

IV. ANALYSIS

A. Principles of Real Property Taxation

The Alaska Constitution and state statutes confer on municipalities the right and obligation to collect real property taxes from those residing within the boundary of the municipality.' Legislators and courts have long realized that property taxes are the critical component that allow local governments to provide services that citizens demand. Thus, the general rule is that real property is subject to taxation unless it is clearly exempt. Tax exemptions are narrowly construed because they disturb the general rule that everyone must contribute relatively proportionately to the common good.¹ The Alaska Supreme Court has explained:

All property is benefitted by the security and protection furnished by the State, and it is only just and equitable that expenses incurred in the operation and maintenance of government should be fairly apportioned upon the property of all. An exemption from taxation releases property from this obligation to bear its share of the cost of government and serves to disturb to some extent, that equality in the distribution of this common burden upon all property which is the object and aim of every just system of taxation. While reasonable exemptions based upon various grounds of public policy are permissible, yet taxation is the general rule....It is for this reason that statutes granting exemptions from taxation are strictly construed. A taxpayer is not entitled to an exemption unless he shows that he comes within either the express words or the necessary implication of some statute conferring this privilege upon him.¹

Moreover, even when an exemption exists, "courts will not utilize the public policy behind the exemption statute to extend its coverage beyond what is clearly included on the face thereof."²

This single canon of statutory construction defeats the ██████'s principal argument that the policy underlying the senior exemption requires the Borough to read the exemption broadly. The law is precisely the opposite. The text of the exemption is strictly construed against the taxpayer.

In short, a person claiming to be exempt from contributing funds to the local government must prove that he or she is entitled to shed that responsibility. If the person does not satisfy that burden, the exemption should not be granted.

¹ *Greater Anchorage Area Borough v. Sisters of Charity*, 553 P.2d 467,469 (Alaska 1976).

² *McKee v. Evans*, 490 P.2d 1226, 1230 (Alaska 1971).