



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

July 16, 2019

RE: File 190508 – Ordinance to create an additional tax on stock-based compensation payroll expense

Dear Ms. Calvillo,


Should the proposed ordinance be approved by the voters, in my opinion, it would result in an annual tax revenue increase to the City of approximately \$50 to \$150 million. The tax is a dedicated tax and proceeds would be deposited into the Shared Prosperity Fund.

The proposed ordinance would amend the City's Business Tax and Regulations Code to impose a special tax of 1.12 percent on the persons with taxable payroll expense attributable to stock-based compensation. This tax would be retroactive to May 7, 2019 and apply to all stock-based compensation payroll expense on or after that date.

The proposed ordinance would establish the Shared Prosperity Fund to provide funding for affordable housing; programs for families, education and youth; support for the low- and moderate-income workforce; and small business stabilization, in proportions determined by the Board of Supervisors.

The proposed ordinance would also establish the Shared Prosperity Oversight Committee to make recommendations to the Mayor and Board of Supervisors to ensure the Shared Prosperity Fund is administered in accordance with the law and purpose of the Fund. The Committee would consist of nine members appointed by the Board of Supervisors and would meet at least four times per year, beginning in calendar year 2020.

Sincerely,


Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.