

The City Council has placed before the voters the question of whether to approve an ordinance enacting a transactions and use tax, which is a form of sales tax, within the City of Alameda to fund City services, such as police and fire services, park and beach maintenance, and street repair. The tax rate would be one-half of one percent (0.50%) of the retail sales price, or one-half cent for an item that costs one dollar. The tax would remain in effect until repealed or amended by the voters.

Technically, the existing “sales tax” is a combination of “sales and use tax” and “transactions and use tax.” Both are levied on the sale or use of tangible personal property sold at retail, with certain limited exceptions. Retailers collect the tax at the time of sale and remit the funds to the California Department of Tax and Fee Administration, which distributes the tax.

Currently, the tax on retail sales in Alameda is 9.25%, of which the City receives 1%, with the remaining 8.25% going to the State, the County, and BART. This measure would authorize an additional 0.50% transactions and use tax for the City, which would increase the total sales tax rate in Alameda to 9.75%.

The tax proceeds would be deposited into the City’s general fund and be available to support municipal services. Because this measure does not legally restrict the use of tax revenue to any specific purposes, it is classified as a “general tax,” not a “special tax.” The tax proceeds may be used for any valid municipal government purpose, including, but not limited to, police and fire services, park and beach maintenance, and street repair.

The measure requires the City’s independent auditors to prepare an annual audit report reviewing the collection, management, and expenditure of revenue from the tax. The audit report will be reviewed annually by City Council.

A “Yes” vote is a vote in favor of the tax. A “No” vote is a vote against the tax. This measure would be approved if it receives a simple majority of “Yes” votes.

s/ Janet C. Kern
City Attorney

The above statement is an impartial analysis of Measure F. If you desire a copy of the measure, please call the Alameda City Clerk’s office at 510-747-4800 and a copy will be mailed at no cost.