

**CITY ATTORNEYS' IMPARTIAL ANALYSIS OF MEASURE T  
CITY OF FORT BRAGG**

Measure T, has been placed on the ballot by the City Council of the City of Fort Bragg seeking voter approval of an ordinance imposing a 0.375% transactions and use tax.

Transactions and use taxes are commonly called "local sales taxes" because they are generally collected along with California "sales taxes."

A 0.375% tax is commonly called a "3/8c tax" because the tax is 3/8c for each dollar spent on a taxable transaction. At this rate, the tax on a \$10.00 taxable purchase is 3.75 cents (i.e. slightly less than four cents).

The combined rate of all state and local taxes applicable to taxable transactions (sales) in Fort Bragg is currently 8.875%. Of this 8.875%, only 2.0% is imposed by the City of Fort Bragg. The remainder is levied by the state and the county. If Measure T is adopted, the combined rate would be 9.25%.

The proposed tax would apply and be collected as provided by the state law governing transactions and use taxes. The tax would be administered for the City by the California Department of Tax and Fee Administration. Purchases in Fort Bragg that are exempt from the statewide sales tax would also be exempt from the proposed tax. For example, most groceries, prescription drugs and purchases of services would be exempt from the tax.

As a transactions and use tax, the tax on the purchase of a motor vehicle applies based on the location at which the vehicle is first registered, not the location of the sale. So, if a Fort Bragg resident purchases, for registration in the City, a car or truck from a seller located outside of the City, that resident would pay the Fort Bragg transactions and use tax to be credited to the City.

The tax would remain in effect until repealed by the voters. It is anticipated to generate approximately \$800,000 annually, which would be deposited in the City's general fund. Tax proceeds will be audited as part of City's annual independent audit of the general fund and be accounted for in the City's Consolidated Annual Financial Report.

This measure was placed on the ballot by the City Council of the City of Fort Bragg.

A YES vote approves the measure and approves the proposed local sales tax.

A NO vote rejects the measure and rejects the proposed local sales tax.

The above statement is an impartial analysis of Measure T. If you desire a copy of the measure, please call the elections official's office at (707) 961-2823 and a copy will be mailed at no cost to you.

Baron Bettenhausen, City Attorney