

File No. 241150

Committee Item No. 2

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date March 5, 2025

Board of Supervisors Meeting

Date March 18, 2025

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Hearing Notice – 10-Day Fee Ad</u> |
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Completed by: Brent Jalipa

Date February 27, 2025

Completed by: Brent Jalipa

Date March 6, 2025

1 [Business and Tax Regulations Code - Voluntary Disclosure Program; Fee for Advance
2 Determinations]

3 **Ordinance amending the Business and Tax Regulations Code to authorize the Tax**
4 **Collector to waive taxes, penalties, and/or interest under a program ending**
5 **December 31, 2027, that allows unregistered taxpayers to voluntarily disclose and pay**
6 **back taxes; and to authorize the Tax Collector to collect fees through**
7 **December 31, 2027, for reviewing applications for and providing advance**
8 **determinations to taxpayers.**

9
10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Article 6 of the Business and Tax Regulations Code is hereby amended by
19 adding Sections 6.14-1 and 6.14-2, to read as follows:

20 **SEC. 6.14-1. VOLUNTARY DISCLOSURE PROGRAM; WAIVER OF TAX, PENALTIES, AND**
21 **INTEREST.**

22 *(a) The Tax Collector may, in the Tax Collector's discretion, waive taxes, penalties, and*
23 *interest subject to the common administrative provisions in this Article 6 of the Business and Tax*
24 *Regulations Code, under a Voluntary Disclosure Program that conforms with the requirements of this*
25 *Section 6.14-1.*

1 (b) The Voluntary Disclosure Program shall apply to applications filed on or after the effective
2 date of the ordinance in Board File No. 241150 enacting this Section 6.14-1 and on or before
3 December 31, 2027.

4 (c) For purposes of this Section 6.14-1, a “Voluntary Disclosure Program” means a program
5 offered by the Tax Collector that:

6 (1) Allows taxpayers that do not have a business registration certificate issued under
7 Article 12 of the Business and Tax Regulations Code and that have not been previously contacted by
8 the Tax Collector about unreported taxes or a failure to obtain a business registration certificate to
9 voluntarily disclose their unreported back taxes to the Tax Collector. These taxpayers shall pay the
10 taxes and interest as required in subsection (c)(2) in exchange for a waiver of the taxes, penalties,
11 and/or interest, as applicable, under subsections (c)(3) and (c)(4);

12 (2) Requires those taxpayers to pay all applicable taxes and interest due and payable
13 for the tax years and tax periods within a lookback period consisting of:

14 (A) For taxes due and payable on an annual basis, the six tax years immediately
15 preceding the tax year in which the voluntary disclosure application was made; or

16 (B) For taxes due and payable on other than an annual basis, the tax periods
17 immediately preceding the tax period in which the voluntary disclosure application was made that in
18 total comprise six years;

19 (3) With respect to the voluntarily disclosed tax liabilities for the tax years and tax
20 periods within the lookback period in subsection (c)(2), waives any penalties due and payable; and

21 (4) For the tax years and tax periods prior to the lookback period in subsection (c)(2),
22 waives taxes, penalties, and interest due and payable, but only with respect to the specific City taxes
23 disclosed.

24 (d) The Tax Collector may impose procedural and other administrative requirements for a
25 taxpayer to qualify for the waiver of the taxes, penalties, and/or interest, as applicable, under

1 subsections (c)(3) and (c)(4) by publishing such requirements on the Tax Collector’s website. Failure
2 to satisfy such requirements shall render a taxpayer ineligible for such waiver.

3 **SEC. 6.14-2. ADVANCE DETERMINATIONS; FEES.**

4 (a) The Tax Collector may charge and collect fees from taxpayers for reviewing applications
5 for and/or providing advance determinations of a taxpayer’s liability for, or issues regarding, the taxes
6 subject to the common administrative provisions in this Article 6, as follows:

7 (1) for applications filed with the Tax Collector on or before December 31, 2025, \$250;

8 and

9 (2) for applications filed with the Tax Collector after December 31, 2025, an amount, if
10 any, that is no more than all of the Tax Collector’s costs of providing such determinations.

11 (b) The Tax Collector’s authority to charge and collect fees under this Section 6.14-2 shall
12 apply to advance determinations for which taxpayers have applied from on or after the effective date of
13 the ordinance in Board File No. 241150 enacting this Section 6.14-2 through on or before
14 December 31, 2027.

