



Howard Jarvis
Taxpayers Association
established 1978

CalRHA



Date: April 21, 2026
To: Members, Assembly Revenue and Taxation Committee
From: Joan Armenta-Roberts, Sales Tax Consultant
Subject: **OPPOSITION to AB 1768 (Bryan), as introduced on February 9, 2026**

The California Taxpayers Association and the organizations listed above respectfully oppose AB 1768, which would authorize Los Angeles County to impose a transactions and use tax, contingent upon voter approval, that exceeds the 2 percent statewide cap. We respectfully oppose AB 1768 for the following reasons:

Continuing to Authorize Waivers Makes California Less Affordable. The transactions and use tax is a regressive tax that has the most harmful impact on low-income residents because it makes it more expensive for these taxpayers to purchase everyday necessities. Inflation has increased the cost of most goods, which in turn increases the sales tax that is imposed as a percentage of the retail price. Adding to the cost of living with a sales tax increase would harm Californians and disproportionately impact the state's most vulnerable residents. A study released in March by the SmartAsset personal finance site found that Los Angeles residents need one of the highest individual salaries in the United States to live comfortably (the city ranked 16th worst in the nation on this affordability metric). The county has lost population recently, in large part due to its cost of living. AB 1768 would add to the struggles of Los Angeles County residents.

The Los Angeles Region Already Is Home to the Highest Sales Tax Rates in America. Sales taxes in parts of Los Angeles County are already at – and in many cases exceed – the highest levels in the United States. According to the Tax Foundation of Washington, D.C., combined state and local sales tax rates in major U.S. cities typically top out just above 10 percent, with only a handful of jurisdictions nationwide reaching or slightly exceeding that threshold (Facts & Figures 2025, Table 18). Yet in Los Angeles County, most cities already fall within a 9.75 percent to 10.5 percent range, placing them at the very top of national rankings, and several cities go even further – well beyond what is typical elsewhere in the country. These include Lancaster (11.25 percent), Palmdale (11.25 percent), Santa Fe Springs (11 percent), and a large group of cities at 10.75 percent: Azusa, Compton, Culver City, Glendora, Irwindale, Lynwood, Pico Rivera, Santa Monica, South El Monte, and South Gate. By comparison, even municipalities considered high-tax cities, such as New York City (8.875 percent) and San Francisco (8.625 percent) fall well below these sales tax rates, while cities often cited for high sales taxes – such as Chicago and Seattle – generally top out around 10 percent to 10.25

percent. The result is that Los Angeles County is not merely competitive with the highest-tax jurisdictions, it is home to some of the highest sales tax rates in the entire United States.

Increases Costs of Manufacturing and R&D. Businesses engaged in manufacturing and research-and-development activities face a significant sales and use tax burden in California. Under existing law, when a business purchases manufacturing or R&D equipment, the purchase is subject to a one-time local sales tax of 1.25 percent plus any additional voter-approved transactions and use taxes. Taxing business inputs increases overall production costs for everyday goods produced in California. Authorizing Los Angeles County to exceed the 2 percent transactions and use tax cap would increase the cost of doing business for critical industries and companies, including the many companies in the area researching innovative ways to help the state meet its emissions-reduction goal. The county's research community drives technological advancement and can attract investment and create high-quality jobs in emerging fields.

Increases Government Costs. Unlike the federal government, which receives an exemption for all state and local sales taxes, purchases made by municipal and state agencies are subject to state and local sales taxes. Increasing the local sales tax would increase costs for purchases made by cities and counties, public school districts, and the University of California's Los Angeles campus, as well as the California State University campuses at Los Angeles, Long Beach, Pomona and Northridge.

For the foregoing reasons, CalTax and the organizations listed below respectfully oppose AB 1768.

On behalf of...

California Taxpayers Association
Apartment Association of Greater Los Angeles
California Rental Housing Association
Howard Jarvis Taxpayers Association

cc: The Honorable Isaac Bryan, California State Assembly

The California Taxpayers Association is a nonpartisan, nonprofit association formed to support good tax policy, oppose unnecessary taxes and promote government efficiency. Established in 1926, CalTax is the oldest and largest group representing California taxpayers.