




**MUNICIPALITY OF ANCHORAGE**  
**MEMORANDUM**

**DATE:** August 13, 2020

**TO:** Lance Wilber, OMB Director

**THRU:**  Daniel Moore, Treasurer

**THRU:**  Paula Reiswig, Manager, Program Taxes & Tax Collection

**FROM:**  Regina James, Tax Enforcement Officer II

**SUBJECT:** Tobacco Tax Adjustment for 2021

In accordance with AMC 12.40.010, the excise tax on cigarettes will be 122.6 mills, or \$0.1226 per cigarette, \$2.45 per pack (rounded), and \$24.52 per carton effective January 1, 2021. This represents a change in the mill rate and is calculated as follows:

$(228.858 + 228.495)/2 = 228.677$	Average of 1st and 2nd halves 2019 CPI.
$(225.049 - 228.677)/228.677 = -.015865172$	Change to 1st half of current year (2020)
.1246	2020 tobacco excise tax rate.
$\frac{x (1 - .015865172)}{.1226}$	2021 tobacco excise tax rate (rounded).

Attached is a copy of the July 2020 Consumer Price Index (CPI-U) report for Anchorage.

As of January 1, 2011, the excise tax on other tobacco products has been 55% of the established wholesale price. This rate will not automatically increase on January 1, 2021. The recent annual data reveals tax on cigarettes accounts for about 83% of total annual tobacco taxes collected by the Municipality.

Notification of the 2021 tax rates will be forwarded to current tobacco tax licensees in the near future. Revised tax return forms showing this new rate will be made available to the taxpayers by Treasury no later than January 10, 2021.

Cc: Eric Larson, Revenue Analyst

[Department of Labor / Research and Analysis Section]

**Consumer Price Index (CPI)**

**Consumer Price Index for Urban Alaska (formerly Municipality of Anchorage) and the U.S.  
Not Seasonally Adjusted – All Items – Urban Consumers  
1960-Present**

Note: the percent change is from the same period of the previous year.

Year	Urban Alaska						U.S.					
	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change
2020	225.049	-1.7					257.557	1.2				
2019	228.858	2.6	228.495	0.2	228.676	1.4	254.412	1.7	256.903	1.9	255.657	1.8
2018	223.099	2.1	227.992	4.0	225.545	3.0	250.089	2.5	252.125	2.4	251.107	2.4
2017	218.616	0.7	219.131	0.2	218.873	0.5	244.076	2.2	246.163	2.0	245.120	2.1
2016	216.999	-0.1	218.660	0.9	217.830	0.4	238.778	1.1	241.237	1.5	240.007	1.3
2015	217.111	1.1	216.706	-0.1	216.909	0.5	236.265	-0.1	237.769	0.3	237.017	0.1
2014	214.777	1.9	216.833	1.4	215.805	1.6	236.384	1.7	237.088	1.5	236.736	1.6
2013	210.853	2.7	213.910	3.5	212.381	3.1	232.366	1.5	233.548	1.4	232.957	1.5
2012	205.215	2.5	206.617	2.0	205.916	2.2	228.850	2.3	230.338	1.8	229.594	2.1
2011	200.278	2.8	202.576	3.6	201.427	3.2	223.598	2.8	226.280	3.5	224.939	3.2
2010	194.834	2.5	195.455	1.0	195.144	1.8	217.535	2.1	218.576	1.2	218.056	1.6
2009	190.032	1.3	193.456	1.1	191.744	1.2	213.139	-0.6	215.935	-0.1	214.537	-0.4
2008	187.659	4.6	191.335	4.5	189.497	4.6	214.429	4.2	216.177	3.4	215.303	3.8
2007	179.394	1.5	183.080	2.9	181.237	2.2	205.709	2.5	208.976	3.1	207.342	2.8
2006	176.700	4.2	177.900	2.2	177.300	3.2	200.600	3.8	202.600	2.6	201.600	3.2
2005	169.600	2.4	174.100	3.8	171.800	3.1	193.200	3.0	197.400	3.8	195.300	3.4
2004	165.600	2.8	167.800	2.4	166.700	2.6	187.600	2.3	190.200	3.0	188.900	2.7
2003	161.100	2.3	163.900	3.1	162.500	2.7	183.300	2.5	184.600	2.0	184.000	2.3
2002	157.500	2.0	159.000	1.9	158.200	1.9	178.900	1.3	180.900	1.9	179.900	1.6
2001	154.400	2.9	156.000	2.7	155.200	2.8	176.600	3.4	177.500	2.2	177.100	2.8
2000	150.000	0.9	151.900	2.4	150.900	1.7	170.800	3.3	173.600	3.5	172.200	3.4
1999	148.600	1.3	148.300	0.9	148.400	1.0	165.400	1.9	167.800	2.5	166.600	2.2
1998	146.700	1.8	147.000	1.1	146.900	1.5	162.300	1.5	163.700	1.6	163.000	1.6
1997	144.100	1.6	145.400	1.2	144.800	1.5	159.900	2.6	161.200	2.1	160.500	2.3
1996	141.800	2.6	143.700	3.0	142.700	2.7	155.800	2.8	157.900	3.1	156.900	3.0
1995	138.200	2.9	139.500	2.7	138.900	2.9	151.500	2.9	153.200	2.6	152.400	2.8
1994	134.300	2.1	135.800	2.3	135.000	2.1	147.200	2.4	149.300	2.8	148.200	2.6
1993	131.500	3.3	132.800	2.9	132.200	3.1	143.700	3.2	145.300	2.8	144.500	3.0
1992	127.300	3.2	129.100	3.5	128.200	3.4	139.200	3.0	141.400	3.1	140.300	3.0
1991	123.300	5.5	124.700	3.6	124.000	4.6	135.200	5.1	137.200	3.5	136.200	4.2
1990	116.900	5.4	120.400	7.0	118.600	6.2	128.700	4.9	132.600	5.8	130.700	5.4
1989	110.900	2.3	112.500	3.3	111.700	2.9	122.700	5.1	125.300	4.7	124.000	4.8
1988	108.400	0.1	108.900	0.7	108.600	0.4	116.800	3.9	119.700	4.2	118.300	4.1
1987	108.300	0.0	108.100	0.7	108.200	0.4	112.400	3.0	114.900	4.4	113.600	3.6
1986	108.300	3.4	107.400	0.5	107.800	1.9	109.100	2.3	110.100	1.5	109.600	1.9
1985	104.700	1.9	106.900	2.9	105.800	2.4	106.600	3.6	108.500	3.4	107.600	3.6
1984	102.700		103.900		103.300	4.1	102.900		104.900		103.900	4.3
1983					99.200	1.8					99.600	3.2
1982					97.400	5.4					96.500	6.2
1981					92.400	8.1					90.900	10.3
1980					85.500	10.2					82.400	13.5