15
16 Section 2. Effective and Operative Dates. This ordinance shall become effective 30
17 days after enactment, and shall be operative on the first day of the month following the
18 effective date. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
19 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
20 of Supervisors overrides the Mayor’s veto of the ordinance.

21
22 APPROVED AS TO FORM:
23 DAVID CHIU, City Attorney

24 By: /s/
25 KERNE H. O. MATSUBARA
Deputy City Attorney

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LEGISLATIVE DIGEST
(Substituted, 1/14/2025)

[Business and Tax Regulations Code - Voluntary Disclosure Program; Fee for Advance Determinations]

Ordinance amending the Business and Tax Regulations Code to authorize the Tax Collector to waive taxes, penalties, and/or interest under a program ending December 31, 2027, that allows unregistered taxpayers to voluntarily disclose and pay back taxes; and to authorize the Tax Collector to collect fees through December 31, 2027, for reviewing applications for and providing advance determinations to taxpayers.

Existing Law

The Tax Collector is responsible for collecting and receiving taxes imposed by the Business and Tax Regulations Code. The Tax Collector generally does not have the authority to waive taxes or accrued interest but may waive certain penalties under Article 6 of the Business and Tax Regulations Code. The Tax Collector may issue rules and regulations, determinations, and interpretations consistent with the Business and Tax Regulations Code as may be necessary or appropriate in enforcing the payment, collection, and remittance of taxes.

Amendments to Current Law

This ordinance would authorize the Tax Collector to waive taxes, penalties, and/or interest under any program offered by the Tax Collector permitting taxpayers to voluntarily disclose and pay unpaid back taxes and interest for the previous six years in exchange for a waiver of penalties for the six-year lookback period and a waiver of taxes, penalties, and interest for tax years and periods prior to that lookback period. Taxpayers would be eligible only if they do not have a business registration certificate and had not been previously contacted by the Tax Collector about unreported taxes or the failure to register. The Tax Collector's waiver authority would apply to applications for voluntary disclosure filed by taxpayers from the effective date of this ordinance through December 31, 2027.

This ordinance also would authorize the Tax Collector to charge and collect fees from taxpayers for reviewing applications and/or providing advance determinations of a taxpayer's liability for, or issues regarding, the taxes subject to Article 6 of the Business and Tax Regulations Code, as follows: (1) \$250 for applications filed with the Tax Collector on or before December 31, 2025, and (2) an amount, if any, that is no more than all of the Tax Collector's costs of providing such determinations, for applications filed after December 31, 2025. The Tax Collector's authority to charge and collect fees for advance determinations would apply to applications filed through December 31, 2027.

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March 5th, 2025



Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

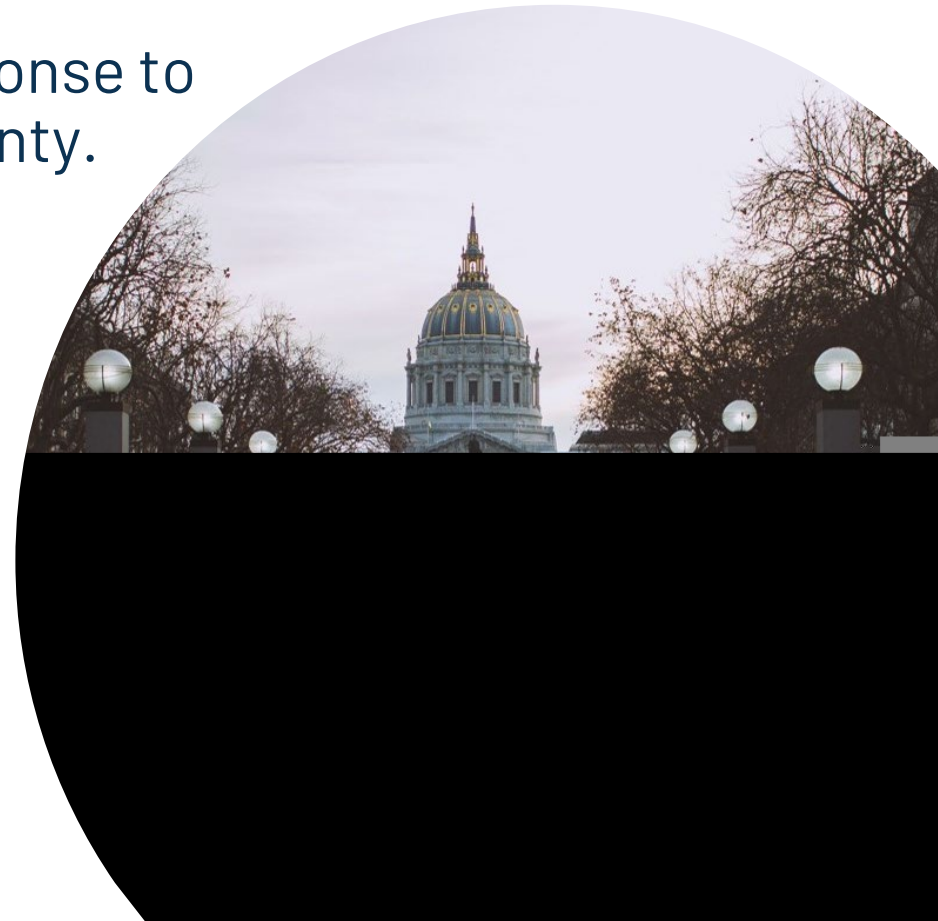
Voluntary Disclosure Agreement and Advance Written Determination Ordinance

