



## CITY OF WASILLA

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### INFORMATION MEMORANDUM NO. 96-29

From: Mayor Palin  
Date: November 4, 1996  
Subject: Personal Property Tax Exemption on Aircraft

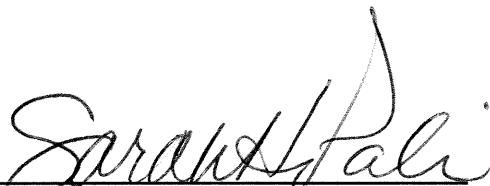
It has been requested that the City Council consider rescinding the collection of personal property tax from aircraft owners who register their private aircraft in the City of Wasilla.

Last year the Mat-Su Borough dropped the tax on aircraft registered in the Borough and went to a flat tax of \$75 for single engine aircraft. The Municipality of Anchorage did the same.

It has also been requested that the City's tax code be amended to delete taxes for private, non-business aircraft.

Council: please consider and discuss the request. Mr. John Elgee's additional information is attached.

Thank you.

  
Sarah H. Palin, Mayor

July 31, 1996

Mayor Stein  
City of Wasilla

I am writing this letter to protest the City of Wasilla continuing to collect personal property tax from aircraft owners who register their aircraft in the City of Wasilla.

About one year ago the Mat-Su Borough dropped the personal property tax on aircraft registered in the Borough. The borough went to a flat tax of \$75 for single engine aircraft. This is the same as the Anchorage Borough did 2 years ago. I was unpleasantly surprised to get a \$140 tax bill from the borough which borough officials said was being collected for the City of Wasilla because I register my aircraft within the Wasilla City limits.

I cannot imagine that the City of Wasilla makes very much income from private aircraft owners in the Wasilla city limits. There are just not that many aircraft registered within the city limits. On Lake Lucille where I live and park my aircraft, most of the other aircraft parked there are registered at other locations than in Wasilla and are therefore not being taxed.

I want the City of Wasilla to do the following:

1. Rescind the 1996 tax bill for all private, none business, aircraft owners within the City of Wasilla.
2. Amend the City of Wasilla tax code to delete taxes for all private, none business, aircraft owners within the City of Wasilla.

I plan to address the City of Wasilla council when this issue comes up on the agenda, possibly August 12, 1996.

Sincerely,

*Copy*

John O. Elgee  
PO Box 873251  
Wasilla, AK 99687

Ms. Sarah Palin  
1018 West Point Drive  
Wasilla, AK 99654

09/03/96

Dear Council Woman Palin:

I am requesting that you bring before the City Council of Wasilla a measure to rescind the 1996 tax bill for all private, none business, aircraft owners within the City of Wasilla, and amend the City of Wasilla tax code to delete taxes for all private, none business, aircraft owners within the City of Wasilla.

The following is additional information for deletion of City of Wasilla personal property tax on aircraft registered within the city limits of Wasilla.

1. Both the Anchorage and Mat Su Boroughs deleted the personal property tax on aircraft and went to a flat \$75 tax on single engine aircraft. This was to relieve aircraft owners of an unfair tax. This made taxes on aircraft somewhat similar to taxes on automobiles. This occurred in 1994 and 1995.
2. The City of Wasilla does not put a personal property tax on automobiles so why does it continue to tax aircraft?
3. The city of Anchorage does not impose a personal property tax on aircraft in addition to the borough tax of \$75 so why does Wasilla?
4. On August 23, 1996 I got registration information on approximately 68 aircraft parked on Lake Lucille and the Wasilla City airport. 30 of 68 aircraft were not registered in Wasilla. I contend that under the present taxation system that the City of Wasilla uses the City could not collect a personal property tax on the aircraft that are not registered in Wasilla. The tax is simple to avoid by changing the registration address with FAA in Oklahoma City.
5. Based on the above information I conclude that the City of Wasilla personal property tax on aircraft is an unfair tax. Also the City has no way to enforce the tax code on aircraft owners who choose to not register their aircraft in Wasilla.
6. It is usually assumed that collection of a tax should benefit the tax payer through some City service. I am hard pressed to know what service the City provides to aircraft owners who pay City personal property tax on aircraft. If the City would prohibit jet skis operation that interferes with aircraft operation on Lake Lucille I would be glad to pay the tax.
7. I therefore ask that the City Council rescind the 1996 tax bill for all private, none business, aircraft owners within the City of Wasilla, and amend the City of Wasilla tax code to delete taxes for all private, none business, aircraft owners within the City of Wasilla.
8. Good luck in your campaign to be elected Mayor of Wasilla. If I may be of any help please call me.

Thank you,

  
John O. Elgee  
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