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MEMORANDUM

September 5, 2017

TO: Board of Supervisors
Agenda Date: September 12, 2017

FROM: Richard Egan, County Administrative Officer 

RE: Sales Tax Revenue Estimate

RECOMMENDED ACTION: That the Board: provide direction to staff on the subject of a transaction and use (sales) tax revenue measure for county voter approval.

PRIOR BOARD ACTION: None

DISCUSSION: As requested during Unagendized Reports by Board Members, please see the attached local sales tax revenue information and revenue estimates.

"Local Tax" or "Sales Tax" is the general term for sales and use taxes imposed under the Bradley-Burns Uniform Tax Law in California. The local sales tax rate is 1% at the point of sale. The 1% local sales tax is a primary revenue source for the County's general fund.

State law authorizes a county to increase the sales tax rate by following specific procedures and requirements. An increase will require an affirmative vote of the Board of Supervisors and county voter approval.

FISCAL IMPACT: County voter approval of any increase in the local transaction and use tax rate, known as sales tax, is expected to have a positive fiscal impact to the county general fund. The local sales tax rate is currently 1% at the point of sale. For the 2013-2016 calendar years, \$2,863,007 was the average amount of sales tax revenue collected annually at a rate of 1% at the point of sale. For example, a 0.50% sales tax rate increase would generate about \$1,431,503 more revenue annually to the county's general fund and that revenue could be used for any government purpose.

ALTERNATIVES: None identified

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LASSEN COUNTY
SALES TAX REVENUE (Point of Sale 1%)*

	CALENDAR YEAR				
	2013	2014	2015	2016	2017
Annual Revenue	2,580,898	2,623,286	2,904,348	3,343,495	n/a

LASSEN COUNTY
SALES TAX REVENUE - ANNUAL AVERAGE (Point of Sale 1%)
COLLECTION PERIOD - 2013-2016 CALENDAR YEARS

Annual Average 2,863,007

LASSEN COUNTY HYPOTHETICAL REVENUE BY TAX RATE				
RATE	1%	1/2%	1/4%	1/8%
Annual Revenue	2,863,007	1,431,503	715,752	357,876

"Local Tax" or "Sales Tax" is the general term for sales and use taxes imposed under the Bradley-Burns Uniform Sales and Use Tax Law in California. The basic statewide sales and use tax rate in California is 7.25% and is divided as follows:

- 6.00% State
- 1.00% Local Jurisdiction [point of sale] (City or county of place of sale or use)
- 0.25% Local Transportation Fund (County of place of sale or use)

Effective April 1, 2017, Sales Tax Rates (California and Nevada State):

7.25%	7.50%	8.265%
Butte County	City of Red Bluff (Tehama County)	Washoe County (Nevada State)
City of Susanville	Nevada County	
Lassen County		
Modoc County	7.75%	8.50%
Plumas County	City of Anderson (Shasta County)	San Francisco (City and County)
City of Redding (Shasta Co.)	Town of Paradise (Butte County)	
Shasta County	City of Corning (Tehama County)	
Tehama County	Sacramento County	
	8.25%	
	City of Sacramento (Sacramento County)	
	Town of Truckee (Nevada County)	

*SOURCE DATA:

www.hdlcompanies.com
<http://www.boe.ca.gov>

AS OF: 8/31/2017 PREPARED BY: T. Shaw