

March 5th, 2025



**Treasurer & Tax Collector**  
CITY AND COUNTY OF SAN FRANCISCO

# **Voluntary Disclosure Agreement and Advance Written Determination Ordinance**

Budget and Finance Committee





# Business Tax Reform

- On November 5, 2024, San Francisco voters approved Proposition M, a comprehensive restructuring of the city's business tax system.
- Our Office is implementing key components of reform in 2025.
- Two components for approval today are a direct response to taxpayer feedback seeking more guidance and certainty.
- This ordinance establishes the following:
  - Voluntary Disclosure Agreement (VDA) Program
  - Advance Written Determination (AWD) Fee Authorization





# Voluntary Disclosure Agreement (VDA)

## Overview

- This ordinance authorizes the Tax Collector to waive taxes, penalties, and/or interest for businesses who come forward and pay unpaid back taxes and interest.
- Businesses must disclose and pay unpaid taxes and interest for the previous six years.

## Eligibility Requirements

- Businesses **must not** have a business registration certificate.
- Businesses **must not** have been previously contacted by the Office of the Treasurer & Tax Collector regarding unreported taxes or failure to register.

## Program Timeline

- Applications for voluntary disclosure will be accepted this Spring to align with the effective date of this ordinance.
- Authorized through December 31, 2027.





# VDA Revenue Projections

- Since 2019, an informal VDA program has generated \$2.9 million in back taxes and \$1.6 million in ongoing tax revenue.
- Based on this data, we project the following revenue over three years that the program is authorized:
  - \$1.5 million in prior year tax revenue collected
  - \$1 million in ongoing tax revenue.





# Advance Written Determination (AWD)

## Overview

- Proposition M requires that our Office establish the AWD program.
- This ordinance authorizes the Tax Collector to charge fees for reviewing applications and providing advance determinations of tax liability.

## Fee Schedule

- \$250 for application filed on or before December 31, 2025.
- For applications filed after December 31, 2025, the fee will be no more than the Tax Collector's cost of providing the determination.

## Program Timeline

- Begin accepting applications on the effective date of this ordinance.
- Authorizes the Tax Collector to charge fees for advance determinations on applications filed through December 31, 2027.







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# Thank you!

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Questions can also be emailed to: [amanda.fried@sfgov.org](mailto:amanda.fried@sfgov.org)