

Impartial Analysis of Measure U
Prepared by Sacramento City Attorney

Measure U has been placed on the ballot by the Sacramento City Council. If approved by a majority of the voters, the measure would enact an ordinance that provides for a one-cent tax on each dollar of taxable sales of goods within the City of Sacramento, and on the taxable storage, use, or consumption in the city of goods purchased from a retailer. This is commonly referred to as a “sales tax” and technically referred to as a “transactions and use tax.” As a general tax, the revenues would be deposited into the city’s general fund and could be used for any municipal government purpose, including 9-1-1 response, fire protection, homeless supportive services, affordable housing, libraries, park maintenance, high-wage job promotion, youth programming, and other programs.

The one-cent tax would be in addition to the existing sales tax and would be collected at the same time and in the same manner as the existing sales tax. Currently, the combined state and local sales tax rate in the City of Sacramento is 8.25%, although that would drop to 7.75% on April 1, 2019, if this measure does not pass. If this measure is approved by the voters, the combined rate would be 8.75%.

If approved, the one-cent tax would go into effect on April 1, 2019.

The revenues resulting from this tax would be subject to the same independent annual audit as other general fund revenue. Additionally, the ordinance requires a council-appointed citizens’ oversight committee to review the revenue and expenditure of all funds from the tax.

State law authorizes the city to levy this one-cent tax following approval of the ordinance by two-thirds of the city council and a majority of the voters voting on the issue. The Sacramento City Council approved the ordinance on July 31, 2018.

A “yes” vote is in favor of approving the ordinance establishing the tax. A “no” vote is against approving the ordinance establishing the tax.

Susana Alcala Wood
City Attorney