

City of Santa Cruz – Sales Tax Measure L

The City Council of the City of Santa Cruz has placed a measure on the ballot asking voters to approve a one-half of one percent (0.50%) transactions and use tax within the City. Should this measure be approved, it would result in the City receiving an additional estimated \$8.3 million annually in sales tax revenues. This measure is not expected to add any significant amount of new administrative costs to the City.

The tax is a general tax and proceeds would be deposited into the General Fund, and would be used to support essential services including homelessness response and prevention, public safety, wildfire mitigation, maintenance of City facilities and essential infrastructure including streets, parks and beaches. Revenues generated by the sales tax will help stabilize the City's budget and avoid reductions to core City services.

The measure would amend the City's Transaction and Use Tax Code to add to the local 9.25% sales tax rate the remaining 0.50% (one-half of one percent) beginning July 1, 2024.