

[Business and Tax Regulations Code - Hotel Tax Exemption Increase]

**Ordinance amending the Business and Tax Regulations Code, Article 7 (Tax on Transient Occupancy of Hotel Rooms), to increase the ~~daily exemption amount~~rate from less than \$30 a day to less than \$40 a day; and to require future review by the Controller of the daily and weekly exemption amounts.**

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

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

Section 1. The Business and Tax Regulations Code is hereby amended by revising Article 7, Section 506, to read as follows:

**SEC. 506. EXEMPTIONS.**

No tax shall be imposed hereunder:

(a) Upon a permanent resident;

(b) Upon a corporation or association having a formally recognized exemption from income taxation pursuant to Section 501(c) or 501(d) or 401(a) of Title 26 of the United States Code as qualified by Sections 502, 503, 504 and 508 of Title 26 of the United States Code; or

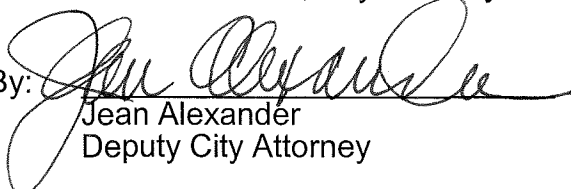
(c) Where the rent is less than at the rate of ~~\$30~~40 a day or \$100 per week. For multiple-occupancy guest rooms where the hotel determines who will share the rooms, the exemption shall be based on the rent charged per person.

1           (d) Between three years and five years after the effective date of the ordinance setting the  
2 daily exemption amount rate in subsection (c) as less than \$40 a day, the Controller's Office shall  
3 review the exemption amounts in subsection (c), and make a written report and recommendation to the  
4 Mayor as to whether the amounts should be adjusted to take into account, among other things, changes  
5 in the economy; the cost of living; impact on the City's revenue; and affordability and overall impact  
6 on the market for hotel guest rooms subject to the transient occupancy tax.

7  
8           Section 2. Effective Date. This ordinance shall become effective 30 days after  
9 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
10 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
11 of Supervisors overrides the Mayor's veto of the ordinance.

12  
13           Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
14 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
15 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
16 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
17 additions, and Board amendment deletions in accordance with the "Note" that appears under  
18 the official title of the ordinance.

19  
20 APPROVED AS TO FORM:  
21 DENNIS J. HERRERA, City Attorney

22 By:   
23       Jean Alexander  
24       Deputy City Attorney

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**City and County of San Francisco**  
**Tails**  
**Ordinance**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 141146

**Date Passed:** January 13, 2015

Ordinance amending the Business and Tax Regulations Code, Article 7 (Tax on Transient Occupancy of Hotel Rooms), to increase the exemption rate from less than \$30 a day to less than \$40 a day; and to require future review by the Controller of the daily and weekly exemption amounts.

December 10, 2014 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

December 10, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

December 16, 2014 Board of Supervisors - PASSED ON FIRST READING


Ayes: 9 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Tang and Wiener  
Excused: 1 - Yee

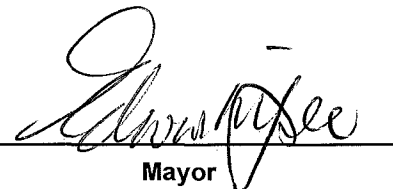
January 13, 2015 Board of Supervisors - FINALLY PASSED

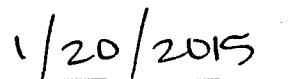
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 141146

**I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/13/2015 by the Board of Supervisors of the City and County of San Francisco.**

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved