



LOCAL SALES TAX FREQUENTLY ASKED QUESTIONS

What is the local sales tax measure?

The sales tax measure is to increase the City's Transaction and use Tax (TUT) by 0.5% (½ cent). The city's current sales tax in Gonzales is 8.75%. If approved by the voters in November, it will increase the City's local sales tax rate to 9.25%.

If the sales tax measure is approved, what will the money be used for?

If approved, the tax increase will ensure that our dollars stay local and that all funds will be used to benefit City of Gonzales residents and businesses. Its passage can help fund critical city services like fire, street and road repairs, and help fund youth programs.

How will the sales tax measure funds be accounted for?

If the sales tax is approved, funds will be managed by a Community Oversight Committee to ensure that the dollars are used for services and programs that matter to the community, and there will be annual audits.

Will all purchases be impacted by the sales tax measure?

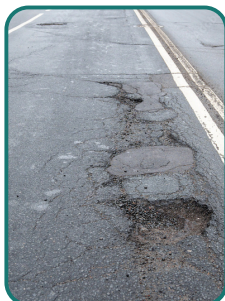
No. The tax does not apply to groceries, rent, mortgages, utilities, prescription medicine, or personal services, such as medical and dental services.

What is taxable under the sales tax measure?

The tax will apply to common items such as clothing, furniture, and restaurant meals.

Who will pay the tax?

The tax would be paid by anyone who shops and dines in Gonzales, including visitors who travel through the City.



How much sales tax do I pay if I shop in Salinas or Soledad?

Nine Monterey County Cities have a sales tax rate of 9.25% including Salinas and Soledad.

Location	Current Tax Rate %
Gonzales	8.75%
King City	8.75%
Soledad	9.25%
Salinas	9.25%
Carmel by the Sea	9.25%
Del Rey Oaks	9.25%
Marina	9.25%
Monterey	9.25%
Pacific Grove	9.25%
Sand City	9.25%
Seaside	9.25%
Greenfield	9.50%

**source <https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx>*

* Both King City and Gonzales are considering increasing their tax rate to 9.25%.

What is the impact on taxable purchases?

If passed, the sales tax would generate an additional ½ of a cent for every dollar spent.

For a \$50 dinner at a restaurant, it would add 25 cents more to the cost of your dinner.

For a \$100 purchase, it would add 50 cents more to your purchase.

How much money is the City going to get?

If approved, 100% of the funds raised by the local sales tax measure will support programs and services in Gonzales. The City expects to receive approximately \$800,000 annually.

Will this tax cover all of the needs the City has?

No. However, this tax will make a meaningful difference in addressing some critical infrastructure needs.

Why does this need to be approved by voters now?

It is important to put the local sales tax measure on the ballot now because other jurisdictions are considering tax increases. If there is a county-wide tax increase, the City's sales tax will increase but the dollars will not stay in Gonzales for our programs and services.

What happens if the sales tax measure does not pass?

If the sales tax measure does not pass, the City will have a tough time ensuring the sustainability of current programs and services, and may have to look at cuts.

IF APPROVED, IT WILL KEEP OUR DOLLARS LOCAL.