

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

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3 **Ordinance amending the Business and Tax Regulations Code, Article 7 (Tax on**
4 **Transient Occupancy of Hotel Rooms), to increase the daily exemption amount from**
5 **\$30 to \$40; and to require future review by the Controller of the daily and weekly**
6 **exemption amounts.**

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

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

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

17 **SEC. 506. EXEMPTIONS.**

18 No tax shall be imposed hereunder:

19 (a) Upon a permanent resident;

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

23 (c) Where the rent is less than at the rate of ~~\$30~~\$40 a day or \$100 per week. For
24 multiple-occupancy guest rooms where the hotel determines who will share the rooms, the
25 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 in subsection (c) as \$40 a day, the Controller's Office shall review the
3 exemption amounts in subsection (c), and make a written report and recommendation to the Mayor as
4 to whether the amounts should be adjusted to take into account, among other things, changes in the
5 economy; the cost of living; impact on the City's revenue; and affordability and overall impact on the
6 market for hotel guest rooms subject to the transient occupancy tax.

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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.

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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.

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

22 By: _____
23 Carole F. Ruwart
24 Deputy City Attorney

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