



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Bradley Johnson  
Interim Finance Director

**SUBJECT:** Authorization to Examine Sales and  
Use Tax and Transactions and Use  
Tax Records

**DATE:** June 24, 2025

City Administrator Approval

  
Jestin Johnson (Jul 3, 2025 08:35 PDT)

Date: 07/03/2025

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Superseding Resolution No. 87552 C.M.S. And Authorizing The Examination Of Sales And Use Tax Records And Transactions And Use Tax Records For The City Of Oakland From The California Department Of Tax And Fee Administration.**

## **EXECUTIVE SUMMARY**

With the adoption of the proposed resolution, the City will be in compliance with the California Revenue and Taxation Code, which sets forth certain requirements and conditions for the disclosure of information contained in, or derived from, the City's sales or transactions and use tax records of the California Department of Tax and Fee Administration (hereafter referred to as the "Department"). This resolution will supersede [Resolution No. 87552 C.M.S.](#) and update and expand the list of authorized City positions to receive and review sales or transactions and use tax records for the City of Oakland ("City") from the Department. The requested positions to be added to the list require access to sales or transactions and use tax data for review and analysis as part of their job responsibilities. In addition, the proposed resolution also reauthorizes the consulting firm Hinderliter, de Llamas and Associates (hereafter referred to as "HDL") to continue to receive and review sales or transactions and use tax records on behalf of the City.

## **BACKGROUND / LEGISLATIVE HISTORY**

The Board of Equalization and more recently the California Department of Tax and Fee Administration ("Department") performs all functions incident to the administration and collection of the California sales and use taxes, of which the City of Oakland receives one percent (the "state-administered local sales and use tax").

At the April 15, 2025 Special Municipal Election, Oakland voters adopted a local transactions and use tax of .5%. The City of Oakland transactions and use tax is in addition to the state-administered local sales and use tax.

City Council  
July 15, 2025

Pursuant to Oakland Municipal Code Chapter 4.26, Resolution No. 90740 C.M.S., and Revenue and Taxation Code section 7270, the City entered into a contract with the Department to perform all functions incident to the administration and collection of the new transactions and use tax.

It is necessary for authorized officers, employees and representatives of the City to examine confidential local sales and use tax records or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City in order to perform fiscal analysis and auditing relating to the records.

Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of these Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department. Section 7056 provides that when requested by resolution of the legislative body, the Department shall permit the authorized officers or employees or other person designated by that resolution to examine all of the sales or transactions and use tax records pertaining to the taxes collected for that jurisdiction.

In 1998 Resolution No. 65866 C.M.S. authorized the City Manager, the Director of Economic Development and Employment, the Director of Finance, and HDL to receive and review these records. Subsequent resolutions in 2010 ([No. 82762 C.M.S.](#)), 2015 ([No. 85476 C.M.S.](#)), and 2019 ([No. 87552 C.M.S.](#)) sequentially amended prior resolutions, expanding the list of designated City officials, and reauthorizing HDL to examine these records on behalf of the City, pursuant to California Revenue and Taxation Code, Section 7056(B).

## **ANALYSIS AND POLICY ALTERNATIVES**

The proposed resolution updates the list of authorized City positions to receive and review sales or transactions and use tax records for the City from the Department to include new positions that have been added through budget processes due to departmental reorganizations. In addition, the proposed resolution reauthorizes the consulting firm Hinderliter, de Llamas and Associates to continue to receive and review sales or transactions and use tax records on behalf of the City. As a consultant and representative of the City, HDL is currently authorized to examine all of the sales and use tax records of the Department pertaining to sales and use taxes collected by the Department on behalf of the City. HDL is required to have an existing contract with the City to represent the City in matters requiring examination of sales tax records and is required by that contract to disclose information contained in, or derived from, those sales tax records only to an officer or employee of the City who is authorized by resolution to examine the information. The information obtained by the designated representatives is vital for revenue audits and compliance review, budget and forecasting, and economic development programs.

The proposed resolution supersedes [Resolution No. 87552](#) C.M.S., which was the prior resolution designating the individuals authorized to review the records.

This report supports the Citywide priority of a **responsive, trustworthy government** by enabling timely and up-to-date financial information to be received for economic analysis and auditing, enhancing transparency while maintaining confidentiality of sales and use tax records.

To ensure the continued confidentiality of sales and use tax records and transactions and use tax records and to comply with state law, the City will restrict access to collections receipts to those positions requested in this resolution.

### **FISCAL IMPACT**

There was no cost or fiscal impact associated with the adoption of this report and resolution.

### **PUBLIC OUTREACH / INTEREST**

This item did not require any additional public outreach other than the required posting on the City's website.

### **COORDINATION**

This staff report was prepared by the Revenue Management Bureau in coordination with the City Administrator's Office.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The designation and authorization of City staff and representatives allows the City to maintain the integrity of the City's tax enforcement and compliance efforts.

***Environmental:*** There are no environmental impacts associated with this report.


***Race & Equity:*** There were no race and equity benefits associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

**Staff Recommends That The City Council Adopt A Resolution Superseding Resolution No. 87552 C.M.S. And Authorizing The Examination Of Sales And Use Tax Records And Transactions And Use Tax Records For The City Of Oakland From The California Department Of Tax And Fee Administration.**

For questions regarding this report, please contact Jose Segura, Budget & Management Analyst, Principal, Finance Department, at (510) 238-2972.

Respectfully submitted,

  
Bradley Johnson (Jul 1, 2025 07:58 PDT)

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