

Westlaw.

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ALASKA ADMINISTRATIVE CODE
TITLE 3. COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
PART 16. DIVISION OF COMMUNITY AND BUSINESS DEVELOPMENT
CHAPTER 135. SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION
 Current through Register 185 (April 2008)

1 AAC 135.040. Deadlines and calculations.

- (a) Exemption applications filed after January 15 of the assessment year, or after a date provided by ordinance as specified in AS 29.45.030(f), must be accompanied by an affidavit stating the reason for the late filing.
- (b) To qualify for a **hardship exemption** beyond the first \$150,000 of assessed value of real property under AS 29.45.030(e), the applicant must apply by completing Form 21-400c and submitting the form, including necessary attachments, to the municipal assessor before July 1, or before a date provided by ordinance as specified in AS 29.45.030(f), of the **exemption year**.
- (c) An eligible applicant may qualify for a **hardship exemption** beyond the first \$150,000 of assessed value of real property if the amount of the applicant's tax bill is greater than two percent of the applicant's gross household income. An exemption will be granted only for that portion of the applicant's taxes in excess of two percent of the gross household income. "Gross household income" means total annual compensation, earned and unearned, from all sources, of all members of the household.
- (d) In cases of extreme **hardship**, an **exemption** up to 100 percent of the applicant's assessed value of real property may be granted by a two-thirds vote of the governing body.
- (e) Hardship exists when the amount of taxes owed is in excess of two percent of an applicant's gross household income.
- (f) The following are examples of **hardship exemption** calculation:

(1) Example A

Household

Income: \$30,000

Assessed Value: 200,000

Mill Rate: 10.0

Taxes

Calculated: \$200,000 x 10.0 mills = \$2,000

\$150,000 Cap: \$150,000 x 10.0 mills = \$1,500

Tax Liability: \$ 500

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Ability to Pay: \$ 30,000 x 2% = 600 = No hardship exemption allowed

(2) Example B

Household Income: \$10,000

Assessed Value: 200,000

Mill Rate: 10.0

Taxes Calculated: \$200,000 x 10.0 mills = \$2,000

\$150,000 Cap: \$150,000 x 10.0 mills = \$1,500

Tax Liability: \$ 500

Ability to Pay: \$ 10,000 x 2% = \$200

Tax Liability: \$500

Ability to Pay: (200)

Hardship Exemption: \$300

(Eff. 1/28/73, Register 45; am 3/31/76, Register 57; am 9/21/88, Register 107)

AUTHORITY: AS 29.45.030(f)

<General Materials (GM) - References, Annotations, or Tables>

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