

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 6/17/2026)

[Business and Tax Regulations Code - Extending Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses]

Ordinance amending the Business and Tax Regulations Code to extend the waiver of certain first-year permit, license, and business registration fees for specified small businesses that newly form or that open a new location until the earlier of: July 1, 2027, or the date on which all funds appropriated to reimburse departments for the waived fees have been expended.

Existing Law

The “First Year Free” program currently waives permit, initial license, and initial business registration fees for businesses that have estimated first-year San Francisco gross receipts of \$5,000,000 or less, have a registered business location that is for commercial use other than for a home-based business or short-term residential rental use, and have actual San Francisco gross receipts of \$15,000,000 or less in the calendar year of, or in any calendar year during the three full calendar years following, the date the business commenced business within San Francisco. It also waives permit and initial license fees for businesses that opened a location in the City for commercial use other than for a home-based business or short-term residential rental use, reported San Francisco gross receipts of \$5,000,000 or less on their most recent return, and have actual San Francisco gross receipts of \$15,000,000 or less in the calendar year of, or in any calendar year during the three full calendar years following, the date the businesses opened the new location. The “First Year Free” program expires on June 30, 2026.

Amendments to Current Law

This ordinance would extend the “First Year Free” program through the earlier of: (1) July 1, 2027, or (2) 30 days after the Office of the Treasurer and Tax Collector provides written notice to the Board of Supervisors that all funds appropriated to reimburse departments for the waived fees have been expended. It would not apply to permits, licenses, or business registration certificates filed on or after that date.

Background

At a meeting on June 17, 2026, the Budget and Finance Committee amended this ordinance to provide that the fee waiver may expire earlier than July 1, 2027, if the funds appropriated to reimburse departments for the waiver have been expended.