It seems pertinent to call attention to the fact that this reduction in
taxes has been brought about, not by lowering of the tax-rate, but by a
lowering of the assessed value of the property.

**Sales Tax.** The California Legislature enacted a Sales Tax Law
in 1935, the proceeds to be used for the support of the State. The tax
is 3% on goods sold although the percent is higher on small purchases. It
is estimated that this tax will produce about $70,000,000 in revenue and
will provide about 55% of the State’s general fund support. No taxes have
been levied for the support of the State Government since 1914 on real
estate or personal property, its revenue being derived from taxes on incomes,
sales, franchises, corporations, liquors, etc. While the sales-tax does
not directly relieve the tax burden on real estate it is thought that should
it be repealed the State would be forced to make up the loss of revenue by
making a levy on real estate values. *

**E. Bonded Debt.** The following is the bonded debt of the three taxing
units covering property in the City of San Diego:

<table>
<thead>
<tr>
<th>Date: June 30, 1936</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County of San Diego</strong></td>
<td><strong>San Diego School Dist.</strong></td>
</tr>
<tr>
<td>Net balance</td>
<td>Net Balance</td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>General Obligation Bonds</td>
</tr>
<tr>
<td>$2,403,000</td>
<td>$1,659,125</td>
</tr>
<tr>
<td><strong>Per Capita</strong></td>
<td><strong>Per Capita</strong></td>
</tr>
<tr>
<td>$11.46</td>
<td>$29.05</td>
</tr>
</tbody>
</table>

According to Luxford & Company, security dealers, San Diego Trust
& Savings Building, San Diego, there has been no default in the bonds of
the above governmental units and sinking funds are well maintained. All
the County, School District and City bonds of San Diego are popular with
investors and short-term maturities, five years or less, are currently
selling on a 1 1/2 to 1 3/4% yield basis and the longer term maturities, 15
years or more, on the basis of approximately 3%.

* A discussion of ad valorem taxes affecting districts in the City of
San Diego will be found under Section 2-F - "Detrimental Influences."