

MEMORANDUM

To: Ed Oberts, Administrative Assistant to the Mayor
From: Jeanne Camp, KPB Economic Analyst *JC*
Date: April 22, 2004
Re: CPI as it relates to KPB Sales Tax Exemption

You asked for an update to the CPI study that was done several years ago, as applicable to the Sales Tax Exemption.

During 1965, when the exemption was enacted, the CPI for Anchorage was 35.3. As of 2003, the CPI had increased to 162.5, a change of 127.2 points or 360.34%.

Applying the 360.34% increase to the \$500 sales tax exemption, an exemption of \$1,801.70 is comparable to the \$500 exemption during 1965.