

DISCUSSION:

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.

All the proceeds of the Measure Z tax go only to the City to be placed into the general fund and do not go to the State or County.

STRATEGIC PLAN ALIGNMENT:

This item aligns with the **High Performing Government** strategic priority, **Goal 5.3:** Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making.

This item also aligns with *EACH of the five Cross-Cutting Threads* as follows:

1. **Community Trust** – This item enhances transparency of the Measure Z ballot measure and facilitates a discussion item requested by the BEC about where the Measure Z tax revenue goes.
2. **Equity** – This subject is discussed in an open forum with the BEC and is open to public comment from all members of the community.
3. **Fiscal Responsibility** – This item clarifies that Measure Z funds remain within the City of Riverside for allocation to City priorities.
4. **Innovation** – This item is neutral towards this cross-cutting thread.
5. **Sustainability & Resiliency** – Riverside voters passed Measure Z to sustain City services, as described in the ballot measure language.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Kris Martinez, Interim Assistant City Manager

Attachment:

1. Impartial Analysis

2. Measure Z Resolution
3. Local Government Guide to California Sales, Use and Transaction Tax