

1 [Fee and Tax Relief for Certain Businesses]

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3 **Ordinance waiving certain license fees originally due on March 31, 2020, and**
 4 **March 31, 2021, business registration fees for the fiscal years beginning July 1, 2020,**
 5 **and July 1, 2021, and payroll expense taxes for the tax year beginning January 1, 2020,**
 6 **for businesses with no more than \$20,000,000 in San Francisco gross receipts holding**
 7 **a place of entertainment permit; waiving certain license fees originally due on**
 8 **March 31, 2020, business registration fees for the fiscal year beginning July 1, 2020,**
 9 **and payroll expense taxes for the tax year beginning January 1, 2020, for businesses**
 10 **with no more than \$750,000 in San Francisco gross receipts holding a restaurant**
 11 **permit; refunding any waived amounts paid to the City; extending the deadline to pay**
 12 **license fees originally due on March 31, 2020 and March 31, 2021, to November 1, 2021;**
 13 **extending the deadline to pay business registration fees originally due on June 1, 2020,**
 14 **to April 30, 2021; and extending the deadline to pay and file returns for certain**
 15 **business taxes for the 2020 tax year to April 30, 2021.**

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

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

2
3 Section 1. Background and Purpose.

4 (a) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in
5 response to the COVID-19 pandemic. On March 3, 2020, the Board of Supervisors concurred
6 in the February 25 Proclamation.

7 (b) On March 16, 2020, to mitigate the spread of COVID-19, the Local Health Officer
8 issued Order No. C19-07, which has been amended and replaced by subsequent orders,
9 directing San Franciscans to “shelter in place” beginning on March 17, 2020. These orders,
10 which are now known as “stay-safer-at-home” orders, generally require individuals to stay in
11 their homes to the extent possible, and require businesses to cease all non-essential
12 operations at physical locations in the City, with some limited exceptions.

13 (c) In response to the COVID-19 emergency, on March 11, 2020, the Mayor extended
14 the due date for payment of certain license fees otherwise due on March 31, 2020 to
15 June 30, 2020. On April 23, 2020, the Mayor further extended the payment deadline for those
16 fees to September 30, 2020, and also extended certain deadlines for the payment of business
17 registration fees to September 30, 2020. On August 4, 2020, the Mayor further extended
18 those deadlines to March 1, 2021.

19 (d) Due to the public health emergency related to COVID-19 and the actions required
20 to respond to the emergency, San Francisco’s entertainment and nightlife and restaurant
21 businesses either have not been able to operate at all or have opened only on a limited basis,
22 which has caused many of these businesses to suffer economic harm. These businesses
23 include music venues, clubs, and bars with live performances, and restaurants, all of which
24 contribute tremendously to San Francisco’s culture. Despite not being able to operate at full
25 capacity or at all, these businesses currently are still required to pay certain license fees and

1 taxes. This ordinance is intended to mitigate the economic harm inflicted on certain
2 entertainment and restaurant businesses in San Francisco due to the public health
3 emergency.

4 (e) The COVID-19 outbreak also has caused significant negative impacts on
5 businesses in the City generally. While the exact course of the pandemic cannot be
6 predicted, it is expected to continue to pose serious public health concerns in San Francisco
7 for months to come, and will continue to have serious negative impacts on businesses during
8 that time. This ordinance is intended to mitigate those impacts by extending the payment
9 deadlines for certain license and registration fees and the payment and filing deadlines for
10 certain business taxes.

11
12 Section 2. Definitions.

13 For purposes of this ordinance, the following terms shall have the following meanings:

14 “Business Registration Certificate” means a “registration certificate,” as defined in
15 Section 852.2 of Article 12 of the Business and Tax Regulations Code.

16 “Business Registration Fee” means the tax imposed under Article 12 of the Business
17 and Tax Regulations Code.

18 “City” means the City and County of San Francisco.

19 “Combined Group” has the meaning described in Section 956.3 of Article 12-A-1 of the
20 Business and Tax Regulations Code.

21 “License Fees” means the fees payable to the Tax Collector under Section 76.1 of
22 Article 2 of the Business and Tax Regulations Code.

23 “Newly Established Business” has the meaning set forth in Section 852.1 of Article 12
24 of the Business and Tax Regulations Code.

1 “Payroll Expense Tax” means the tax imposed under Article 12-A of the Business and
2 Tax Regulations Code.

3 “Person” has the meaning set forth in Section 6.2-15 of Article 6 of the Business and
4 Tax Regulations Code.

5 “Place of Entertainment” has the meaning set forth in Section 1060 of Article 15.1 of
6 the Police Code.

