



City and County of San Francisco
Meeting Minutes
Budget and Finance Sub-Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Supervisors: Carmen Chu, John Avalos, Jane Kim

Clerk: Victor Young (415) 554-7723

Thursday, July 12, 2012

11:30 AM

City Hall, Legislative Chamber, Room 250

Special Meeting

Present: 3 - Carmen Chu, John Avalos, and Jane Kim

MEETING CONVENED

The meeting convened at 11:45 a.m.

REGULAR AGENDA

120681 [Initiative Ordinance - Business and Tax Regulations Code - Enact Gross Receipts Tax and Phase Out Payroll Expense Tax]**Sponsors: Mayor; Chiu**

Motion ordering submitted to the voters an: "Ordinance amending the Business and Tax Regulations Code to: 1) enact a new Article 12-A-1 (Gross Receipts Tax Ordinance) to impose a gross receipts tax and a gross expense tax on persons engaging in business activities in San Francisco; 2) amend Article 12-A (Payroll Expense Tax Ordinance) to reduce business payroll expense tax rates based on the amount of gross receipts tax collected under Article 12-A-1 (Gross Receipts Tax Ordinance); 3) amend Article 12 (Business Registration Ordinance) to establish business registration fees based on gross receipts and gross expenses and amend the current business registration fees to generate \$13 million in additional revenue; 4) amend Article 12-A (Payroll Expense Tax Ordinance) to add a sunset date to the surplus business tax revenue credit; and 5) amend Article 6 (Common Administrative Provisions) to establish requirements for filing a tax return under Article 12-A-1 (Gross Receipts Tax Ordinance) and establish penalties for non-filing, amend the requirements for filing payroll expense tax returns and penalties for non-filing to conform to the new gross receipts tax" at an election to be held on November 6, 2012.

(Economic Impact)

06/12/12; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/12/2012.

06/26/12; REFERRED TO DEPARTMENT. Referred to the Small Business Commission for review and comment. Referred to the Planning Department for determination of environmental impact. Referred to the Controller for informational purposes.

06/28/12; RESPONSE RECEIVED.

07/03/12; TRANSFERRED to Budget and Finance Sub-Committee.

07/05/12; RESPONSE RECEIVED. Exempt from CEQA per Section 15273.

Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ben Rosenfield, Controller; Julie Van Nostern (City Attorney's Office); provided an overview and responded to questions raised throughout the discussion. Jim Lazarus; spoke neither in support nor opposition on the matter.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Motion ordering submitted to the voters an: "Ordinance amending the Business and Tax Regulations Code to: 1) enact a new Article 12-A-1 (Gross Receipts Tax Ordinance) to impose a gross receipts tax and an administrative office tax on persons engaging in business activities in San Francisco; 2) amend Article 12-A (Payroll Expense Tax Ordinance) to reduce business payroll expense tax rates based on the amount of gross receipts tax collected under Article 12-A-1 (Gross Receipts Tax Ordinance); 3) amend Article 12 (Business Registration Ordinance) to establish business registration fees based on gross receipts and amend the current business registration fees to generate approximately \$13 million in estimated additional revenue; 4) amend Article 12-A (Payroll Expense Tax Ordinance) to add a sunset date to the surplus business tax revenue credit; and 5) amend Article 6 (Common Administrative Provisions) to establish requirements for filing a tax return under Article 12-A-1 (Gross Receipts Tax Ordinance), establish penalties for non-filing, and amend the requirements for filing payroll expense tax returns and penalties for non-filing to conform to the new gross receipts tax" at an election to be held on November 6, 2012.

(Economic Impact)

Continued as Amended to July 18, 2012.

CONTINUED AS AMENDED to July 18, 2012, by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120682 [Initiative Ordinance - Business and Tax Regulations Code - Enact Gross Receipts Tax and Phase Out Payroll Expense Tax]**Sponsors: Avalos; Campos, Kim, Mar and Olague**

Motion ordering submitted to the voters an: "Ordinance amending the Business and Tax Regulations Code to: 1) enact a new Article 12-A-1 (Gross Receipts Tax Ordinance) to impose a gross receipts tax and a gross expense tax on persons engaging in business activities in San Francisco; 2) amend Article 12-A (Payroll Expense Tax Ordinance) to reduce business payroll expense tax rates based on the amount of gross receipts tax collected under Article 12-A-1 (Gross Receipts Tax Ordinance); 3) amend Article 12 (Business Registration Ordinance) to establish business registration fees based on gross receipts and gross expenses and amend the current business registration fees to generate \$40 million in additional revenue; 4) amend Article 12-A (Payroll Expense Tax Ordinance) to add a sunset date to the surplus business tax revenue credit; and 5) amend Article 6 (Common Administrative Provisions) to establish requirements for filing a tax return under Article 12-A-1 (Gross Receipts Tax Ordinance) and establish penalties for non-filing, amend the requirements for filing payroll expense tax returns and penalties for non-filing to conform to the new gross receipts tax" at an election to be held on November 6, 2012.

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(Economic Impact)

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Ayes: 3 - Chu, Avalos, Kim

ADJOURNMENT

The meeting adjourned at 12:13 p.m.