

City of Sacramento

Legislation Text

File #: 2018-01757, **Version:** 1

Title:

Agreements with the California Department of Tax and Fee Administration to Administer and Operate Certain Local Transactions and Use Tax

File ID: 2018-01757

Location: Citywide

Recommendation:

Adopt a Resolution authorizing the City Manager or City Manager's designee to execute agreements with the California Department of Tax and Fee Administration: 1) for the State's preparation to administer and operate the City's Transaction and Use Tax Ordinance; and 2) for the State's performance of all functions incident to the administration and operation of the Ordinance for a reimbursement amount as required by California Revenue and Taxation Code section 7270.

Contact: Julie Coffeen, Program Manager, (916) 808-1259, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A - Contract CDTFA Prep
- 4-Exhibit B - Contract CDTFA Administration
- 5-Ordinance 2018-0036 - Transaction and Use Tax

Description/Analysis

Issue Detail: With the passage of Measure U on the November 6, 2018 ballot, and pursuant to Revenue and Taxation Code section 7265, the 1.0% Transaction and Use Tax will be effective on April 1, 2019.

The California Department of Tax and Fee Administration (CDTFA) requires that the City Council authorize agreements for 1) the preparation to administer and operate the City's transaction and use

tax ordinance (Ordinance 2018-0036) which is included as Attachment 1 and 2) for the State's performance of all functions incident to the administration and operation of the Ordinance for a reimbursement amount as required by California Revenue and Taxation Code section 7270.

Policy Considerations: None.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: Council authorization of these agreements is required by the CDTFA for the implementation of the 1.0% Transaction and Use Tax.

Financial Considerations: The additional revenues generated by Measure U will be available to protect and improve critical city services.

Local Business Enterprise (LBE): None.

Background: On July 31, 2018, the City Council approved placement of a 1.0% sales tax measure on the November 6, 2018 ballot that would replace the existing 0.50% Measure U Tax that expires on March 31, 2019. Having been approved by the majority of Sacramento voters in November 2018, the new 1.0% Measure U Transactions and Use Tax will become effective on April 1, 2019.