

## KENAI PENINSULA BOROUGH PROPOSITION SUMMARY

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### PROPOSITION NO. 4

#### ORDINANCE 2025-14: ANNUALLY ADJUST THE SALES TAX CAP FOR INFLATION

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*(To be voted on by all borough voters)*

#### **Purpose:**

Amends Kenai Peninsula Borough Code of Ordinances, Section 5.18.430, to annually adjust the sales tax cap for inflation.

#### **Key Provisions:**

1. Annually adjusts the sales tax cap:

The maximum sales tax amount will be adjusted once every fifth year based on the prior five years' annual Anchorage Consumer Price Index (CPI) as published by the state.

2. The payment of rent for real or personal property will continue to have a maximum taxable amount up to \$500 per transaction.

3. Implementation Date:

If approved by the voters at the October 7, 2025 election, Ordinance 2025-14 will be effective on April 1, 2026.

#### **Fiscal Impact:**

Adjusting the sales tax maximum amount every five years end, retaining the \$500 maximum sales tax for rental transactions will result in increased revenue from sales tax.

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#### BALLOT LANGUAGE

*As approved by the Assembly August 5, 2025*

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*Shall Ordinance 2025-14, amending the Kenai Peninsula Borough Code of Ordinances 5.18.430 to annually adjust the sales tax cap for inflation once every fifth year, be ratified?*

**YES**    A "Yes" vote means you approve amending the Kenai Peninsula Borough Code of Ordinances 5.18.430 to adjust the sales tax cap for inflation once every fifth year based on the prior five years' annual Anchorage Consumer Price Index (CPI).

**NO**    A "No" vote means you oppose amending the Kenai Peninsula Borough Code of Ordinances 5.18.430 to adjust the sales tax cap for inflation once every fifth year based on the prior five years' annual Anchorage Consumer Price Index (CPI).