



# CITY OF WASILLA

290 E. HERNING AVE.  
 WASILLA, ALASKA 99654-7091  
 PHONE: (907) 373-9050  
 FAX: (907) 373-9085

## IM 96-39

### Taxation of Aircraft

#### History

Through 1994 Aircraft in the Matanuska-Susitna Borough and the City of Wasilla were appraised and taxed in the same manner as real property. The tax was computed by multiplying the value times the Area Wide Mil Rate. In 1995 Aircraft were taxed in the City of Wasilla in the same manner, but in the Matanuska-Susitna Borough all value over \$5,000 was exempted. In 1996 Aircraft were taxed in the same manner within the city, but the Matanuska-Susitna Borough enacted a flat tax of \$75 for single engine aircraft, and \$125 for multi engine aircraft. Below is a chart showing Matanuska-Susitna Borough and City of Wasilla taxes (based on average value) for the tax years FY95-97. The tax on a specific aircraft will vary according to it's specific value.

TAXATION OF AIRCRAFT											
CITY OF WASILLA/MSB											
VALUE	TAX		TOTAL	AVG.	MSB	MSB	MSB	CITY	CITY	TOTAL	TOTAL
CY	FY	NO.	VALUE	VALUE	TAX	TAX	TAX	TAX	TAX	TAX	TAXES
					CAP	RATE	AMT.	RATE	AMT.	EA.	CITY
94	95	72	\$1,700,000	\$23,611	NONE	0.01578	\$373	0.002	\$47	\$420	\$3,400
95	96	81	\$1,939,141	\$23,940	\$5,000	0.01375	\$329	0.0017	\$41	\$370	\$3,297
96	97	59	\$1,502,310	\$25,463	FLAT-SIN	\$75	\$75	0.002	\$51	\$126	
					FLAT-MULTI	\$125	\$125	0.002	\$51	\$176	\$3,005

#### AIRCRAFT TIE DOWNS AT WASILLA AIRPORT

SEPTEMBER 1994 - 38  
 SEPTEMBER 1995 - 42  
 SEPTEMBER 1996 - 41

Based on FY97 numbers, the following table sets forth three scenarios if the City were to change our method of taxation.

<u>ASSUMPTION</u>	<u>AMOUNT</u>	<u>EFFECT ON .. CITY REVENUE INCREASE(DECREASE)</u>
REVENUE NEUTRAL	\$50	(\$59)
REVENUE ENHANCED	\$75	\$1420
CITY AS % OF MSB MIL RATE	\$9	(\$2474)

If the City Council wants to change the method of taxation on aircraft, then they need to decide how much to tax and direct the City Attorney to draft a proper Ordinance.