition to the seasonal sales tax, in part, claims that the burden placed on businesses and cashier complications would hinder the effectiveness, and cause consumer confusion.[5] According to Alaska Remote Seller Sales Tax Commission, multiple other locales in Alaska utilize a seasonal sales tax to benefit their communities, as seen in Figure 2.[6]

Figure 2: Seasonal Sales Tax Rates in Alaska (Date first implemented)

Seasonal Sales Tax Around Alaska	Rate	Dates Effective	Rate	Dates Effective
Chignik City	2.00%	May - Oct	0.00%	Nov - April
Craig City	7.00%	April - Sept	6.00%	Oct - March
Excursion Inlet	4.50%	April - Sept	2.50%	Oct - March
Haines Borough Townsite	7.00%	April - Sept	4.50%	Oct - March
Haines Rural	5.00%	April - Sept	3.00%	Oct - March
Seldovia City	9.50%	April - Sept	5.00%	Oct - March
Ketchikan, City	8.00%	April - Sept	5.50%	Oct - March
Pelican, City	6.00%	May - Sept	4.00%	Oct - April
Skagway, Municipality of**	5.00%	April - Sept	3.00%	Oct - March
Sitka, City and Borough	6.00%	April - Sept	5.00%	Oct - March

**The Municipality of Skagway declares October 1, 2026 – March 31, 2027 as a "Sales Tax Holiday" for retail sales, effectively making the sales tax rate during that period 0%.[7]

Proposition C does not fully replace the revenue foregone through the exemptions. It would, however, recover a substantial portion of it while collecting about 51% of the new revenue from visitors rather than Juneau households. Concerns that businesses will suffer with the seasonal sales tax do not seem to be supported by evidence from other communities with a seasonal sales tax.

In summary, sales tax is a regressive form of taxation, placing a greater proportional burden on low-income households. Food and utility exemptions are a common strategy to reduce this burden. Lower-income households also tend to spend a greater proportion of their incomes in the local economy in lieu of investing and saving, thereby benefitting local businesses downstream. The seasonal sales tax proposition would recover about 80% of CBJ revenue lost from these exemptions, with about half of that tax burden placed on visitors.

[5] Juneau Empire. (2025). "Juneau Chamber Opposes Proposition 3, Takes No Stance on Propositions 1 and 2"
[6] Alaska Remote Seller Sales Tax Commission. (September 2026). Sales Tax Rate Sheet.
[7] Municipality of Skagway. (2026). Resolution No. 26-23R