

1 [SURPLUS BUSINESS TAX REVENUE CREDIT]
 2 AMENDING ARTICLE 12-A OF PART III OF THE SAN FRANCISCO MUNICIPAL CODE
 3 (REVENUE AND FINANCE BUSINESS REGULATIONS) BY ADDING SECTION 906E
 4 THERETO, CREATING A \$500 PAYROLL EXPENSE TAX CREDIT TO TAXPAYERS FOR
 5 ANY TAXABLE YEAR ENDING WITHIN A FISCAL YEAR OF THE CITY AND COUNTY OF
 6 SAN FRANCISCO IMMEDIATELY FOLLOWING A FISCAL YEAR FOR WHICH THE CITY
 7 AND COUNTY OF SAN FRANCISCO HAS SURPLUS BUSINESS TAX REVENUE.

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 9 Note: This entire section is new.

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

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 12 Article 12-A of the San Francisco Municipal Code is hereby amended by adding
 13 Section 906E thereto to read as follows:

14
 15 **SEC. 906E. CREDIT OF SURPLUS BUSINESS TAX REVENUE.**

16 (a) **General Rule.** Any business, as defined in Section 902.2 of Part III of the
 17 Municipal Code, that does not qualify as a "small business enterprise" under the provisions of
 18 Section 905-A (Small Business Exemption), shall be allowed a credit against the Payroll
 19 Expense Tax for any taxable year ending within a fiscal year of the City and County of San
 20 Francisco immediately following a fiscal year in which the City and County of San Francisco
 21 has Surplus Business Tax Revenue; provided, however, that in no event shall the tax credit
 22 allowable pursuant to this Section reduce a taxpayer's liability for such tax to an amount less
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1 San Francisco has Surplus Business Tax Revenue. The Controller's determination whether
2 the City and County of San Francisco has Surplus Business Tax Revenue shall be made on
3 or before the first business day of September following the close of such fiscal year; provided,
4 however, that for purposes of the 1997/1998 fiscal year, the Controller may make his or her
5 determination on or before December 31, 1998. The Controller shall notify the Tax Collector
6 of his or her determination.
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8 (b) **Amount of Credit.** For purposes of this Section, the amount of the tax credit
9 for any taxable year shall be Five Hundred Dollars (\$500.00); provided, however, that in no
10 event shall the tax credit allowable pursuant to this Section reduce a taxpayer's liability for
11 such tax to an amount less than zero.
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13 (c) **Definitions.** The following definitions shall apply to the terms used in this
14 Section.
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16 (1) For any fiscal year of the City and County of San Francisco, the City and County
17 of San Francisco shall be deemed to have "Surplus Business Tax Revenue" if and only if the
18 Actual Business Tax Revenue for such fiscal year exceeds the Anticipated Business Tax
19 Revenue for such fiscal year.
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21 (2) For any fiscal year of the City and County of San Francisco, the "Actual
22 Business Tax Revenue" means the aggregate amount of tax revenue collected pursuant
23 Article 12-A (Payroll Tax Ordinance) and Article 12-B (Business Tax Ordinance) of Part III of
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1 the San Francisco Municipal Code, **less** the amount of such revenue for such year allocable
2 solely to tax rate increases in such year.

3 (3) For any fiscal year of the City and County of San Francisco, the "Anticipated
4 Business Tax Revenue" is an amount equal to the **product** of (i) the Actual Business Tax
5 Revenue for the fiscal year immediately preceding such fiscal year, multiplied by (ii) One
6 Hundred Seven and One-Half Percent (107.5%).
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8 (d) **Effective Date.** The tax credit provided by this Section shall be allowable in
9 taxable years ending after 1997.
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13 APPROVED AS TO FORM:

14 LOUISE H. RENNE, City Attorney
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18 By:


George W. Putris
Deputy City Attorney
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SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS



City and County of San Francisco

Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102-4532

Tails Ordinance

File Number: 981812

Date Passed:

Ordinance amending Municipal Code Part III by adding Section 906E, creating a \$500 payroll expense tax credit to taxpayers for any taxable year ending within a fiscal year of the City and County of San Francisco immediately following a fiscal year for which the City and County has surplus business tax revenue.

December 7, 1998 Board of Supervisors — PASSED ON FIRST READING

Ayes: 6 - Brown, Katz, Kaufman, Leno, Teng, Yaki

Noes: 3 - Ammiano, Bierman, Yee

Absent: 2 - Medina, Newsom

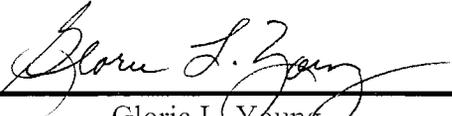
December 14, 1998 Board of Supervisors — FINALLY PASSED

Ayes: 8 - Brown, Katz, Kaufman, Leno, Medina, Newsom, Teng, Yaki

Noes: 3 - Ammiano, Bierman, Yee

File No. 981812

I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on December 14,
1998 by the Board of Supervisors of the City
and County of San Francisco.



Gloria L. Young
Clerk of the Board

DEC 24 1998

Date Approved



Mayor Willie L. Brown Jr.

File No. 981812 continued...