



City of Detroit

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CITY COUNCIL

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MARY SHEFFIELD  
CITY COUNCIL PRESIDENT  
DISTRICT 5

## MEMORANDUM

**TO:** David Whitaker, Director, Legislative Policy Division  
**FROM:** Mary Sheffield, President, Detroit City Council  
**DATE:** June 9, 2025  
**RE:** Request for Report on Half-Penny Sales Tax

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In an effort to identify new, equitable revenue streams to support critical investments in the City of Detroit, I am formally requesting a study on the potential implementation of a **half-penny sales tax**.

Specifically, I am asking for an analysis of the following:

1. **Revenue Projections** – Estimated annual revenue that could be generated by a half-cent (0.5%) sales tax in the City of Detroit.
2. **Permissibility** – Review of state law regarding local sales taxes, including any legislative or voter approvals that would be required to implement such a tax.
3. **Use of Funds** – Examples of how other cities or municipalities have used similar sales tax revenues to fund public safety, affordable housing, neighborhood revitalization, public transit, or workforce development.
4. **Equity and Economic Impact** – Analysis of the potential impact on Detroit residents, including low-income households and small businesses.
5. **Implementation Framework** – Recommendations on how to structure a dedicated and transparent fund, including oversight and community input mechanisms.

This initiative is being considered as part of a broader strategy to invest in the long-term sustainability and quality of life for Detroiters, without placing additional pressure on property owners. The goal is to create a mechanism that allows all who benefit from Detroit's services and economic infrastructure to contribute to its continued growth and equity.

If you have any questions or need additional information, please contact Yvonne Ragland from my office at [yvonne.ragland@detroitmi.gov](mailto:yvonne.ragland@detroitmi.gov).

Cc: Honorable Colleagues  
City Clerk