

# **FACTS:**

- **ALASKA STATUTE 29.45.110 (full and true value) states property shall be assessed at “true market value.” There is no limitation on raising an assessed value.**
- **ALASKA STATUTE 29.45.090 (taxation limitation) states that ad valorem taxes shall not exceed 3% of assessed valuation.**
- **Example of the calculation of ad valorem taxes: a property is assessed at \$350,000-. The current mill rate is 13 (this means that for every \$1000- of assessed value there will be \$13.- tax liability). In this case \$350,000 is multiplied by .013 which equals \$4550- in tax liability.**
- **Ad valorem taxes: in the instant case above then: dividing the calculated tax, \$4550- by the assessed valuation, \$350,000- we see that the percentage of ad valorem tax is 1 %, which is well within the statutory limitation of 3%.**

**In summation; to quickly determine taxation liability on an assessed value; for every \$1000- in assessed valuation, there will be a tax liability based upon the current mill rate. Merely multiply every \$1000- assessed value by the mill rate.**