



## Sales Tax Measure Request for Reconsideration

**Manish Goyal** to: publications

Cc: Andrew Shen, Mollie Lee, Greg Wagner, Rick Wilson

08/03/2011 08:57 AM

Hello,

After the Ballot Simplification Committee meeting yesterday morning, the Mayor's Office consulted with the City Attorney's Office to review language we had amended. After discussing, we would like the Committee to reconsider the following language and amend it to the language previously drafted by the City Attorney's Office:

**Currently reads:**

**7.25% in State and City taxes, which includes 1% in City sales tax.**

**Should read:**

**7.25% in State taxes, of which the City receives 1%.**

I have highlighted the portion that needs to be changed in the attached document. If you have any questions or concerns, please feel free to get in touch with me. Thanks!

Manish

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## **Ballot Simplification Committee**

**APPROVED Digest – 11:45 a.m. on Tuesday, August 2, 2011 – Packard, Fraps, Fasick, Jorgensen, Unruh**

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

**Any Requests for Reconsideration 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% 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 and City taxes, which includes 1% in City sales tax.**
- 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: 408 [suggested word limit: 300]