



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 rate from**  
5 **less than \$30 a day to less than \$40 a day; and to require future review by the**  
6 **Controller of the daily and weekly 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 ~~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*

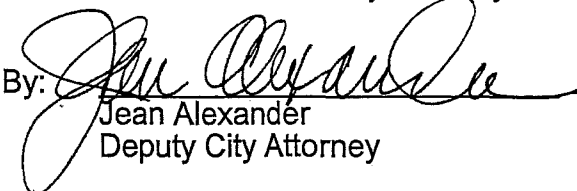
23 (c) Where the rent is less than at the rate of ~~\$30~~40 a day or \$100 per week. For  
24 multiple-occupancy guest rooms where the hotel determines who will share the rooms, the  
25 exemption shall be based on the rent charged per person.

1           (d) Between three years and five years after the effective date of the ordinance setting the  
2 daily exemption amount rate in subsection (c) as less than \$40 a day, the Controller's Office shall  
3 review the exemption amounts in subsection (c), and make a written report and recommendation to the  
4 Mayor as to whether the amounts should be adjusted to take into account, among other things, changes  
5 in the economy; the cost of living; impact on the City's revenue; and affordability and overall impact  
6 on the market for hotel guest rooms subject to the transient occupancy tax.

7  
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.

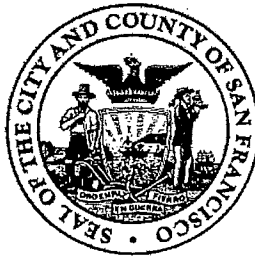
13           Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
14 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
15 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
16 Code that 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.

19  
20 APPROVED AS TO FORM:  
21 DENNIS J. HERRERA, City Attorney

22 By:   
23       Jean Alexander  
24       Deputy City Attorney

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BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

FROM: Linda Wong, Assistant Clerk, Budget and Finance Committee, Board of Supervisors

DATE: December 2, 2014

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Mayor Lee on November 4, 2014:

**File No. 141146**

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

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Mayor Edwin M. Lee  
RE: Business and Tax Regulations Code - Hotel Tax Exemption Increase  
DATE: November 4, 2014

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Attached for introduction to the Board of Supervisors is an ordinance amending Article 7 of the Business and Tax Regulations Code (Tax on Transient Occupancy of Hotel Rooms) to increase the daily exemption amount from \$30 to \$40, and to require future review by the Controller of the daily and weekly exemption amounts.

Should you have any questions, please contact Nicole Wheaton at (415) 554-7940.

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SAN FRANCISCO  
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BY [Signature]

