

MEMORANDUM OFFICE OF THE ASSESSOR

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Date: February 10, 2023
To: Mayor and Assembly
From: Mary Hammond, Assessor
RE: Economic Development – Export Manufacturing Exemption

The Assessor’s Office received the following 2023 Export Manufacturing Exemption Applications for business personal property used in manufacturing. The Assembly must approve any export manufacturing exemption for real or business personal property, CBJ 69.10.020(1)(c).

The property owners listed below have had Assembly approval in the past. It is recommended that their new applications be approved.

2023	AK GLACIER SEAFOOD INC	AKBEV GROUP LLC	FORBIDDEN PEAK BREWERY	DEVILS CLUB BREWING CO
Total Assessed Value	3,009,782	9,621,941	310,668	187,644
Mandatory Exempt Amount	100,000	100,000	100,000	100,000
Taxable Value	2,909,782	9,521,941	210,668	87,644
Tax Amount @ FY23 Estimated Mill Rate (10.56)	30,727	100,552	2,225	926
Prior Years Export Mfg Exempt Value	418,619	1,596,263	178,889	16,670
New Export Mfg Exempt Value	635,458	262,374	-	12,676
Total Export Mfg Exempt Value	1,054,077	1,858,637	178,889	29,346
Taxable Value Before Mandatory Exemption Value	1,955,705	7,763,304	131,779	158,298
Mandatory Exempt Value	100,000	100,000	100,000	100,000
Total Taxable Value after both exemptions	1,855,705	7,663,304	31,779	58,298
Total Amount Paid@ FY23 Estimated Mill Rate (10.56)	19,596	80,924	336	616
Total Prior Years Export Mfg Tax Exempt	4,421	16,857	1,889	176
Total New Export Mfg Tax Exempt	6,710	2,771	-	134
Total Tax to be Exempted	11,131	19,627	1,889	310

Attached are copies of their applications.

A. Export Manufacturing

CBJ 69.10.020(10) provides for exempting qualifying manufacturing property from assessment and taxation. Qualifying property may receive a declining five-year percentage exemption from the property's market value as follows:

- 100% exemption in year 1
- 80% exemption in year 2
- 60% exemption in year 3
- 40% exemption in year 4
- 20% exemption in year 5

Property owners seeking an exemption must file a request with the Assessor's Office on or before January 31 of each year. The code places the authority for approving the manufacturing exemption requests with the Assembly.

The Assessor's Office has received three property manufacturing exemption requests for the 2023 tax year (FY24 budget year).

1. Alaska Glacier Seafood's, Inc. filed a manufacturing exemption for machinery, equipment totaling \$635,458 (\$6,710 in property tax).

In addition, Alaska Glacier Seafood's has \$418,619 in property qualifying from prior years, for a total 2023 assessment exemption of \$1,054,077 or (\$11,131 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

2. Alaskan Brewing Company, LLC filed a manufacturing exemption for machinery, equipment, furniture and fixtures, computers and software, and vehicles totaling \$262,374 (\$2,771 in property tax).

In addition, Alaskan Brewing has \$1,596,263 in property qualifying from prior years, for a total 2023 assessment exemption of \$1,858,637 (\$19,627 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

3. Forbidden Peak Brewery did not file a manufacturing exemption for machinery, equipment for the assessment year 2023.


Forbidden Peak Brewery has \$178,889 in property qualifying from prior years, for a total 2023 assessment exemption of \$178,889 (\$1,889 in property taxes).

4. Devils Club Brewing filed a manufacturing exemption for machinery, equipment totaling \$12,676 (\$134 in property tax).

Devils Club Brewing has \$12,670 in property qualifying from prior years, for a total 2023 assessment exemption of \$29,346 (\$310 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

I recommend approval of these exemption requests.


Mary Hammond
Assessor

2-10-2023
Date