

# KENAI PENINSULA BOROUGH

## Kenai Peninsula Borough Assembly

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Dale Bagley, Assembly President  
Sue McClure, Vice President

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### MEMORANDUM

**TO:** Dale Bagley, Assembly President  
Kenai Peninsula Borough Assembly Members

**FROM:** Kelly Cooper, Assembly Member 

**DATE:** March 26, 2015

**RE:** Ordinance 2015- 09, An Ordinance Amending KPB 5.18.430, Computation-  
Maximum Tax, by Increasing the Maximum Amount of a Sale Subject to the Borough  
Sales Tax to \$1,000 with a Triennial Adjustment for Inflation, Subject to Voter  
Approval (Cooper)

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If enacted this ordinance would increase the \$500 cap on taxable sales to \$1,000. Additionally, it provides for a triennial adjustment for inflation and is subject to voter approval as required by KPB 5.18.430(F). The \$500 cap on taxable sales has been in place since 1965. The present value of \$500 in 1965 is \$3,056.73 according to the Anchorage inflation calculator and \$3,757.71 according to the national inflation calculator. This increase to \$1,000 does not come close to the value this cap had in 1965. The proposed adjustment for inflation every three years is intended to help keep this cap a little more consistent with inflation.

The current fiscal crisis at the state level will impact the borough's revenues. Even with cuts in services additional revenues will be needed to offset the gap between revenues and expenditures. I see this as a way to increase revenues to help close this gap. Your support would be appreciated.