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Everything is Cheaper in California

July 1, 2011

As of July 1, sales tax in California is reduced by 1%. This tax cut is a the result of the expiration of tax hikes approved back in 2009, which expired today with the start of the new fiscal year. While the Governor and Democratic leaders wanted to extend the higher rates taxes, they were unable to obtain the necessary votes to approve the extension of the taxes.

The new statewide rate will now be 7.25%, but the actual tax rate on purchases will vary from city to city. The sales tax in San Francisco, for example, is now 8.5% instead of 9.5%. The tax rate in San Mateo is now 8.25%, and 8% for Marin.

While some believe the cut will stimulate the economy, others fear that the cut will further hinder California's already struggling budget.

To find the new rate in any city or county in California, visit the [California State Board of Equalization](#).

Firm newsletters on other subjects can be viewed at our [website](#).

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