7 “Place of Entertainment Permit” means the permit for any Place of Entertainment
8 required under Section 1060.1 of Article 15.1 of the Police Code.

9 “Qualified Entertainment Business” means a Person or Combined Group that both
10 (a) had no more than \$20,000,000 in total combined San Francisco Gross Receipts in
11 calendar year 2019; and (b) held a valid Place of Entertainment Permit on or after
12 April 1, 2020. For purposes of determining whether it is a “Qualified Entertainment Business,”
13 a Person or Combined Group that was a Newly Established Business commencing business
14 in the City in calendar year 2020, 2021, or 2022 shall use its estimated total combined San
15 Francisco Gross Receipts for the calendar year in which the Person or Combined Group first
16 commenced business in the City instead of its total combined San Francisco Gross Receipts
17 in calendar year 2019.

18 “Qualified Restaurant Business” means a Person or Combined Group that both (a) had
19 no more than \$750,000 in total combined San Francisco Gross Receipts in calendar year
20 2019; and (b) held a valid Restaurant Permit on or after April 1, 2020. For purposes of
21 determining whether it is a “Qualified Restaurant Business,” a Person or Combined Group that
22 was a Newly Established Business commencing business in the City in calendar year 2020 or
23 2021 shall use its estimated total combined San Francisco Gross Receipts for the calendar
24 year in which the Person or Combined Group first commenced business in the City instead of
25 its total combined San Francisco Gross Receipts in calendar year 2019.

1 "Registration Year" has the meaning set forth in Section 852.4 of Article 6 of the
2 Business and Tax Regulations Code.

3 "Restaurant Permit" means the permit that is required by the Department of Public
4 Health to operate a food preparation and service establishment, as defined in Section 451 of
5 the Health Code, and for which payment of the Class A annual license fee is required by
6 Section 249.1(a) of Article 2 of the Business and Tax Regulations Code.

7 "San Francisco Gross Receipts" has the meaning used in Section 855 of Article 12 of
8 the Business and Tax Regulations Code.

9 "Tax Collector" has the meaning set forth in Section 6.2-19 of Article 6 of the Business
10 and Tax Regulations Code.

11 "Tax Year" has the meaning set forth in Section 6.2-20 of Article 6 of the Business and
12 Tax Regulations Code.

13
14 Section 3. Waiver of License Fees, Business Registration Fees, and Payroll Expense
15 Taxes for Certain Entertainment and Restaurant Businesses.

16 (a) The following shall be waived for each Qualified Entertainment Business:

17 (1) All License Fees due on March 31, 2020 and March 31, 2021 without regard
18 to any extensions by Mayoral declaration, Section 6 of this ordinance, or otherwise;

19 (2) Business Registration Fees for the Registration Years beginning
20 July 1, 2020 and July 1, 2021; and

21 (3) Payroll Expense Taxes for the Tax Year beginning January 1, 2020.

22 (b) The following shall be waived for each Qualified Restaurant Business:

23 (1) All License Fees due on March 31, 2020 without regard to any extensions
24 by Mayoral declaration, Section 6 of this Ordinance, or otherwise;

1 (2) Business Registration Fees for the Registration Year beginning July 1, 2020;
2 and

3 (3) Payroll Expense Taxes for the Tax Year beginning January 1, 2020.

4 (c) No penalties shall be imposed on any Qualified Entertainment Business with
5 respect to the Business Registration Fee for the Registration Years beginning July 1, 2020
6 and July 1, 2021 or with respect to the Payroll Expense Tax for the Tax Year beginning
7 January 1, 2020. No penalties shall be imposed on any Qualified Restaurant Business with
8 respect to the Business Registration Fee for the Registration Year beginning July 1, 2020 or
9 with respect to the Payroll Expense Tax for the Tax Year beginning January 1, 2020. No
10 penalties shall be imposed with respect to the payment of any License Fee waived under this
11 Section 3.

12 (d) The Tax Collector may set the forms and procedures required for a Person or
13 Combined Group to apply for a waiver under this Section 3.

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15 Section 4. Refund of Waived Taxes, Fees, and Penalties Paid to City.

16 If a Person or Combined Group pays or has paid to the City any tax, fee, or penalty
17 waived under Section 3 of this ordinance, the Tax Collector shall refund or cause to be
18 refunded the amount of that tax, fee, or penalty, without interest, upon request of that Person
19 or Combined Group. Any refund request under this Section 4 must be filed in writing on a
20 form prescribed by the Tax Collector within the later of (1) one year of payment of the tax, fee,
21 or penalty or (2) December 31, 2021.

