

Fiscal Impact from Finance Director:

**City of Richmond Transactions and Use Tax
Sales Tax Increase of One-Half Percent**

The total sales tax rate in the City of Richmond is currently 9.00%, or 9.0 cents on every dollar. Of this amount, the City currently receives one and one-quarter percent (1.25%) or one and one quarter cents on every dollar. The total collected by the City consists of the standard City allocation of three-quarters of one percent (0.75%) and the extra half cent (0.50%) approved by the voters in 2004. If the sales tax increase is approved, the funds generated will be used to maintain and enhance essential city services, such as public safety, public health and wellness programs, city youth programs, and street paving.

If approved, the total sales tax rate would be 9.5% without a sunset clause. The current three-quarters of one percent (0.75%) sales tax rate generated \$10,325,715 for the fiscal year July 1, 2012, to June 30, 2013. The extra half cent (0.50%) generated \$6,978,167 for the fiscal year July 1, 2012, to June 30, 2013. Based on that amount, the proposed one-half percent (1/2%) increase in the local sales tax would generate \$7,500,000 in fiscal year 2015-2016 to support all the essential City services as noted above. These are approximations of the amounts that can be expected annually based on past conditions. Actual sales tax collections vary from year to year depending upon economic conditions.

The breakdown of the current 9.00% total sales tax rate is as follows:

- 6.50% - State of California
- 0.25% - Contra Costa County
- 0.50% - Contra Costa County Transportation Authority
- 0.50% - San Francisco BART District
- 0.75% - City of Richmond
- 0.50% - City of Richmond - Measure Q
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- 9.00% Total Current Sales Tax Rate

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City of Richmond