1   [Business and Tax Regulations Code - Transient Occupancy Tax Exemption Increase]

2

3   **Ordinance amending the Business and Tax Regulations Code to increase the daily**

4   **transient occupancy tax exemption amount from less than $40 to less than $52; to**

5   **increase the weekly transient occupancy tax exemption amount from less than $100 to**

6   **less than $130; and to require review in the September 2022 through September 2024**

7   **timeframe by the Controller of the exemption amounts for the purpose of considering**

8   **adjustments in the amounts.**

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

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

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17 Section 1. The Business and Tax Regulations Code is hereby amended by revising

18 Article 7, Section 506, to read as follows:

19

20 **SEC. 506. EXEMPTIONS.**

21 No tax shall be imposed hereunder:

22 (a)   Upon a permanent resident;

23 (b)   Upon a corporation or association having a formally recognized exemption from

24 income taxation pursuant to Section 501(c) or 501(d) or 401(a) of Title 26 of the United States

25 Code as qualified by Sections 502, 503, 504 and 508 of Title 26 of the United States Code; or

1   (c)   Where the rent is less than at the rate of $*40*52 a day or $*100*130 per week. For

2   multiple-occupancy guest rooms where the hotel determines who will share the rooms, the

3   exemption shall be based on the rent charged per person.

4   (d)   *At some point b*~~B~~etween *September 1, 2022*~~three years~~ and *September 1, 2024*~~five years~~

5   ~~after the effective date of the ordinance setting the exemption rate in subsection (c) as less than $40 a~~

6   ~~day~~, the Controller's Office shall review the exemption amounts in subsection (c), and make a

7   written report and recommendation to the Mayor as to whether the amounts should be

8   adjusted to take into account, among other things, changes in the economy; the cost of living;

9   impact on the City's revenue; and affordability and overall impact on the market for hotel guest

10   rooms subject to the transient occupancy tax.

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12   Section 2. Effective and Operative Dates. This ordinance shall become effective 30

13   days after enactment, and shall be operative on the first day of the month following the

14   effective date. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

15   ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board

16   of Supervisors overrides the Mayor's veto of the ordinance.

17

18   Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors

19   intends to amend only those words, phrases, paragraphs, subsections, sections, articles,

20   numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

21   Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

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1 additions, and Board amendment deletions in accordance with the "Note" that appears under

2 the official title of the ordinance.

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

6 By: _____
      SCOTT M. REIBER
7   Chief Tax Attorney
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