Budget and Finance Committee



Business Tax Reform

- On November 5, 2024, San Francisco voters approved Proposition M, a comprehensive restructuring of the city's business tax system.
- Our Office is implementing key components of reform in 2025.
- Two components for approval today are a direct response to taxpayer feedback seeking more guidance and certainty.
- This ordinance establishes the following:
 - Voluntary Disclosure Agreement (VDA) Program
 - Advance Written Determination (AWD) Fee Authorization





Voluntary Disclosure Agreement (VDA)

Overview

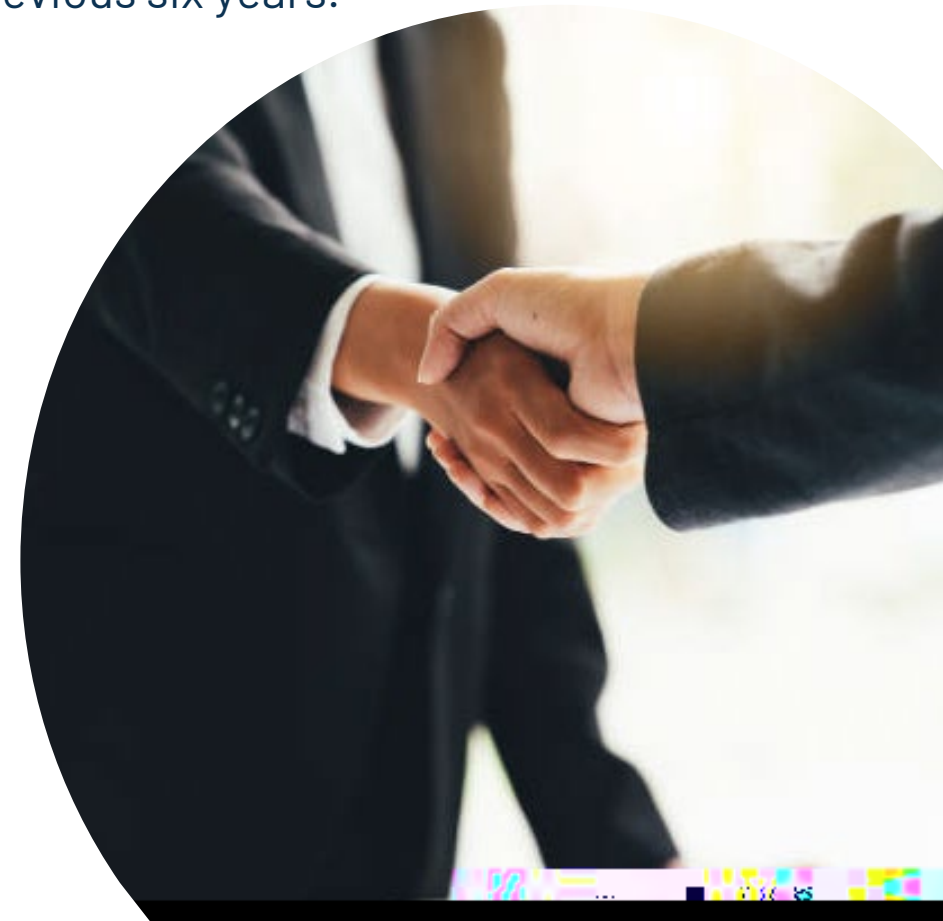
- This ordinance authorizes the Tax Collector to waive taxes, penalties, and/or interest for businesses who come forward and pay unpaid back taxes and interest.
- Businesses must disclose and pay unpaid taxes and interest for the previous six years.

