



# Where Does My Property Tax and Sales Tax Go?

The City of Laguna Woods' two largest sources of revenue are property tax and sales tax. For the July 1, 2016 through June 30, 2017 fiscal year, property tax and sales tax are estimated to generate approximately 60% of the City's General Fund (or, "operating fund") revenue. The General Fund supports law enforcement, animal control, roadway maintenance, building inspection, waste and recycling, and other public services.

## Property Tax

Property tax is a tax on certain types of personal property and, in the case of property transfer tax, on the recordation of documents transferring ownership of land or real property. Property tax rates are established by State law; the City does not have a role in that process. The County of Orange collects property tax from property owners and distributes a portion of the proceeds to the City.

### How much does the City receive?

For every dollar of property tax paid, the City receives an average of less than one-cent (\$0.00879)<sup>1</sup>. Over 73% of every property tax dollar funds education.

Property transfer tax is collected at a rate of \$1.10 per \$1,000 of the assessed valuation of the real estate being transferred. The City and the County of Orange each receive 50% of the property transfer taxes collected.

<sup>1</sup> Representative Tax Rate Area (TRA 32010; 2014)

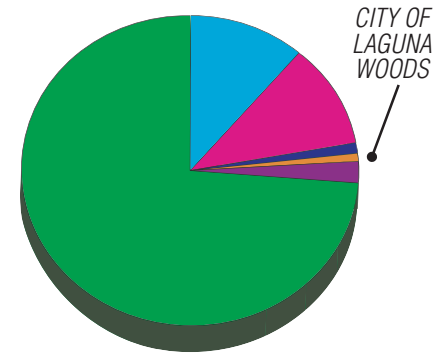
## Sales Tax

Sales tax is a tax on the total retail price of certain types of tangible personal property, as well as on the use or storage of certain other types of property. Sales tax rates are established by a combination of State law and voter-approved ballot measures. The State Board of Equalization collects sales tax from retailers and businesses and distributes a portion of the proceeds to the City.

### How much does the City receive?

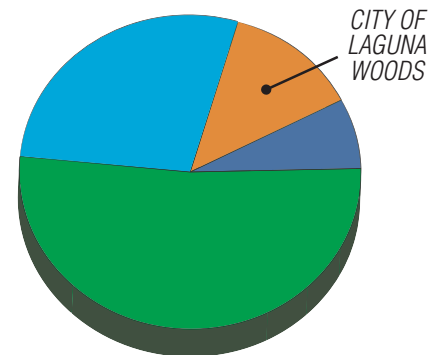
Of the 8% local sales tax rate, the City receives only 1%. The City also receives a portion of the half-cent sales tax collected by the Orange County Transportation Authority pursuant to the voter-approved Measure M2. The majority of sales tax revenue is paid to the State of California and the County of Orange.

### PROPERTY TAX ALLOCATION <sup>1</sup>



Education-related	73.3%
Orange County Fire Authority	11.6%
County of Orange	11.1%
El Toro Water District	1.0%
City of Laguna Woods	0.9%
Others	2.1%

### SALES TAX ALLOCATION



State of California	4.1875%
County of Orange	2.3125%
City of Laguna Woods	1.0%
Orange County Transportation Authority	0.5%