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Measure Z – The City of Riverside's Sales Tax Measure

City Attorney's Impartial Analysis

Measure Z is a ballot measure that, if approved by a majority of voters, would amend the Riverside Municipal Code to enact an increase of one percent (1%) to the transactions and use tax. The Measure, placed on the ballot by the City Council, is a "general" tax, which means that the City of Riverside may use the tax revenues for any governmental purpose (for example, repairs of streets, potholes, and infrastructure, as well as maintaining the City's long-term financial stability).

Although Measure Z is entitled "transactions and use tax" it is commonly referred to as a sales tax. With some exceptions, transactions and use tax is levied on the sale or use of tangible personal property sold at retail. Retailers collect the tax at the time of sale and remit the funds to the State Board of Equalization, which administers the tax, including transmitting payment to the City.

Currently, the total retail sales tax in Riverside City is 8% of the purchase price. The revenue generated by this tax is allocated to the State, Riverside County, and the City. Of the 8%, the State receives 6.25%, the County of Riverside receives .75% and the City receives 1%.

All of the proceeds of the tax increase proposed in Measure Z would go only to the City to be placed into the general fund, and would not go to the State or County.

A "yes" vote is a vote to approve a one percent (1%) increase in transactions and use tax.

A "no" vote is a vote against the increase in transactions and use tax.

If approved, the transaction and use tax increase will take effect on April 1, 2017 through 2036 unless extended by the voters. The City will begin receiving revenues in July, 2017.

The above statement is an impartial analysis of Measure Z. For more information, please visit the City's website at www.riversideca.gov or contact the City Clerk at 951-826-5557.

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