




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

**DATE:** August 15, 2022

**TO:** Courtney Petersen, OMB Director

**THRU:**  Daniel Moore, Treasurer

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

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

**SUBJECT:** Tobacco Tax Adjustment for 2023

In accordance with AMC 12.40.010, the excise tax on cigarettes will be 134.1 mills, or \$0.1341 per cigarette, \$2.68 per pack (rounded), and \$26.82 per carton effective January 1, 2023. This represents a change in the mill rate and is calculated as follows:

$(232.679 + 241.698)/2 = 237.189$	Average of 1st and 2nd halves 2021 CPI.
$(252.271 - 237.189)/237.189 = .063586422$	Change to 1st half of current year (2022)
.1261	2022 tobacco excise tax rate.
$\underline{x (1 + .063586422)}$	
.1341	2023 tobacco excise tax rate (rounded).

Attached is a copy of the July 2022 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, 2023. The recent annual data reveals tax on cigarettes accounts for about 76% of total annual tobacco taxes collected by the Municipality.

Notification of the 2023 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, 2023.

Cc: Revenue Analyst

# 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.*

Calculate inflation and deflation with our [CPI Calculators](#)

[Downloadable CSV text file](#)

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
2022	252.271	8.4					288.347	8.3				
2021	232.679	3.4	241.698	6.4	237.188	4.9	266.236	3.4	275.703	6.0	270.970	4.7
2020	225.049	-1.7	227.258	-5	226.153	-1.1	257.557	1.2	260.065	1.2	258.811	1.2
2019	228.658	2.6	228.495	.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	.7	219.131	.2	218.873	.5	244.076	2.2	246.163	2.0	245.120	2.1
2016	216.999	-1	218.660	.9	217.830	.4	238.778	1.1	241.237	1.5	240.007	1.3
2015	217.111	1.1	216.706	-1	216.909	.5	236.265	-1	237.769	.3	237.017	.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	223.596	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	216.576	1.2	218.056	1.6
2009	190.032	1.3	193.456	1.1	191.744	1.2	213.139	-6	215.935	-1	214.537	-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

<https://live.laborstats.alaska.gov/cpi/index.com>