

Ballot Simplification Committee

FINAL Approved Digest – 10:50 a.m. on Thursday, August 4, 2011 – Packard, Fraps, Fasick, Jorgensen, Unruh

Sales Tax (*working title only, subject to change*)

Any Requests for Reconsideration were due Wednesday, August 3, 2011, at 11:45 a.m.

THE WAY IT IS NOW:

Prior to July 1, 2011, San Francisco had a sales tax rate of 9.5%. On July 1, 2011, this rate decreased by 1.0% when the State allowed a portion of its sales tax to expire.

San Francisco now has an 8.5% sales tax with two main parts:

- 7.25% in State taxes, of which the City receives about 1.0%; and
- 1.25% in special district taxes that fund the Bay Area Rapid Transit District (BART), the San Francisco Unified School District, the San Francisco Community College District, and the San Francisco County Transportation Authority.

State law allows the City to increase its local sales tax up to an additional 0.75%, with voter approval.

THE PROPOSAL:

Proposition ____ would increase the sales tax rate in San Francisco by 0.50% (one-half of one percent), for a total tax of 9.0%. The City would use half of the funds from the tax increase to pay for public safety programs and the other half for programs for children and seniors. The Board of Supervisors may change this distribution of funds with a two-thirds vote, but it could not use these funds for any other purposes.

If the voters approve Proposition ____, the City would start collecting this additional local sales tax on April 1, 2012.

The new local sales tax would apply for 10 years unless the State sales tax is changed in the following ways:

- if the State increases its sales tax by 1.0% before November 30, 2011, then the additional 0.50% local sales tax would not go into effect and the City would not collect it;
- if, before January 1, 2016, the State increases its sales tax by 0.75% or more, then the City would stop collecting the additional 0.50% local sales tax; and

- if, after January 1, 2016, the State increases its sales tax by 0.75% or more, Proposition __ would require the Board of Supervisors to hold a public hearing on whether the City should continue to collect the additional 0.50% local sales tax.

This measure requires approval by two-thirds of the votes cast.

A “YES” VOTE MEANS: If you vote "yes," you want the City to increase its local sales tax by 0.50% (one-half of one percent) for up to 10 years to fund public safety programs and programs for children and seniors, unless the State increases its sales tax in one of the ways specified above.

A “NO” VOTE MEANS: If you vote “no,” you do not want to make these changes.

word count: 402 [suggested word limit: 300]