22

23 Section 5. Effect of Fee and Tax Waivers.

24 (a) Notwithstanding Section 76.1(b) of Article 2 of the Business and Tax Regulations
25 Code, the failure of a Person to pay any License Fees waived under Section 3 of this

1 ordinance shall neither cause the license to expire by operation of law nor require the Person
2 to obtain a new license, and such failure shall not preclude the Person from continuing to do
3 or perform the act or carry on the business, trade, profession, or calling for which City law
4 requires the license.

5 (b) The waiver of a Person or Combined Group's Business Registration Fee under
6 Section 3 of this ordinance shall not relieve a Person or Combined Group from the registration
7 and other applicable requirements under Articles 6 and 12 of the Business and Tax
8 Regulations Code, except for the payment of that Person or Combined Group's waived
9 Business Registration Fee. If a Person or Combined Group satisfies the registration and
10 other applicable requirements under Articles 6 and 12 of the Business and Tax Regulations
11 Code for the Registration Years beginning July 1, 2020 and July 1, 2021 in the case of a
12 Qualified Entertainment Business and for the Registration Year beginning July 1, 2020 in the
13 case of a Qualified Restaurant Business, except in either case for the payment of any waived
14 Business Registration Fee, such Person or Combined Group shall be treated as if they had
15 paid the Business Registration Fee for all purposes for the applicable Registration Year.

16 (c) The waiver of a Person or Combined Group's Payroll Expense Tax under Section 3
17 of this ordinance shall not relieve a Person or Combined Group from the filing requirements
18 under Articles 6 and 12-A of the Business and Tax Regulations Code.

19
20 Section 6. Extension of Deadline to Pay License Fees.

21 (a) The due date for license fees that were due on March 31, 2020, under Section 76.1
22 of Article 2 of the Business and Tax Regulations Code, previously extended to March 1, 2021,
23 shall be further extended to November 1, 2021, and the deadline for the Tax Collector to issue
24 notice of such due date previously extended to February 1, 2021, shall be further extended to
25 October 1, 2021.

1 (b) The due date for license fees due on March 31, 2021, under Section 76.1 of
2 Article 2 of the Business and Tax Regulations Code, shall be extended to November 1, 2021,
3 and the deadline for the Tax Collector to issue notice of such due date shall be extended to
4 October 1, 2021.

5
6 Section 7. Extension of Deadline to Pay Business Registration Fees.

7 (a) Business Registration Renewals. The deadline under Articles 6 and 12 of the
8 Business and Tax Regulations Code for a Person or Combined Group that had an existing
9 Business Registration Certificate (or Business Registration Certificates, if a Combined Group)
10 on or before April 23, 2020, to apply for renewal of that Business Registration Certificate (or
11 Business Registration Certificates, if a Combined Group) and pay the Business Registration
12 Fee for the Registration Year ending June 30, 2021, which deadline was previously extended
13 from June 1, 2020, to March 1, 2021, shall be further extended to April 30, 2021, and no
14 penalty shall be assessed if such Person or Combined Group files and pays that Business
15 Registration Fee by April 30, 2021. Existing Business Registration Certificates issued under
16 Section 856 of Article 12 of the Business and Tax Regulations Code for the Registration Year
17 ending June 30, 2020, shall continue to be valid through April 30, 2021, for all purposes.

18 (b) New Businesses Commencing Business Before July 1, 2020. For Newly
19 Established Businesses commencing business in the City on or before June 30, 2020, that did
20 not have a Business Registration Certificate by April 23, 2020, the deadline for payment of the
21 Business Registration Fee for the Registration Year ending June 30, 2021, which was
22 previously extended to March 1, 2021, shall be further extended to April 30, 2021, and no
23 penalty shall be assessed if such Newly Established Business pays that Business
24 Registration Fee by April 30, 2021. This subsection (b) shall not relieve a Newly Established
25 Business from the requirement to timely apply for a Business Registration Certificate (or

1 Business Registration Certificates, if a Combined Group) and timely pay the prorated
2 Business Registration Fee for the Registration Year ending June 30, 2020, as required by
3 Section 856 of Article 12 of the Business and Tax Regulations Code. A Newly Established
4 Business subject to this subsection (b) that applies for a Business Registration Certificate (or
5 Business Registration Certificates, if a Combined Group) and pays the prorated Business
6 Registration Fee, plus any applicable penalties and interest, for the Registration Year ending
7 June 30, 2020, shall, in the sole discretion of the Tax Collector, either:

8 (1) be issued a Business Registration Certificate (or Business Registration
9 Certificates, if a Combined Group) for the Registration Year ending June 30, 2020, which shall
10 continue to be valid through April 30, 2021, for all purposes; or

11 (2) not be issued a Business Registration Certificate until the Newly Established
12 Business has paid its Business Registration Fee for the Registration Year ending
13 June 30, 2021, but: (A) all requirements in the San Francisco Municipal Code that such
14 certificate be posted shall be waived for such Newly Established Business for all purposes
15 through April 30, 2021; and (B) such Newly Established Business shall receive a business
16 account number (or numbers, if a Combined Group) reflecting its registration with the Tax
17 Collector, and shall not be reflected as being delinquent in the records of the Tax Collector
18 until May 1, 2021, on account of not paying its Business Registration Fee for the Registration
19 Year ending June 30, 2021.

