Item 7 - File 14-0624

The proposed ordinance would adopt the Neighborhood Beautification and Graffiti Clean-Up Fund Tax designation ceiling for tax year 2014.

The Business and Tax Regulations Code established the Neighborhood Beautification and Graffiti Clean-Up Fund (Fund), also known as the Community Challenge Grant Program. San Francisco business taxpayers who are subject to the City's payroll or gross receipts tax may elect to designate a portion of their tax liability to the Fund. Under the Business and Tax Regulations Code, the Controller must calculate each year the maximum percentage of tax liability that San Francisco taxpayers can designate to the Fund.

The proposed ordinance would set the tax year 2014 maximum percentage of tax liability that can be designated to the Fund at 3 percent. The Controller estimates that the 3 percent limit would result in 2014 contributions to the Fund of approximately $1.5 million.

Recommendation: Approve the proposed ordinance.

Item 8 - File 14-0625

The proposed resolution would concur with the Controller's establishment of the Consumer Price Index for 2014 and adjust the Access Line Tax by the same rate.

The San Francisco voters approved Proposition O in November 2008, establishing the Access Line Tax for telephone communication services. Currently, the monthly tax rate is set at $3.01 per access line, $22.60 per trunk line, and $406.79 per high capacity line. Business and Tax Code Section 782 allows the Controller to adjust the rate annually by the Consumer Price Index (CPI), which according to the Controller is 2.58% as of December 31, 2013. Based on the CPI adjustment, the Controller recommends increasing the FY 2014-15 Access Line Tax to $3.09 per access line, leaving the $22.60 per trunk line the same, and increasing the $417.29 per high capacity line.

As shown in the table below, the Controller estimates that the proposed increase in the Access Line Tax will result in increased revenues to the City of $847,000 in FY 2014-15.

		FY 2013-14	FY 2014-15	
File No.	Fee Description	Projected Revenue	Projected Revenue	Increase
14-0625	Access Line Tax	$42,203,000	$43,050,000	$847,000
Totals				

Recommendation: Approve the proposed resolution.