

File No. 160630

Committee Item No. 13

Board Item No. 16

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date June 16, 2016

Board of Supervisors Meeting

Date 7/12/14

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date June 10, 2016
 Completed by: L.w. Date 7/6/14

1 [Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling - Tax Year
2 2016]

3 **Ordinance adopting the Neighborhood Beautification and Graffiti Clean-up Fund Tax**
4 **designation ceiling for tax year 2016.**

5 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.
7 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
8 **Board amendment additions** are in double-underlined Arial font.
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.
10 **Asterisks (* * * *)** indicate the omission of unchanged Code
11 subsections or parts of tables.

12 Be it ordained by the People of the City and County of San Francisco:

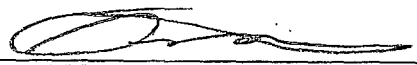
13 Section 1. The Board of Supervisors hereby adopts the rate determined by the
14 Controller, pursuant to Business and Tax Regulations Code Article 12B-1, Section 1032, as
15 the percentage ceiling that a taxpayer may designate for deposit in the Neighborhood
16 Beautification and Graffiti Clean-up Fund. Said determination is on file with the Clerk of the
17 Board of Supervisors in File No. 160630, and is incorporated herein by reference. For the
18 2016 tax year, the designation ceiling shall be 3.0% of a taxpayer's payroll expense tax and
19 gross receipts tax liability for the year.

20 The Treasurer and Tax Collector shall post the designation ceiling to the website of the
21 Treasurer and Tax Collector.

22 Section 2. Effective Date. This ordinance shall become effective 30 days after
23 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
24
25

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: 
7 Scott M. Reiber
Deputy City Attorney

8 n:\tax\as2016\1300209\01108614.docx

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MEMORANDUM

TO: Members, Board of Supervisors
Clerk of the Board

FROM: Ben Rosenfield *[Signature]*

DATE: May 16, 2016

SUBJECT: Notification of Payroll Expense Tax and Gross Receipts Tax Designation Ceiling to the Neighborhood Beautification Fund

Article 12B-1 of the Business & Tax Regulations Code establishes the Neighborhood Beautification and Graffiti Clean-Up Fund Option (now known as the Community Challenge Grant Program), under which taxpayers subject to the payroll expense tax and/or the gross receipts tax may elect to designate a portion of their tax liability to the Fund. Section 1032 requires the Controller to calculate the maximum percentage of their tax liability that taxpayers can elect to contribute to the Fund such that total contributions will be approximately \$1,000,000, adjusted for inflation.

To permit the Office of the Treasurer and Tax Collector to create the online filing forms necessary to collect the payroll expense and gross receipts taxes, our office calculated the tax year 2016 target contribution amount and resultant contribution rate assuming an inflation adjustment for 2016 equal to that of 2015. The inflationary increase for tax year 2015 was calculated using data 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.

Given tax year 2014 contributions of \$2.0 million we estimate that a 3.0% contribution ceiling would result in contributions equal to the inflation adjusted target amount of \$2.0 million for tax year 2016. Figures are provided in the table below.

Tax Year	CPI	Fiscal Year	Target Contributions (\$ millions)	Actual Contributions (\$ millions)	Contribution Rate
2012	2.22%	FY 2012-13	\$ 1.77	\$ 0.50	1.0%
2013	2.58%	FY 2013-14	1.82	0.51	1.0%
2014	2.67%	FY 2014-15	1.87	2.23	3.0%
2015	3.18%	FY 2015-16	1.93	1.79	2.6%
2016*	3.18%	FY 2016-17	1.99	1.99	3.0%

*CPI and contributions for tax year 2016 are estimated.

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.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee *ML*
RE: Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation
Ceiling
DATE: May 31, 2016

Attached for introduction to the Board of Supervisors is an ordinance adopting the Neighborhood Beautification and Graffiti Clean-up Fund Tax designation ceiling for tax year 2016.

I respectfully request a waiver of the 30-day hold and that this item be calendared in Budget & Finance Committee on June 16, 2016.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2016 MAY 31 PM 1:34
BY *[Signature]*

