

## Impartial Analysis of Measure Y City of Sonora Essential Services Transactions and Use Tax

On July 18, 2022, the City Council of the City of Sonora ("City") authorized Measure Y to be placed on the ballot, which would impose an additional 1 percent (1%) transactions and use tax on the gross receipts of retail sales in the City. Transaction and use taxes are collected in the same manner as sales taxes.

If this Measure is approved by a majority of City voters, Measure Y would authorize an increase of the retail transaction and use tax to 1% within the City. The 1% rate equates to an extra \$1.00 per \$100 purchased. It is projected that the 1% increase would result in approximately \$3.9 million in annual local funding for general City services, such as public safety and street maintenance and repair. This tax would be a general tax, meaning that revenue raised from the tax would go into the City's general fund to pay for any municipal service.

The City's existing sales tax is set at 7.75%. The majority of existing sales tax revenues go to the state of California. If Measure Y is adopted, the transactions and use tax would be collected at the same time and in the same manner as existing sales tax. All revenue raised by the transactions and use tax would remain in the City and would not be shared with the State, County, or any other agency.

California Revenue and Taxation Code section 7285.9 authorizes the City to levy a general transactions and use tax at a rate of 1% so long as the tax is approved by a majority of the voters voting in an election on that issue.

A 'YES' vote would approve the proposed increase in sales tax.

A 'NO' vote is a vote against the proposed sales tax increase.

/s/

Douglas White, City Attorney  
City of Sonora

The above statement is an impartial analysis of Measure Y. If you desire a copy of Measure Y, please contact the City Clerk at (209) 532-4541 and a copy will be mailed at no cost to you.