Eligibility Requirements

- Businesses **must not** have a business registration certificate.
- Businesses **must not** have been previously contacted by the Office of the Treasurer & Tax Collector regarding unreported taxes or failure to register.

Program Timeline

- Applications for voluntary disclosure will be accepted this Spring to align with the effective date of this ordinance.
- Authorized through December 31, 2027.





VDA Revenue Projections

- Since 2019, an informal VDA program has generated \$2.9 million in back taxes and \$1.6 million in ongoing tax revenue.
- Based on this data, we project the following revenue over three years that the program is authorized:
 - \$1.5 million in prior year tax revenue collected
 - \$1 million in ongoing tax revenue.





Advance Written Determination (AWD)

Overview

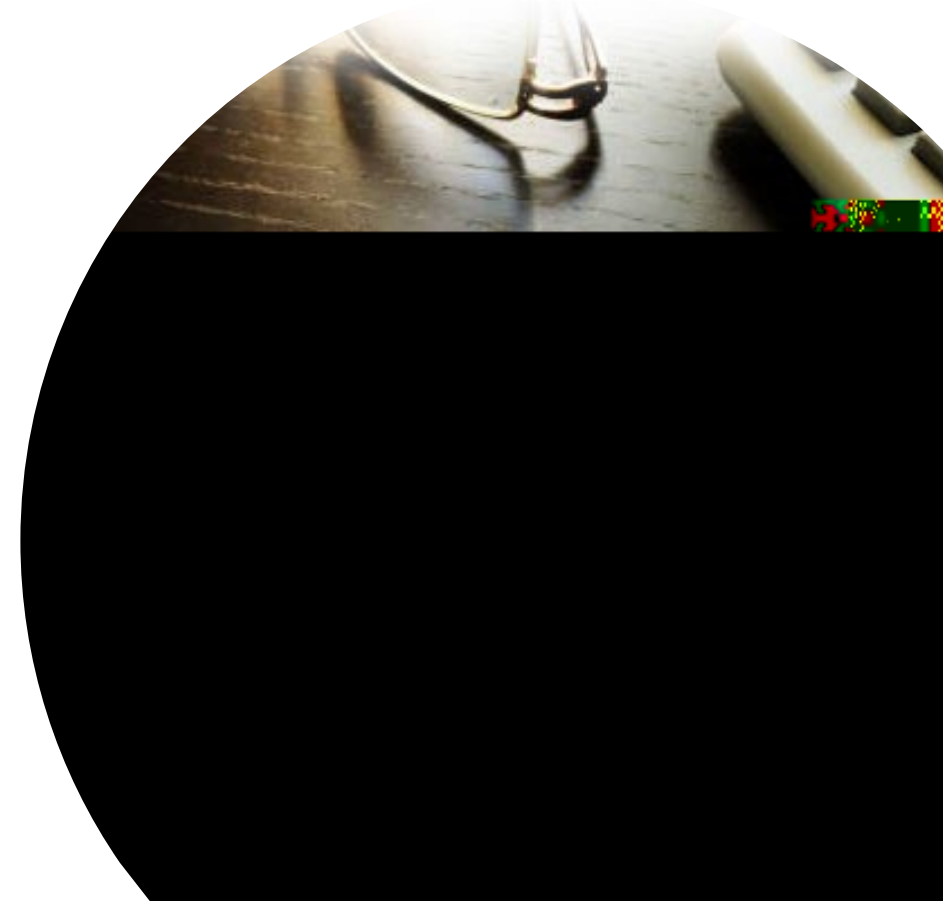
- Proposition M requires that our Office establish the AWD program.
- This ordinance authorizes the Tax Collector to charge fees for reviewing applications and providing advance determinations of tax liability.

