

# Agenda Statement

**Meeting Date:** August 19, 2025  
**To:** City Council  
**Through:** Jackie C. Wilde, City Manager  
**From:** Shelby Carlson, City Clerk  
**Agenda Item:** Resolution 2025-030



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## **BACKGROUND, JUSTIFICATION, & INTENT:**

In June 2024, the City Council adopted Ordinance 2024-006 amending Whittier Municipal Code Chapter 3.08 to remove the seasonal exemption from the City's five percent consumer sales tax, making the tax applicable year-round. Prior to this change, sales tax was collected only from April through September. The change to year-round taxation was intended to simplify administration for businesses, address complexities created by seasonal exemptions, and increase collection from non-resident users of City services.

During the July 15, 2025 Regular Meeting, the Mayor requested Council consider placing a non-binding advisory question on the ballot for the October 2025 regular municipal election to gauge public sentiment on returning to a six-month seasonal sales tax period. The Council discussed the potential impacts on residents, businesses, and revenues, and voted to direct administration to prepare this resolution.

This advisory question is intended to measure voter preference on the seasonal application of sales tax and will not, by itself, change the existing year-round sales tax structure. Any change to the current sales tax code would require separate Council action by ordinance.

## **CONSISTENCY CHECKLIST:**

	Yes	No	N/A
1. Legislative Priorities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Comprehensive Plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Whittier Code: <i>WMC 3.08</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Other: <i>July 15, 2025 Whittier City Council Regular Meeting</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FISCAL NOTE:** Through May 2025, sales tax revenues are approximately \$79,000 which is assumed to be the result of the collection of sales taxes which would previously have been lost due to a summer-only sales tax. The bulk of this revenue is derived from visitors to Whittier who pay sales tax on moorage and fuel; these sales would be sales-tax-exempt in the winter in the event the City reverts to a seasonal sales tax. The new year-round sales tax has not been in place for a full year; based on current collections, it is estimated that reverting to a seasonal sales tax could result in the loss of more than \$100,000 in annual revenue. When the seasonal sales tax was replaced by a year-round tax, Council wished to address concerns that local residents might have to pay more sales tax. Therefore, Council amended the Sales Tax Code to

exempt from sales tax, the purchase of groceries, residential rents, and other specific household purchases. The primary risk of returning to a seasonal sales tax is that the 2026 Budget relies very heavily on implementation of the new Ground Transportation Fee effective January 1, 2026, and estimated to generate \$1,375,000 per year. If this fee fails to be implemented for any reason, the City is expected to face a financial shortfall of more than \$1.2 million in 2026. Reverting to a seasonal sales tax will further exacerbate the deficit in the General Fund, adversely impacting public services.

**ATTORNEY REVIEW:**   ☐ Yes   ☒ No   ☐ Not Applicable

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**RECOMMENDATION:** Administration defers to Council's judgment on the approval of Resolution 2025-030.