

## General Sales Tax\*

Digest by the Ballot Simplification Committee

**Status:** Final Digest

**On:** Tuesday, August 9, 2016

**Members:** Packard, Anderson, Fasick, Fraps, Jorgensen

**Deadline to Request Reconsideration:** 2 p.m. on Wednesday, August 10

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**The Way It Is Now:** San Francisco has an 8.75% sales tax, with two parts:

- 7.5% in State taxes, of which the City receives 1.25%; and
- 1.25% in local sales taxes that fund the Bay Area Rapid Transit District (BART), the San Francisco County Transportation Authority and the San Francisco County Public Finance Authority.

After December 31, 2016, the overall sales tax in San Francisco will be reduced to 8.5%.

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

State law limits the amount of revenue, including tax revenue, the City can spend each year. Under State law, San Francisco voters can approve increases to this limit for a maximum of four years.

**The Proposal:** Proposition \_\_\_ is an ordinance that would increase the sales tax in San Francisco by 0.75%, for a total tax of 9.25%. This 0.75% increase would go into the General Fund.

If voters approve this proposition, the increase would start on April 1, 2017. The sales tax increase would expire after 25 years.

Proposition \_\_\_ would also increase the State's limit on the City's annual tax revenue spending by the amount of additional taxes collected under the proposed rate increase. The increased limit would last for four years.

**A "YES" Vote Means:** If you vote "yes," you want the City to increase its sales tax by 0.75%, for a total tax of 9.25%.

**A "NO" Vote Means:** If you vote "no," you do not want to make this change,

*\*Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*