ELSEGUNDO

Measure C Sales Tax Implementation

Voter-Approved El Segundo Ballot Measure C

Measure C language from April 10, 2018 ballot:

"Shall the measure authorizing a Three-Quarter Cent Transactions and Use Tax (Sales Tax), which shall be imposed by the City when a County Sales Tax Measure has qualified for a ballot and may continue to be imposed only if it receives voter approval, to fund general municipal services, for example, police and fire services, senior citizen services, recreation services and street maintenance be adopted?"

- El Segundo voters approved Measure C (84.97%).
- El Segundo Measure C sales tax collection was authorized when the L.A. County Board submitted its half-cent sales tax measure to County voters and will only continue thereafter if voters approve the County measure by a simple majority.

Sales Tax Rate - Breakdown / Total Cap Raised

	Current	Measure C
District	Rate	Rate
California	6.00%	6.00%
Los Angeles County (Measure H)	0.25%	0.50%
Los Angeles County Local Tax (Bradley-Burns)	1.00%	1.00%
Los Angeles County Special District Tax	2.25%	2.25%
El Segundo	0.00%	0.75%
Total	9.50%	10.50%

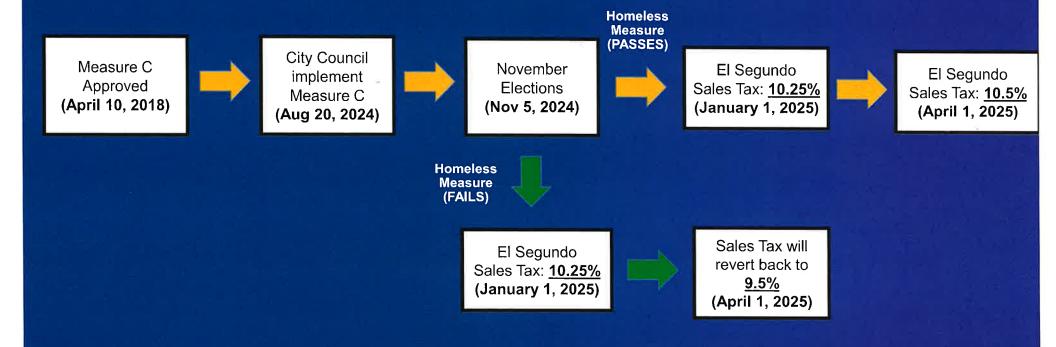
AB 1679 (passed in 2023)

- Authorized local sales tax in Los Angeles County from 2% to 2.25%
- Raised CA state sales tax cap from 10.25% to 10.50% for L.A. County

Measure C – Sales Tax and Costs

- ✓ Measure C will generate approximately: **\$9M** Sales Tax
- ✓ Annual Sales Tax: \$25M
- ✓ Cost to Implement: \$175,000 → The state will charge this fee regardless of the outcome of the County's sales tax measure. El Segundo's collection of Measure C sales tax will cease if the County measure fails.
- ✓ Measure C analysis: **\$2,400** per year, plus audit recovery fees (HDL assoc.)

Measure C - Timeline of Implementation



Recommendation

- 1. Approve Resolutions and associated documents to instruct the California Department of Tax and Fee Administration (CDTFA) to collect an additional 0.75% sales tax as approved by Measure C.
- 2. Authorize the City Manager to execute an amendment to the agreement with Hinderliter de Llamas and Associates to add \$2,400 per year for reporting and auditing services fee in relation to Measure C pursuant to El Segundo Municipal Code Chapter 1-7A.
- 3. Appropriate \$175,000 to budget line item 001-400-2901-6206 (Contractual Services) for the CDTFA's implementation cost, which the state will collect regardless of the outcome of the County's sales tax measure.

Questions



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