

**MEMORANDUM**

TO: Members, Board of Supervisors
Clerk of the Board

FROM: Ben Rosenfield 

DATE: April 25, 2017

SUBJECT: Notification of Access Line Tax Annual Rate Adjustment

In November 2008, San Francisco voters approved Proposition O to replace the Emergency Response Fee with the Access Line Tax. Prop O allows for annual inflationary adjustments to the per line tax rates, as codified in San Francisco Business and Tax Regulations Code Section 784:

The amount of the tax shall be \$2.75 per month per access line, \$20.62 per month per trunk line and \$371.15 per month per high capacity line. These amounts shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of each year, beginning with December 31, 2009.

In January 2017, the Controller's Office calculated the inflationary increase on fees to be 3.53%. Source data are from the US Department of Labor Bureau of Labor Statistics website using the "Consumer Price Index (CPI) – All Urban Consumers for the San Francisco–Oakland–San Jose CA Area," using December factors from the end of the prior year. The difference between the inflation index for December 2015 (260.3) and December 2016 (269.5) is 9.2, or 3.53%.

When applied to current rates per line, the new rates are as follows:

Rate Adjustment for July 1, 2017			
Line Type	Current Rate Per Line	Adjustment Factor	New Rate Per Line
Access line	\$ 3.27	3.53%	\$ 3.39
Trunk line	\$ 24.56	3.53%	\$ 25.43
High capacity line	\$ 442.04	3.53%	\$ 457.66

Please contact me or Michelle Allersma, Director of the Controller's Office Budget and Analysis Division, at (415) 554-4792 if you have any questions regarding this information.