



Measure Q Local Sales Tax Renewal Measure Frequently Asked Questions

- Q. What is the sales tax renewal measure on the ballot?**
A. Appearing on the March 3, 2020 ballot, Measure Q proposes to extend the existing 1% sales tax that would otherwise expire on December 31, 2020. This local sales tax, a general-purpose tax, is implemented and levied by the City. It requires a simple majority to pass (50% + 1).
- Q. What is the current sales tax rate in Davis? Will it go up? If so, by how much?**
A. The current sales tax rate in Davis is 8.25%. Of the 8.25%, 6% is levied by the State of California, 1.25% is levied by Yolo County and special districts, and 1% is levied by the City of Davis. If Measure Q passes, the sales tax will remain at 8.25%. Measure Q does not increase tax rates.
- Q. How does this tax rate compare to other cities?**
A. The current sales tax in Davis is 8.25%. This is in line with neighboring jurisdictions with Sacramento at 8.75%, West Sacramento at 8.25%, and Woodland at an 8.0% sales tax rate.
- Q. Does the revenue generated from Measure Q stay in Davis?**
A. Yes, unlike the state, county and special district sales taxes, all revenue generated by Measure Q stays in Davis.
- Q. How does the City of Davis spend its current local sales tax dollars?**
A. Current local sales tax revenues are approximately \$8.6 million annually, or 16% of the City's General Fund. General Fund dollars support services such as public safety (police, fire), parks, recreation programs, community development, and maintenance of roads, sidewalks, and bike paths. Most of these services are performed by City employees.
- Q. If voters approve Measure Q, how will the tax dollars be spent??**
A. The City will continue to use the sales tax revenue generated to fund essential services as listed above.
- Q. What items will be taxed by Measure Q?**
A. All qualifying purchases made in the City of Davis will be subject to the tax. This includes items such as clothing, cars, household goods and alcohol. Pursuant to California Revenue and Taxation Code, groceries, prescriptions, certain medical devices, and other "Necessities of Life" are exempt from sales taxes.
- Q. If voters approve Measure Q, when does the sales tax measure go into effect?**
A. The sales tax measure will go in to effect on January 1, 2021.
- Q. Will there be taxpayer oversight?**
A. Yes. The City Council performs a mid-year budget update in addition to its annual budget review process. Funds from the measure are also audited annually by an independent firm. In addition, the Finance and Budget Commission, an advisory body to City Council comprised of Davis residents, is charged with the review of City funds and how they are spent.

For more information please visit the City's Measure Q webpage at: <https://www.cityofdavis.org/city-hall/city-clerk/elections/march-3-2020-special-municipal-election>