Fee Schedule

- \$250 for application filed on or before December 31, 2025.
- For applications filed after December 31, 2025, the fee will be no more than the Tax Collector's cost of providing the determination.

Program Timeline

- Begin accepting applications on the effective date of this ordinance.
- Authorizes the Tax Collector to charge fees for advance determinations on applications filed through December 31, 2027.





Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

Thank you!

Questions can also be emailed to: amanda.fried@sfgov.org

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

**NOTICE OF PUBLIC HEARING
BUDGET AND FINANCE COMMITTEE
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO**

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco's Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: March 5, 2025

Time: 10:00 a.m.

Location: Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 241150. Ordinance amending the Business and Tax Regulations Code to authorize the Tax Collector to waive taxes, penalties, and/or interest under a program ending December 31, 2027, that allows unregistered taxpayers to voluntarily disclose and pay back taxes; and to authorize the Tax Collector to collect fees through December 31, 2027, for reviewing applications for and providing advance determinations to taxpayers.

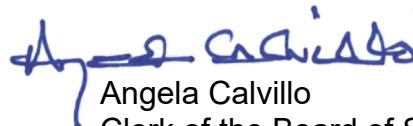
If this legislation passes, the ordinance would authorize the Tax Collector to charge and collect fees from taxpayers for reviewing applications and/or providing advance determinations of a taxpayer's liability for, or issues regarding, the taxes subject to Article 6 of the Business and Tax Regulations Code, as follows: (1) \$250 for applications filed with the Tax Collector on or before December 31, 2025, and (2) an amount, if any, that is no more than all of the Tax Collector's costs of providing such determinations, for applications filed after December 31, 2025. The Tax Collector's authority to charge and collect fees for advance determinations would apply to applications filed through December 31, 2027.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available in the

Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center-lrc>). Agenda information relating to this matter will be available for public review on Friday, February 28, 2025.

For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee:

Brent Jalipa (Brent.Jalipa@sfgov.org) – (415) 554-7712)



Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco

bjj:jec:ams

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BRENT JALIPA
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description
BJJ Fee Ad File No. 241150

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

02/23/2025 , 03/02/2025

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Publication	\$1423.80
Set aside for CCSF Outreach Fund	\$158.20
Clearinghouse Service Charge	\$237.30
Total	\$1819.30

EXM# 3898907

NOTICE OF PUBLIC HEARING BUDGET AND FINANCE COMMITTEE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO WEDNESDAY, MARCH 5, 2025 - 10:00 AM LEGISLATIVE CHAMBER, ROOM 250, CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco's Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows: at which time all interested parties may attend and be heard: **File No. 241150**. Ordinance amending the Business and Tax Regulations Code to authorize the Tax Collector to waive taxes, penalties, and/or interest under a program ending December 31, 2027, that allows unregistered taxpayers to voluntarily disclose and pay back taxes; and to authorize the Tax Collector to collect fees through December 31, 2027, for reviewing applications for and providing advance determinations to taxpayers. If this legislation passes, the ordinance would authorize the Tax Collector to charge and collect fees from taxpayers for reviewing applications and/or providing advance determinations of a taxpayer's liability for, or issues regarding, the taxes subject to Article 6 of the Business and Tax Regulations Code, as follows: (1) \$250 for applications filed with the Tax Collector on or before December 31, 2025, and (2) an amount, if any, that is no more than all of the Tax Collector's costs of providing such determinations, for applications filed after December 31, 2025. The Tax Collector's authority to charge and collect fees for advance determinations would apply to applications filed through December 31, 2027. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo,

Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available in the Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center-lrc>). Agenda information relating to this matter will be available for public review on Friday, February 28, 2025. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org - (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco
EXM-3898907#



Treasurer & Tax Collector
CITY AND COUNTY OF SAN FRANCISCO

José Cisneros
TREASURER

January 7, 2024

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Dear Ms. Calvillo:

Attached please find an electronic copy of a proposed substitute ordinance for file number [241150](#), which corrects a typo in the previous version. The substitute replaces the original legislation, which authorizes the Tax Collector to allow unregistered taxpayers to voluntarily disclose and pay back taxes; and to collect fees for reviewing applications for and providing advance determinations to taxpayers.

The following person may be contacted regarding this matter:

Eric Manke
Policy and Communications Manager
(415) 554-4509
eric.manke@sfgov.org