

**CITY ATTORNEYS' IMPARTIAL ANALYSIS OF MEASURE B
CITY OF COLUSA**

Measure B seeks voter approval of an ordinance extending Colusa's existing 1% transactions and use tax (the "Tax") for an additional four years. Transactions and use taxes are commonly called "local sales taxes" because they are generally collected along with California's "sales tax" (which is technically a "sales and use tax").

The Tax was first adopted by the voters by their approval of Measure B at the November 8, 2022 Municipal General Election. That Measure B provided that the Tax would sunset after four years. If the Tax is not extended, collection of the Tax will end on March 31, 2027. The Tax currently generates approximately \$1.25 annually in revenue for the City.

The Tax is administered for the City by the California Department of Tax and Fee Administration. Purchases in Colusa that are exempt from the statewide sales tax are exempt from the Tax. For example, most groceries, prescription drugs and purchases of services are exempt from the Tax.

The 2026 Measure B retains the Tax's existing 1% tax rate. A 1% tax is commonly called a "one-cent tax" because the tax is one cent for each dollar spent on a taxable transaction. At this rate, the tax on a \$10.00 taxable purchase is ten cents.

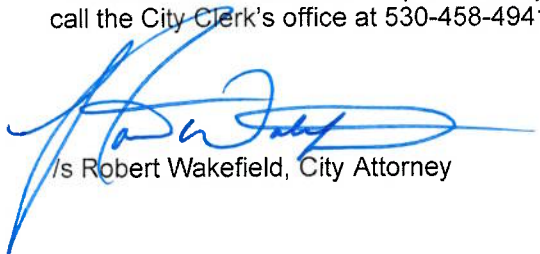
The combined rate of all state and local taxes applicable to taxable transactions (sales) in Colusa is currently 8.75%. Of this 8.75%, only 2% is imposed by the City of Colusa. The rest of the combined sales tax consists of state and county taxes. If the 2026 Measure B is adopted by the voters, the combined tax rate for state, county and city taxes would remain 8.75%.

Proceeds of the Tax will be deposited in the City's general fund and available for any lawful municipal purpose. Expenditures from the City's general fund are controlled by the Colusa City Council. The City Council has noted that general fund is used to fund City services such as providing police, fire, and emergency medical services and improving the City's streets, parks and other infrastructure. Revenues from the Tax will be audited annually by an independent certified public accountant. The existing Citizens' Oversight Committee will continue in its role with respect to the transactions and use tax.

This measure was placed on the ballot by the City Council of the City of Colusa.

A YES vote extends the existing 1% local sales tax for an additional four years.
A NO vote does not extend the existing tax.

The above statement is an impartial analysis of Measure B. If you desire a copy of the measure, please call the City Clerk's office at 530-458-4941 (x3111) and a copy will be mailed at no cost to you.



/s Robert Wakefield, City Attorney