

File No. 200539

Committee Item No. 7

Board Item No. 3

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: July 2, 2020

Board of Supervisors Meeting:

Date: July 21, 2020

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|----------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <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 type="checkbox"/> | <input 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|--------------------------|--------------------------|-------|
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: John Carroll

Date: June 26, 2020

Prepared by: John Carroll

Date: July 6, 2020

1 [Settlement of Lawsuit - Square, Inc. - \$7,017,894.75]

2
3 **Ordinance authorizing partial settlement of the lawsuit filed by Square, Inc. against the**
4 **City and County of San Francisco for \$7,017,894.75; the lawsuit was filed on**
5 **September 6, 2019, in San Francisco County Superior Court, Case No. CGC-19-579061;**
6 **entitled Square, Inc. v. City and County of San Francisco et al.; the lawsuit involves a**
7 **claim for a refund of gross receipts taxes paid to the City and County of San Francisco;**
8 **other material terms of the settlement are: (1) the partial resolution of all claims for**
9 **refund of gross receipts taxes, payroll expense taxes, and business registration fees**
10 **filed by Square, Inc. and its related entities for tax years 2016 through 2018 and**
11 **registration years ending June 30, 2016, through June 30, 2020; and (2) the agreement**
12 **that Square, Inc. and its related entities shall take certain filing positions with respect**
13 **to its gross receipts taxes, homelessness gross receipts taxes, payroll expense taxes,**
14 **and business registration fees for tax years 2019 and subsequent years and**
15 **registration years ending June 30, 2021, and subsequent years.**

16
17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
19 authorizes the City Attorney to partially settle the action entitled Square, Inc. v. City and
20 County of San Francisco et al., San Francisco County Superior Court, Case No.
21 CGC-19-579061, by the payment of \$7,017,894.75 to Square, Inc. and: (1) the partial
22 resolution of all claims for refund of gross receipts taxes, payroll expense taxes, and business
23 registration fees filed by Square, Inc. and its related entities for tax years 2016 through 2018
24 and registration years ending June 30, 2016 through June 30, 2020; and (2) the agreement
25 that Square, Inc. and its related entities shall take certain filing positions with respect to its

1 gross receipts taxes, homelessness gross receipts taxes, payroll expense taxes, and
2 business registration fees for tax years 2019 and subsequent years and registration years
3 ending June 30, 2021 and subsequent years. The lawsuit involves a refund of gross receipts
4 taxes paid by Square, Inc. to the City and County of San Francisco.

5 Section 2. The above-named action was filed in San Francisco County Superior Court
6 on September 6, 2019, and the following parties were named in the lawsuit: Plaintiff Square,
7 Inc. and Defendants City and County of San Francisco and José Cisneros, Treasurer and Tax
8 Collector of the City and County of San Francisco.

9
10 APPROVED AS TO FORM AND
11 RECOMMENDED:

12 DENNIS J. HERRERA
13 City Attorney

RECOMMENDED:

OFFICE OF THE TREASURER AND TAX
COLLECTOR

14 /s/ Scott M. Reiber
15 SCOTT M. REIBER
16 Chief Tax Attorney

/s/ José Cisneros
JOSE CISNEROS
Treasurer

17 FUNDS AVAILABLE:

18 /s/ Ben Rosenfield
19 BEN ROSENFELD
20 Controller

21
22
23 n:\taxlit\li2020\200241\01445827.docx
24
25