

KENAI PENINSULA BOROUGH PROPOSITION SUMMARY

PROPOSITION NO. ____

ORDINANCE 2025-15: SEASONAL SALES TAX RATE CHANGE

(To be voted on by all borough voters)

Purpose:

Amends Kenai Peninsula Borough Code of Ordinances 5.18.110 to replace the current year-round 3% sales tax with a seasonal rate of 2% in the winter (October–March) and 4% in the summer (April–September).

Key Provisions:

1. Changes sales tax rate to be a seasonal rate:
The rate in the 1st and 4th quarters of the calendar year (October 1–March 31) will be 2%. The rate in the 2nd and 3rd quarters of the calendar year (April 1–September 30).
2. Implementation Date:
If approved by the voters at the October 7, 2025 election, Ordinance 2025-15 will be effective on April 1, 2026.

Fiscal Impact:

It is estimated that for most residents this change will result in a net-neutral change in the total annual sales tax paid. The seasonal sales tax rate is projected to generate approximately \$4 million in additional annual revenue from sales tax, primarily from increased visitor spending during peak months.

BALLOT LANGUAGE

As approved by the Assembly _____

Shall Ordinance 2025-15, amending the Kenai Peninsula Borough Code of Ordinances 5.18.100 to change the current 3% sales tax rate to a seasonal sales tax rate of 2% from October 1st through March 31st and 4% from April 1st through September 30th, be ratified?

YES *A “Yes” vote means you approve changing the sales tax rate to 2% from October 1st through March 31st and to 4% from April 1st through September 30th.*

NO *A “No” vote means you oppose changing the sales tax rate to 2% from October 1st through March 31st and to 4% from April 1st through September 30th.*