

1 [Urging City Departments to Initiate a Public Education Campaign and Raise Awareness on
2 the Availability of the Employee Retention Tax Credit]

3 **Resolution urging the Office of Economic and Workforce Development and the Office**
4 **of Small Business to initiate a public education campaign and raise awareness on the**
5 **availability of the Employee Retention Tax Credit; and to coordinate with the Office of**
6 **Civic Engagement and Immigrant Affairs to ensure that materials are made available in**
7 **languages other than English.**

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9 WHEREAS, The Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
10 established the Employee Retention Tax Credit (ERTC), a refundable federal tax credit for
11 businesses who continued to pay employees while they were shut down or had significant
12 declines in gross receipts due to COVID-19; and

13 WHEREAS, Employers eligible for the ERTC must have sustained a full or partial
14 closure due to COVID-19 and orders from a governmental authority, or experienced a
15 significant decline in gross receipts during 2020 or a decline in gross receipts during the first
16 three quarters of 2021; or, qualified in the third or fourth quarters of 2021 as a recovery
17 startup business; and

18 WHEREAS, Although the ERTC has expired, employers who did not take advantage of
19 the tax credit for wages paid in 2020 and 2021 may file an amended tax return for up to three
20 years after their prior tax returns were filed; and

21 WHEREAS, Employers eligible for the ERTC may receive up to \$21,000 per employee
22 for the first three quarters of 2021 and \$5,000 per employee in 2020; and

23 WHEREAS, On September 27, 2021, the Small Business Commission (SBC)
24 submitted Resolution No. 004-2021 and urged the Office of Economic and Workforce
25 Development (OEWD) to initiate an application assistance program focusing on small

1 businesses in communities of concern to connect them to accountants to complete an ERTC
2 return and cover the up-front accounting fees associated with preparation of this return; and

3 WHEREAS, In Resolution No. 004-2021, the SBC asserted that the ERTC is widely
4 underutilized by small businesses who may not be aware of the program, may not have the
5 language or technical support to apply, or may be in communities that are underserved by
6 commercial banks; and

7 WHEREAS, The SBC conducted a survey of San Francisco Small Businesses in 2022
8 that revealed less than 17% of San Francisco's Small Businesses had applied for the ERTC,
9 and less than 13% had received the funds; and

10 WHEREAS, Data from the San Francisco Budget and Legislative Analyst Office has
11 demonstrated that without assistance, businesses who have been disproportionately impacted
12 by COVID-19 will likely not take advantage of the ERTC program; and

13 WHEREAS, According to the National Federation of Independent Businesses, as of
14 February 2021, only four percent of small business owners said they are very familiar with the
15 program and another 32% said they were somewhat familiar; and

16 WHEREAS, San Francisco has 94,000 small businesses that employ 940,000 people;
17 and

18 WHEREAS, According to the Brookings Institution Recovery Index, San Francisco
19 ranks among the lowest as compared to peer cities in terms of economic recovery for small
20 businesses; and

21 WHEREAS, Applying for the ERTC is an opportunity for small businesses to leverage
22 federal assistance quickly and equitably; and

23 WHEREAS, Small businesses in San Francisco could see billions of dollars in federal
24 relief that they wouldn't otherwise have access to without dedicated outreach and technical
25 assistance made available to them; now, therefore, be it

1 RESOLVED, That the Board of Supervisors urges OEWD to update their publicly
2 facing guidance on the ERTC to reflect the most current information regarding eligibility and
3 deadlines; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors urges OEWD and the Office of
5 Small Business to coordinate and develop a public education campaign on the ERTC for
6 small businesses and to work with the Office of Civic Engagement and Immigrant Affairs to
7 ensure that it is available in languages other than English; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors urges that OEWD evaluate the
9 public education campaign at its conclusion with a report which will outline successes and
10 lessons learned for future use.

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