



Staff Report

July 8, 2025

TO: Honorable Mayor and Members of the Town Council
FROM: Ted Williams, Finance Director
DATE: July 8, 2025
RE: Adoption of Resolution Authorizing Examination of Transactions and Use Tax Records

Recommendation

Approve resolution authorizing examination of transactions and use tax records by Hinderliter, de Llamas and Associates (HdL).

Issue Statement and Discussion

Hinderliter, de Llamas and Associates (HdL) has provided sales tax analysis services to the Town since 2000. HdL is known throughout the state of California as the premier sales tax analysis agency. Their work for the Town has only been for the Town's Sales tax, and not for the ¼ percent Transactions and Use tax. Staff seeks to add analysis of the Transactions and Use tax to the services provided by HdL to the Town, as the basis of the Transactions tax is somewhat different from the Sales tax.

The additional cost to provide this service is nominal and well within the Town Manager's authority, but the California Department of Tax and Fee Administration requires a resolution from the Town Council authorizing HdL to examine the Town's Transactions tax data. Without the resolution, HdL will not be able to access the data needed to provide the services that staff are looking for.

Staff recommends that Council approve the attached resolution.

CEQA Requirements

CEQA does not apply to financial policies

Financial and/or Policy Implications

The analysis provided by HdL will provide staff with a better understanding of the transactions tax, which will result in better forecasting and fiscal planning.

Attachments

A. Resolution

TOWN OF LOOMIS

RESOLUTION NO. 25 –

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS AUTHORIZING EXAMINATION OF TRANSACTIONS AND USE TAX RECORDS

WHEREAS, pursuant to Resolution No. 16-35, the Town of Loomis entered into a contract with the California State Board of Equalization (now the Department of Fee and Tax Administration) to perform all functions incident to the administration and collection of sales or transactions and use taxes; and

WHEREAS, pursuant to Revenue and Taxation Code section 7270, the Town entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the Town Council of the Town of Loomis deems it desirable and necessary for authorized officers, employees and representatives of the Town to examine confidential transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the Town pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of 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; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code requires that any person designated by the Town shall have an existing contract to examine the Town's transactions and use tax records.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Town Council of the Town of Loomis as follows:

Section 1. That the Town Manager or Finance Director, or other employee of the Town designated by the Town Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the Town with authority to examine transactions and use taxes collected for the Town by the Department pursuant to the contract between the Town and the Department.

Section 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of Town transactions and use taxes by the department pursuant to that contract, and for the purposes related to the following governmental functions of the Town:

- a. Budget Planning
- b. Economic Development

Section 3. That Hinderliter, de Llamas and Associates DBA HDL Companies is hereby designated to examine the transactions and use tax records of the Department pertaining to transactions and use taxes collected for the Town by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the Town and Hinderliter, de Llamas and Associates:

- a) has an existing contract with the Town to examine those transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in or derived from those transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of Town transactions and use taxes by the Department pursuant to the contract between the Town and the Department and for those purposes relating to the governmental functions of the Town listed in section 2 of this resolution.

PASSED AND ADOPTED this 8th day of July, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Town Clerk