

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE B

The City Council has placed on the ballot the question of whether to approve an ordinance adopting a transaction and use tax within the City of Benicia. The ordinance would add a transaction and use tax at the rate of three-quarter cent (0.75%) of the retail sales price, for 12 years unless extended by the voters of the City.

State law authorizes the City to levy a local transactions and use tax, more commonly known as a sales tax on retail sales. Currently, the tax on retail sales in the City of Benicia is 8.375% of the purchase price. Of this amount, 7.25% goes to the State, .125% to Solano County and 1% to the City of Benicia. Retailers collect the tax at the time of sale and remit the funds to the State Board of Equalization, which administers the tax and sends the City its amount. This measure would authorize a three-quarter cent increase which would bring the rate to 9.125%. The three-quarter cent tax increase would go to the City of Benicia and not to the State or County. This tax only applies to retail sales. Consistent with state law, the tax would not apply to prescription medications and food purchased as groceries.

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." As a general tax, the funds would go to the City's general fund, and be used for any valid municipal government purpose. As a full service City, these services could include maintaining police services and local parks, protecting emergency response times, and preserving recreation and library services, among other things.

The measure provides for citizens' oversight of the tax. An annual audit by an independent auditor is also required.

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

s/ Benjamin Stock
City Attorney
City of Benicia

December 1, 2023

The above statement is an impartial analysis of Measure B. If you desire a copy of the measure, please call the City Clerk's office at 746-4200 and a copy will be mailed at no cost to you.