



# MEMORANDUM

Council Agenda  
Item No. IX.Q.  
5/30/2017

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Ordinance No. 25,750 to be introduced, set for public hearing June 13, 2017 and final hearing June 20, 2017, relating to Taxation; amending the Oklahoma City Sales Tax Code, codified as Article II of Chapter 52 of the Oklahoma City Municipal Code, 2010; enacting Section 52-23.6 of said Article II of Chapter 52; levying a sales tax of one-fourth percent (1/4%) on the gross proceeds or gross receipts derived from all sales taxable under the sales tax laws of the State of Oklahoma; providing that the sales tax levied by this Section 52-23.6 shall be cumulative to the excise taxes levied by this chapter; providing for codification; and providing an effective date for Sections 1 and 2 of this ordinance.

### Background

The City Council met in a workshop on April 18, 2017 to discuss the 2017 General Obligation Bond program and a potential sales tax initiative. A proposal to use a portion of the sales tax initiative to support operations for police, fire, and other general City services was discussed at the workshop and was generally supported by the Council.

Ordinance Number 25,750, as presented today, proposes to levy a general revenue sales tax of 1/4%. Other items on today's Council agenda would call a special election for approval of the tax levy, and set the election date for September 12, 2017. The 1/4% general revenue sales tax, following approval by the voters, will take effect on January 1, 2018.

It is anticipated that this 1/4% sales tax will generate approximately \$26 million per City fiscal year. General revenues can be used by the City for general operating expenses, including for police services, fire services, street repairs and maintenance, and other general operational functions of the City, as determined by the City Council when it approves the City budget each fiscal year.

Estimated Revenue Approximately \$26 million per fiscal year.

Review Finance Department

Recommendation: Ordinance be introduced, set for public hearing June 13, 2017 and final hearing June 20, 2017.

Attachment