

## **Ballot Simplification Committee - DRAFT for Consideration on Tuesday, August 2, 2011**

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

#### **THE WAY IT IS NOW:**

San Francisco has an 8.5% sales tax. There are two main parts to that tax. The first part is a 7.25% State tax. A portion of that tax is a local sales tax that the City receives. The second part is 1.25% in district taxes that fund the Bay Area Rapid Transit District, 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%, for a total tax of 9.0%. The City would use half of the funds from this additional 0.50% to pay for public safety programs. The City would use the other half of the funds to pay for programs for children and seniors. The Board of Supervisors may later 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 additional local sales tax could apply for 10 years. But Proposition \_\_\_ provides three circumstances where the increase may not go into effect at all or end earlier than 10 years, depending on whether the State increases its sales tax:

- first, if the State increases its sales tax by 1.0% - to a total of 8.25% - before November 30, 2011, then the additional 0.50% local sales tax would not go into effect at all and the City would not collect it;
- second, if before January 1, 2016, the State increases its sales tax to 8.0% or more, then the City would stop collecting the additional 0.50% local sales tax; and
- third, if after January 1, 2016, the State increases its tax rate to 8.0% 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.

A two-thirds majority vote is required to approve this measure.

**A "YES" VOTE MEANS:** If you vote "yes," you want the City to increase its local sales tax by 0.50% for up to 10 years to fund public safety programs and programs for children and seniors, unless the State increases its sales tax to 8.0% or more before January 1, 2016.

**A “NO” VOTE MEANS:** If you vote “no,” you do not want to make these changes.  
word count: 419 [suggested word limit: 300]