



CITY HALL · ONE FRANK H. OGAWA PLAZA 4TH FLOOR · OAKLAND CALIFORNIA 94612

Michael C. Houston, MPP, CIA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 238-3254
www.oaklandauditor.com

January 17, 2025

RE: Impartial Financial Analysis for the Transactions and Use Tax Measure

Asha Reed, City Clerk
1 Frank H. Ogawa Plaza
Oakland, CA 94612

Dear City Clerk Reed:

Enclosed is the impartial financial analysis for the Transactions and Use Tax measure to be considered by Oakland voters as part of the April 15, 2025 Special Election. The Office of the City Auditor (Office) prepared this analysis in accordance with Municipal Code Section 3.08.210, which requires the Office to prepare an impartial financial analysis of each measure qualifying for ballot placement.

If you have any questions, please contact me at MHouston@OaklandCa.gov, or Assistant to the City Auditor Dena Shupe at DShupe@OaklandCa.gov.

Respectfully submitted,

A handwritten signature in black ink that reads "MCHouston". The signature is written in a cursive, flowing style.

Michael C. Houston
City Auditor

CITY AUDITOR’S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE

BALLOT TITLE:

City of Oakland Transactions and Use Tax Ordinance

BALLOT SUMMARY:

This ballot measure proposes a half-cent (.5 percent) increase on retail transactions and use tax with some specific exemptions. If passed, the tax increase will be administered and collected by the California Department of Tax and Fee Administration (CDTFA) and will be effective for a period of 10 years.

FISCAL IMPACT:

If passed, Oakland consumers’ sales and use taxes would increase by 0.5 percent to 10.75 percent from the current 10.25 percent on retail and use tax transactions.

Based on current consumer trends, if the measure passes, it will generate an estimated \$30.2 million in additional tax revenue for the City in the first year. Costs include a one-time preparatory fee estimated to be \$40,000 and an annual administrative fee of approximately \$233,000 from CDTFA. Additionally, the City will incur an annual fee of approximately \$12,000 to recover the additional revenue due. Accounting for these annual fees, the City would net approximately \$29.97 million in additional revenue after the first year.

Estimated additional revenue to be collected	\$30,200,000
One-time preparatory cost charged to City	\$40,000
Annual charges based on taxes collected	
CDTFA annual administration fee	\$233,000
Annual consultant cost (to recover additional revenue)	\$12,000
Net annual additional revenue in the first year	\$29,977,000

The impact of this measure on consumer behavior and other economic variables is beyond the scope of this analysis.

Information in our independent analysis represents the best information available at the time of this analysis.

MICHAEL C. HOUSTON
City Auditor