

GENERAL FUND MAJOR REVENUES & TRANSFERS

Property Tax

All taxable real and personal property within the City limits is subject to ad valorem taxation, a tax based on value, which is secured by a lien on real property. These taxes are subject to the 1% of market Value limitations of Proposition 13. The City's share of the 1% varies from year to year.

Sales & Use Tax

The retail sales tax is levied against the gross receipts from sales of most tangible personal property except those sold for resale, food for human consumption, prescription medicine, and any form of animal life considered as food.

California general sales tax rate increased by 0.25% (from 7.25% to 7.50%) on January 1, 2013. The City of El Monte Sales & Use Tax Rate is 9.50%, consisting of 7.50% general states sales tax, 0.50% Proposition A, 0.50% Proposition C, 0.50% Measure R, and 0.50% Measure GG. The City receives a total of 1.5 cents (\$.015) per \$1.00 of taxable sales, which is comprised of two components:

- \$.01 of the \$.0750 Statewide Base Sales and Use Tax Rate
- \$.005 through voter approved Measure GG, which has a sunset in April of 2014¹

Utility User Tax

The City receives a certain percent of the user charges by utility companies upon every user of the following services: electric, gas, and telecommunications. The tax is imposed for electric and gas at the rate of 7% and telecommunications at 6.5%.

Franchise Tax

These fees are charged to electrical and gas utilities (except telephone), cable TV, and refuse collection companies for the right to operate within City limits. The fees are generally charged according to gross receipts from sales within the City.

¹ Ordinance of Measure GG, Chapter 3.14.020 – “This Chapter and the transaction and use imposed hereunder, shall remain in effect for a period of five (5) years commencing from the operative date.” Measure GG is scheduled to sunset April 2014. At the time of printing, City Council was taking action regarding public hearings in connection with a ballot measure for the November 2013 election to consider the extension and other parameters of the City's existing half-cent transactions and use tax.

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Transient

This tax, which is derived from hotel (transient) guests, is applied to any occupancy shorter than 30 days in length. The City levies a 10% tax.

Business License Tax

These are fees on businesses and occupations that must be licensed before doing business within the City. The City has different fees listed in the Municipal Code for the various types of businesses such as commercial, wholesale, industrial, professional, repair and maintenance, etc. These fees are typically based on gross receipts, but may also be a fixed fee.

Charges for Service

This revenue category captures costs for the consumer services provided to external customers. The range of these market-based services is wide, and includes: plan checking, building permits, duplication of materials, culture and leisure classes, police, engineering, and other service fees.

Transfers

A transfer is an inter-fund transfer of funds to subsidize operations and is not revenue generated by operations. To better reflect the true operating revenue of a fund, we have segregated transfers-in from operating revenues on the Summary of Resources and Requirements by Fund and Estimated Revenues.