

Fiscal Note

Kenai Peninsula Borough Fiscal Year 2026	Ordinance/Resolution: Fiscal Note Number: Publish Date:	Ordinance 2026-20 2025-001 4/9/2026
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Title: Increasing the sales tax cap from \$500 to \$1,000, and exempting residential rentals in excess of 30 days from sales tax. **EFFECTIVE 1/1/2027-3/31/2027**

Department: Assembly

Sponsor(s): Assemblymembers Ecklund and Dunne

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

Operating Expenditures to Borough	FY27	FY28
Personnel	\$ 7,500	\$ -
Supplies	500	-
Services	50,000	2,000
Capital Outlay	-	-
Other	-	-
Total Operating + Capital Cost to Borough	\$ 58,000	\$ 2,000

Revenue Sources	Estimated Additional Revenue as a result of Raising Max Cap from \$500 to \$1000 (not including Residential Rents > 30 days)		Estimated Reduction in Revenue as a result of Exemption of Residential Rents > 30 days	
	FY27 (partial yr)	FY28	FY27 (partial yr)	FY28
Borough	\$1.3-1.5 million	\$2.9-3.5 million	(\$360,000-430,000)	(\$825,000-994,000)
Total	\$1.3-1.5 million	\$2.9-3.5 million	(\$360,000-430,000)	(\$825,000-994,000)

Number of Positions			
Full-Time			
Part-Time			
Temporary	1-2		

Estimated Supplemental Funding:	58,000	2,000
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ASSOCIATED REGULATIONS

Will the legislation result in procedural or regulation changes within a department? Y N (circle one)

If yes, by what date are the regulations to be adopted, amended or repealed? 1/1/2027

Supplemental appropriation will be needed to change the sales tax form, make changes to the sales tax software, train staff and taxpayers and other implementation cost

Prepared By: Brandi Harbaugh, Finance Director

Brandi Harbaugh