CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Office
155 Heritage Way, Juneau, Alaska 99801
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November 2025

****NOTICE OF SALES TAX CODE CHANGES****
New Sales Tax Exemption – Essential Grocery Foods
Effective November 20, 2025

The City and Borough of Juneau Sales Tax Office is implementing the new **Essential Foods Exemption**, approved by Juneau voters as part of a voter initiative that appeared on the October 2025 Municipal ballot. This measure takes effect on **November 20, 2025**.

This exemption is similar to the existing Senior Sales Tax exemption and applies to qualifying food items intended for home consumption, as defined in the Food and Nutrition Act of 2008 (SNAP).

It will apply to sales made on or after November 20, 2025, and should be reflected in merchant reporting beginning in the 4th Quarter 2025. This letter provides an overview of the new exemption and outlines your responsibilities for compliance and documentation.

About the Exemption
Under CBJ 69.05.040(44), "essential food" as defined in 7 U.S.C. § 2012(k), includes:

(1) any food or food product for home consumption **except** alcoholic beverages, tobacco, hot foods, or hot food products ready for immediate consumption.

(2) seeds and plants for use in gardens to produce food for personal consumption.

A list of examples of exempt and taxable items is attached for your convenience and is also available on our website at juneau.org/finance/sales-tax. This list is not exhaustive but provides guidance on common product categories. Examples include:

Exempt: dairy products, fruits and vegetables, bakery items, cereals, ice cream, cold sandwiches for off-premises consumption, seeds and plants that grow food, items with a Nutrition Facts label, etc.

Taxable (non-exempt): alcohol, tobacco and tobacco products, hot prepared foods, restaurant meals, foods intended to be eaten on-site, pet food, vitamins, cough drops, items with a Supplement Facts label, decorative gourds, etc.

Merchant Documentation Requirements
This is a broad exemption that applies to all SNAP eligible food at the point of sale; no exemption card or other proof of exemption is required to be presented by the purchaser. However, all exempt essential food sales must be properly documented. Merchants are required to:

1. Provide customers with an itemized receipt showing:

- Store name and address

- Transaction date
- Clear identification of taxable and exempt items
- Total tax charged

2. Maintain complete and accurate records supporting:

- Gross sales from all sources
- All deductions, exemptions, and credits claimed on your sales tax return. Exemptions granted must be included in the reported gross sales and exempted under the appropriate exemption code.

Records must be organized in accordance with generally accepted accounting principles and made available upon request from the CBJ Sales Tax Office. Examples of acceptable records include ledgers, journals, invoices, cash register reports, point-of-sale reports, and federal tax filings used to prepare sales tax returns.

Reporting Requirements
When completing your tax reporting, exempt sales made on or after November 20, 2025, related to the Essential Food exemption should be listed under **exemption code 44 – ESSENTIAL FOODS**.

For your 4th Quarter 2025 filing, you will need to separate out exempt sales made under the Senior exemption (exemption code #18) prior to November 20th from sales made under this new exemption. You will not report any sales of food under exemption code #18 in subsequent filing periods.

Questions or Assistance
For more information, please refer to our sales tax guidelines at https://juneau.org/finance/sales-tax-guidelines, specifically Procedure 444. 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
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Email: sales.tax.office@juneau.gov
Website: https://juneau.org/finance/sales-tax