



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

July 3, 2018

RE: File 180373 - Ordinance amending the Business Tax & Regulations Code – Gross receipts tax on transportation network company services, private transit vehicle services, and autonomous vehicle passenger services

Dear Ms. Calvillo,

Should this ordinance be approved, in my opinion, it would result in a tax revenue increase to the City of an estimated \$15-20 million annually, beginning in fiscal year 2020-21. If recent trends in this emerging sector continue, tax revenue will likely grow more rapidly than other City revenues. The tax is a general tax and proceeds would be deposited into the General Fund.

The ordinance would amend the City's Business Tax and Regulations Code to create a new tax schedule applying to transportation network company services, private transit vehicle services, and autonomous vehicle passenger services of 0.625 percent to 0.975 percent of taxable gross receipts beginning on January 1, 2019. The proposed new schedule has higher rates than each of the seven schedules that now exist, and would result in a tax increase for the affected businesses.

Effective January 1, 2019, the ordinance amends the application of gross receipts tax for persons engaged in multiple business activities. The ordinance would also change the expiration date of the payroll expense tax exclusion and gross receipts tax limit for certain businesses in the Central Market and Tenderloin Area from May 20, 2019 to December 31, 2018.

Sincerely,

for 
Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information