CITY ATTORNEY’S IMPARTIAL ANALYSIS OF MEASURE ___

The City Council has placed before the voters the question whether to enact an Ordinance making an existing one-half cent (0.5%) sales tax permanent. A full copy of the Ordinance text is printed in these ballot materials.

In November 2012, the Albany voters approved an Ordinance enacting a temporary transactions and use tax within the City of Albany to fund municipal services and facilities. The tax was authorized to remain in effect for eight years after it became operative, unless extended by the voters. This tax was codified at Section 4-12 of the Albany Municipal Code.

Technically, the City’s 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 administers the tax.

Because the revenue from the City’s retail sales taxes is not legally restricted to any specific purposes, it is classified as a “general tax,” not a “special tax.” The tax proceeds are deposited into the City’s general fund and are available to support the full range of municipal services and facilities.

Currently, the tax on retail sales in Albany is 9.75% of the purchase price. If the one-half cent transactions and use tax approved by the voters in 2012 is allowed to expire, the tax rate will be reduced to 9.25%. If the proposed Ordinance is approved, the total tax rate will remain at 9.75% with no automatic expiration date.

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

DATED: August 10, 2018

CRAIG LABADIE
CITY ATTORNEY