



# MATANUSKA-SUSITNA BOROUGH

## FINANCE DEPARTMENT ASSESSMENT DIVISION

350 East Dahlia Avenue, Palmer, Alaska 99645-6488

PHONE (907) 861-8642 \* FAX (907) 861-8151

RE: Application for Exemption from Property Tax

Enclosed you will find an application for exemption from property tax. The property remains taxable until a determination is made granting exemption.

We no longer require this information to be submitted annually. One application will suffice until such time as the use or ownership of the property changes. At that time, a new application will be required to determine whether or not that use still meets the requirements for exempt tax status as mandated by State Statute.

I do ask that you complete and return the form as soon as possible. All exemption applications must be received by April 30 of the year for which exemption is requested. Exemptions of this type cannot be granted retroactively.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Brad Pickett".

Brad Pickett  
Borough Assessor

# APPLICATION FOR NON-PROFIT PROPERTY TAX EXEMPTION

Matanuska-Susitna Borough, Assessor's Office

350 E Dahlia Ave. Palmer, AK 99645

907-861-8642

**Filing deadline – Due on or before April 30<sup>th</sup> of the exemption year**

AS 29.45.030 **Required Exemptions:** (a) The following property is exempt from general taxation: (3) property used exclusively for non-profit religious, charitable, cemetery, hospital, or educational purpose;

AS 29.45.050 **Optional Exemptions and Exclusions:** (A) the property of an organization not organized for business or profit making purposes and used **exclusively for community purposes** if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter. (w) A municipality may by ordinance classify and exempt or partially exempt from taxation all or a portion of privately owned real property rented or leased for use as a **charter school** established under AS 14.03.250.

The property must be in use as of January 1 of the tax year in order to obtain an exemption for that year. Typically vacant land is not exempt. The property owner is responsible for proving that the property is used exclusively for an exempt purpose and qualifies for an exemption.

## General Guideline Requirements

1. The Articles of Incorporation for the organization, and copy of By-Laws or other formal organizational papers.
2. Documents to support the organization's not-for-profit status (e.g. IRS 501 (c)(3) determination letter, or equivalent).
3. Documentation supporting/describing the activities of the organization. For example, brochures, pamphlets and web pages are acceptable forms of documentations.
4. Description of the use of the property and consistency with the requested exemption.
5. Copy of current year budget.
6. Copy of current schedule of fees.
7. For property used for an educational purpose, the detail of course curriculum and classroom space, criteria for entrance and faculty qualifications.
8. For property used as a religious residence, please give location and name of occupant and relationship to the church. If the church and parsonage occupy the same structure, please provide a brief description of area used as church and area used as parsonage, including approximate size in square feet.
9. Contracts of any type describing the use of the property by a person or entity other than the applicant organization.
10. CHARTER SCHOOLS – Please attach your contract with the Matanuska-Susitna Borough School District as well as your lease agreement with the real property owner.

**If an exemption is granted, the property owner is required to inform the Assessor's office of any change in use, or ownership of the property.**

## **Community Purpose Exemption AS 29.45.050**

**Community Purpose:** The exclusive use of property within the borough based upon the culture and demographics of a particular area and which benefits the general public in a manner that enhances the quality of life through programs, public facilities, or services.

To qualify for the exemption the following requirements must be met:

- The applicant must maintain a current 501 (c)(3) IRS non-profit classification.
- The property must be used exclusively for community purposes and be the property of an organization not organized for business or profit-making purposes.
  - Exclusive use requires that all uses of the property be for the “direct and primary” exempt purpose. The community purpose, for which the property is exclusively used, is a purpose that benefits the general public in the community in which the property is located.
- The property must be open to the general public.
- The organization must be “not organized for business or profit-making” (there must be no evidence of a dominant profit motive. Income derived must not exceed operating expenses. Operating expenses must not include debt service).
- The property of an organization must be in the ownership of the organization seeking the exemption. The ownership must be governed by a volunteer board of directors, and must be recognized as a legally formed state or federal non-profit entity.
- The income derived from rental of the property must not exceed the actual cost to the owner of use by the renter.



**APPLICATION FOR NON-PROFIT PROPERTY TAX EXEMPTION**  
**AS 29.45.030 (3) AS 29.45.050 (b) (1) (A) (w)**  
**Matanuska-Susitna Borough, Assessor's Office**  
**350 E Dahlia Ave. Palmer, AK 99645**  
**907-861-8642**

**Filing deadline – Due on or before April 30<sup>th</sup> of the exemption year**

Tax year applying for: \_\_\_\_\_ Account No. \_\_\_\_\_ Property Location: \_\_\_\_\_

Organization Name & Address: \_\_\_\_\_

**Please choose what exemption you are applying for:**

Religious  Charitable  Educational  Community Purpose  Cemetery  Charter School  Hospital

1. Is this organization a not-for-profit entity?  Yes  No
2. Is this property used exclusively (100% of the time) for the purpose of the exemption you seek?  Yes  No  
If no, list other purpose(s) and a percentage of time used.
3. Is all square footage in the building(s) used for the purpose of the exemption you seek?  Yes  No  
If no, please explain.
4. Explain the land use breakdown by square feet or acreage and identify how the land is utilized.
5. Does your organization require a membership or entrance fee to use or to obtain access to the property claimed for exemption?  
 Yes  No If yes, what is the amount of the membership/entrance fee? \$ \_\_\_\_\_.
6. Was this property or any portion thereof, used for rental purposes during the past year?  Yes  No  
If yes, the rental income cannot exceed the actual cost of use by the renter. Attach a summary of the rental income and expenses.
7. Describe the nature and use of this property as it relates to the purpose of the not-for-profit function (attach additional pages as necessary).

**Please attach any supporting documentation.**

**I hereby certify that the information provided is true and correct to the best of my knowledge.**

_____	_____
Prepared by	Title
_____	_____
Signature	Date Phone
_____	_____
Signature of property owner if different than above	Date Phone

*Providing Outstanding Borough Services to the Matanuska-Susitna Community.*