CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Office
155 Heritage Way, Juneau, Alaska 99801
Phone (907) 586-5215 x 4901
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July 2026

****NOTICE OF SALES TAX CODE CHANGES****
SALES TAX CAP AMOUNT
Effective October 1, 2026

The City and Borough of Juneau Sales Tax Office is implementing changes to the sales tax cap on the purchase of a single item or single service passed by the Assembly on June 8, 2026. This measure takes effect on **October 1, 2026**.

Ordinance 2026-27(am) amends the existing sales tax cap by increasing it to **$50,000** for both single items and single services. An exception applies to motor vehicle sales with a selling price of $50,000 or less, which are instead subject to a lower cap of **$15,000**.

The definitions of "single item" and "single service" under CBJC 69.05.040(21) and (22) have not changed. **Existing guidance and interpretations regarding what constitutes a single item or a single service continue to apply.**

The ordinance does not change the treatment of leases and rentals. Lease and rental transactions remain ineligible for the sales tax cap.

These changes apply to **sales made on or after October 1, 2026**, and should be reflected in merchant reporting beginning in the 4th Quarter 2026.

Overview of Sales Tax Cap		
	All Goods & Services	**Motor Vehicles less than $50,000**
Cap on **Single** Item or Service	$50,000	$15,000
Tax on Capped Item or Service	$2,500	$750

The lower $15,000 vehicle cap applies only to the sale of a motor vehicle with a selling price of $50,000 or less. Motor vehicles with a selling price greater than $50,000 are subject to the standard $50,000 single item cap.

For purposes of applying the sales tax cap under CBJC 69.05.040(21), a motor vehicle means a self-propelled vehicle designed primarily for transporting people or property on public roads. This includes passenger cars, trucks, vans, SUVs, and motorcycles.

The motor vehicle definition is intended to apply to traditional car and vehicle purchases only and should not be extended to equipment, trailers, boats, aircraft, heavy machinery, or any other goods.

Questions or Assistance
For more information, please refer to our sales tax guidelines at https://juneau.org/finance/sales-tax-guidelines, specifically Procedure 421 and 422. If you have specific questions about how to apply or document this exemption, don't hesitate to contact the CBJ Sales Tax Office at (907) 586-5215 ext. 4901, or email sales.tax.office@juneau.gov.

Thank you for your continued cooperation and partnership in maintaining fair and accurate sales tax administration within the City and Borough of Juneau.

Sincerely,

Sales Tax Office

CBJ Sales Tax Office
Phone: (907) 586-5215 x 4901
Email: sales.tax.office@juneau.gov
Website: https://juneau.org/finance/sales-tax