



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Todd Rydstrom**  
**Deputy Controller**

July 12, 2016

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

RE: File 150582 – Ordinance amending the Business and Tax Regulations Code to impose an additional utility users tax on gas and non-renewable electricity (second draft)

Dear Ms. Calvillo,

Should the proposed ordinance be approved by the voters, it would result in increased revenue to the City.

The ordinance proposes an addition of 2.5 percent to the current utility users tax (UUT) rate of 7.5 percent of the charges for electrical energy and gas services. The current UUT is applied to commercial users only with residential users exempt. The new rate would be applied to both commercial and residential users, with exemptions for any on-site solar energy and participation in the Clean Power SF Community Choice Aggregation program. We estimate the tax would generate approximately \$6 million annually in new tax revenue, though the total revenue is highly variable due to the level of exemptions by customers. The current UUT generated approximately \$41.9 million in fiscal year 2014-15.

Overall, we estimate that 66 percent of the new tax amount would be paid by commercial users and 34 percent paid by residential users.

Sincerely,

A handwritten signature in black ink that reads "Ben Rosenfield".

Ben Rosenfield  
Controller

Handwritten initials "for" in black ink, positioned to the left of the name "Ben Rosenfield".

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.