

1 [Repeal Credit of Surplus Business Tax Revenue]

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3 **Ordinance amending the Business and Tax Regulations Code to repeal Section 906E of**
 4 **Article 12-A to eliminate the Credit of Surplus Business Tax Revenue.**

5 Note: Additions are *single-underline italics Times New Roman*;
 6 deletions are *strikethrough italics Times New Roman*.
 7 Board amendment additions are double underlined.
 Board amendment deletions are ~~strikethrough normal~~.

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

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10 Section 1. Statement Of Purpose. Prior to enactment of this Ordinance, persons
 11 required to pay business taxes in San Francisco received a \$500 credit against their tax
 12 liability in any tax year ending in a fiscal year immediately following a fiscal year in which the
 13 City and County of San Francisco has surplus business tax revenue (the "Credit of Surplus
 14 Business Tax Revenue"). This Ordinance repeals, effective January 1, 2001, the Credit of
 15 Surplus Business Tax Revenue set forth in Section 906E of Article 12-A.

16 Section 3. Repeal of Section 906E of Article 12-A. The San Francisco Business and
 17 Tax Regulations Code is hereby amended by repealing Section 906E of Article 12-A thereof in
 18 its entirety. The effective date of the repeal of Section 906E is January 1, 2001.

19 ~~SEC. 906E. CREDIT OF SURPLUS BUSINESS TAX REVENUE.~~

20 ~~(a) — General Rule. Any business, as defined in Section 902.2 of Part III of the~~
 21 ~~Municipal Code, that does not qualify as a "small business enterprise" under the provisions of~~
 22 ~~Section 905-A (Small Business Exemption), shall be allowed a credit against the Payroll~~
 23 ~~Expense Tax for any taxable year ending within a fiscal year of the City and County of San~~
 24 ~~Francisco immediately following a fiscal year in which the City and County of San Francisco~~
 25 ~~has surplus Business Tax revenue; provided, however, that in no event shall the tax credit~~

1 ~~allowable pursuant to this Section reduce a taxpayer's liability for such tax to an amount less~~
2 ~~than zero. For each fiscal year, the Controller shall determine whether the City and County of~~
3 ~~San Francisco has surplus Business Tax revenue. The Controller's determination whether the~~
4 ~~City and County of San Francisco has surplus Business Tax revenue shall be made on or~~
5 ~~before the first business day of September following the close of such fiscal year; provided,~~
6 ~~however, that for purposes of the 1997/1998 fiscal year, the Controller may make his or her~~
7 ~~determination on or before December 31, 1998. The Controller shall notify the Tax Collector of~~
8 ~~his or her determination.~~

9 ~~(b) — Amount of Credit. For purposes of this Section, the amount of the tax~~
10 ~~credit for any taxable year shall be \$500.00; provided, however, that in no event shall the tax~~
11 ~~credit allowable pursuant to this Section reduce a taxpayer's liability for such tax to an amount~~
12 ~~less than zero.~~

13 ~~(c) — Definitions. The following definitions shall apply to the terms used in this~~
14 ~~Section.~~

15 ~~(1) — For any fiscal year of the City and County of San Francisco, the City and~~
16 ~~County of San Francisco shall be deemed to have "surplus Business Tax revenue" if and only~~
17 ~~if the actual Business Tax revenue for such fiscal year exceeds the anticipated Business Tax~~
18 ~~revenue for such fiscal year.~~

19 ~~(2) — For any fiscal year of the City and County of San Francisco, the "actual~~
20 ~~Business Tax revenue" means the aggregate amount of tax revenue collected pursuant~~
21 ~~Article 12-A (Payroll Expense Tax Ordinance) and Article 12-B (Business Tax Ordinance) of~~
22 ~~Part III of the San Francisco Municipal Code, less the amount of such revenue for such year~~
23 ~~allocable solely to tax rate increases in such year.~~

24 ~~(3) — For any fiscal year of the City and County of San Francisco, the~~
25 ~~"anticipated Business Tax revenue" is an amount equal to the product of (i) the actual~~

1 ~~Business Tax revenue for the fiscal year immediately preceding such fiscal year, multiplied by~~
2 ~~(ii) 107.5 percent.~~

3 ~~(d) — Effective Date. The tax credit provided by this Section shall be allowable~~
4 ~~in taxable years ending after 1997. (Added by Ord. 391-98, App. 12/24/98)~~

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6 Section 4. Severability. If any part or provision of this Ordinance, or the application
7 thereof to any person or circumstance, is held invalid, the remainder of this Ordinance,
8 including the application of such part or provision to other persons or circumstances, shall not
9 be affected thereby and shall continue in full force and effect. To this end, provisions of this
10 Ordinance are severable.

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12 APPROVED AS TO FORM:
13 LOUISE H. RENNE, City Attorney
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16 By: _____
17 D. MALCOLM CARSON
18 Deputy City Attorney

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