<u>General Sales Tax</u>*

Digest by the Ballot Simplification Committee

Status:	Draft for Consideration
On:	Tuesday, August 9, 2016
Members:	Packard, Anderson, Fasick, Fraps, Jorgensen

Deadline to Request Reconsideration: TBD

The Way It Is Now: San Francisco has an 8.75% sales tax rate, 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, the San Francisco County Transportation Authority, and the San Francisco County Public Finance Authority.

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

0.25% of the 7.5% State tax rate will expire on December 31, 2016, reducing the overall tax rate in San Francisco to 8.5%.

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

The Proposal: Proposition ___ would increase the sales tax rate in San Francisco by 0.75%, for a total tax rate of 9.25%.

The proceeds of the increase in the tax would be deposited into the General Fund, where the Board of Supervisors may allocate them for any public purpose.

Proposition ___ would also increase the City's annual tax revenue spending limit by the amount of additional taxes collected under Proposition ___ for four years.

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

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

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.