20 (c) New Businesses Commencing Business On or After July 1, 2020. For Newly
21 Established Businesses commencing business in the City on or after July 1, 2020, the
22 deadline for payment of the Business Registration Fee for the Registration Year ending
23 June 30, 2021, which was previously extended to March 1, 2021, shall be further extended to
24 April 30, 2021, and no penalty shall be assessed if such Newly Established Business pays
25 that Business Registration Fee by April 30, 2021. This subsection (c) shall not relieve a

1 Newly Established Business from the requirement to timely apply for a Business Registration
2 Certificate (or Business Registration Certificates, if a Combined Group) for the Registration
3 Year ending June 30, 2021, as required by Section 856 of Article 12 of the Business and Tax
4 Regulations Code. A Newly Established Business subject to this subsection (c) shall not
5 receive a Business Registration Certificate (or Business Registration Certificates, if a
6 Combined Group) until it has paid its Business Registration Fee, but:

7 (1) all requirements in the San Francisco Municipal Code that a Business
8 Registration Certificate be posted shall be waived for such Newly Established Business for all
9 purposes through April 30, 2021; and

10 (2) such Newly Established Business shall receive a business account number
11 (or numbers, if a Combined Group) reflecting its registration with the Tax Collector, and shall
12 not be reflected as being delinquent in the records of the Tax Collector until May 1, 2021, on
13 account of not paying its Business Registration Fee for the Registration Year ending
14 June 30, 2021.

15 (d) A Newly Established Business that did not have a certificate of authority for the
16 collection of third-party taxes under Section 6.6-1 of Article 6 of the Business and Tax
17 Regulations Code by April 23, 2020, shall not be permitted to obtain such a certificate of
18 authority until it has paid its Business Registration Fee for the Registration Year ending
19 June 30, 2021, and shall not be permitted to engage in any business that requires it to collect
20 the tax on transient occupancy of hotel rooms in Article 7 of the Business and Tax
21 Regulations Code or the tax on occupancy of parking spaces in parking stations in Article 9 of
22 the Business and Tax Regulations Code without first paying the Business Registration Fee for
23 the Registration Year ending June 30, 2021.

24 (e) Persons or Combined Groups that cease business between July 1, 2020 and
25 April 30, 2021 shall remain subject to the requirements under Articles 6 and 12 of the

1 Business and Tax Regulations Code to pay the Business Registration Fee for the Registration
2 Year ending June 30, 2021 and file any necessary forms to accompany that payment, except
3 that such payment deadline shall be extended to April 30, 2021.

4 (f) The Tax Collector shall continue to timely issue Business Registration Certificates
5 to all Persons that choose to pay the Business Registration Fee for the Registration Year
6 ending June 30, 2021 prior to April 30, 2021.

7
8 Section 8. Extension of Deadline to File and Pay Certain Business Taxes.

9 (a) Notwithstanding Articles 6, 12-A, 12-A-1, 21, and 28 of the Business and Tax
10 Regulations Code, the due date for payment of, and filing returns for, the following taxes for
11 the 2020 Tax Year shall be extended from March 1, 2021 to April 30, 2021: the payroll
12 expense tax (Article 12-A), the gross receipts tax (Article 12-A-1) (including the tax on
13 administrative office business activities imposed under Section 953.8 of Article 12-A-1), the
14 Early Care and Education Commercial Rents Tax (Article 21), and the Homelessness Gross
15 Receipts Tax (Article 28) (including the homelessness administrative office tax imposed under
16 Section 2804(d) of Article 28).

17 (b) For purposes of Articles 6, 12-A, 12-A-1, 21, and 28 of the Business and Tax
18 Regulations Code, the original due date for payment of, and filing returns for, the taxes
19 referenced in subsection (a) of this Section 8 for the 2020 Tax Year shall be deemed to be
20 April 30, 2021.

21
22 Section 9. Severability.

23 If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any
24 application thereof to any person or circumstance, is held to be invalid or unconstitutional by a
25 decision of a court of competent jurisdiction, such decision shall not affect the validity of the

