

June 14, 2024

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**Treasurer & Tax Collector**  
CITY AND COUNTY OF SAN FRANCISCO

# Office of the Treasurer & Tax Collector

Presented by Treasurer José Cisneros





# Mission & Vision

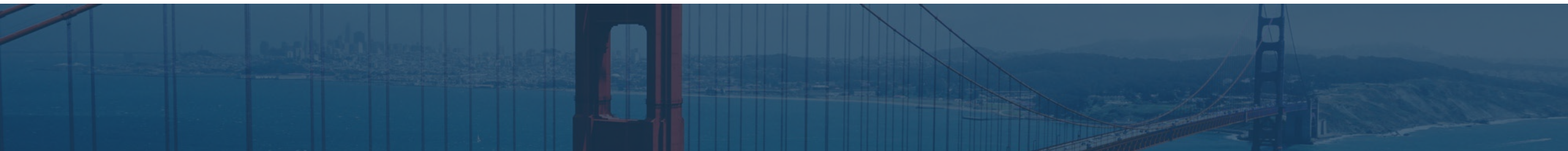
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## Mission

The Office of the San Francisco Treasurer & Tax Collector serves as the banker, tax collector, collection agent, and investment officer for the City and County of San Francisco. Our mission is to collect and safeguard the City's money and use our expertise to assist low-income San Francisco families build economic security and mobility.

## Vision

We are committed to providing excellent services for taxpayers, customers, and our community. By promoting diversity, equity, and inclusion, we are a stronger, smarter, and more informed government agency.



# Objectives



1

**Fiscal Stewardship** – Safe, sound investments that support the goals of the City & County of San Francisco

2

**Financial Equity** – Remove barriers and develop safe financial products for residents and businesses

3

**Customer Service** – Consistent, agile and responsive

4

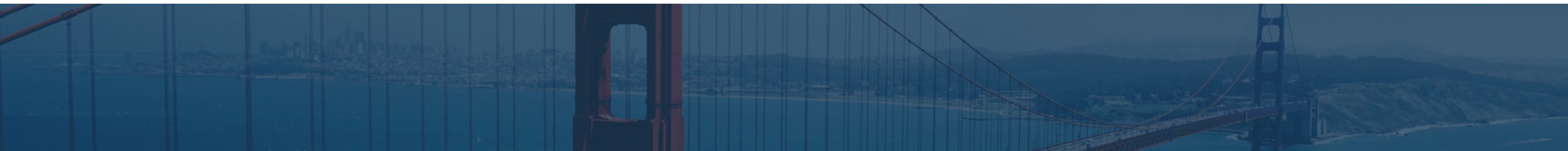
**Innovation** – Execute continuous improvement and be customer and staff-centric

5

**Operational Excellence** – Optimize business effectiveness

6

**Rigorous Compliance** – Digital, intelligent and rapid





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# Highlights & Priorities

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# By the Numbers



**96,000**

Registered Businesses



**\$6.6 Billion**

Revenue Collected



**\$15 Billion**

Funds Invested



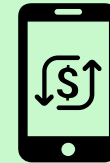
**1,146,000**

Individual Communications  
Delivered



**\$3.1 Billion**

Online Payments



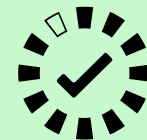
**14.5 Million**

Online Transactions



**77,000**

311 Calls/Tickets



**754,000**

Online Interactions with  
99% of Tax Filings Online

# Highlights & Priorities

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**1 Tax Collections & Compliance**

**3 Tax Implementation–  
Empty Homes Tax**

**2 Business Tax Reform**

**4 Business Tax System  
Replacement**



# Tax Collections & Compliance

## 2022 Annual Business Taxes – Due February 29, 2023

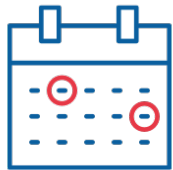
Gross Receipts Tax, Homelessness Gross Receipts Tax, Administrative Office Tax, Commercial Rents Tax, and Overpaid Executive Tax



**\$1.4 billion** – Total Revenue Collected  
**\$153 million** – From Delinquent Collections



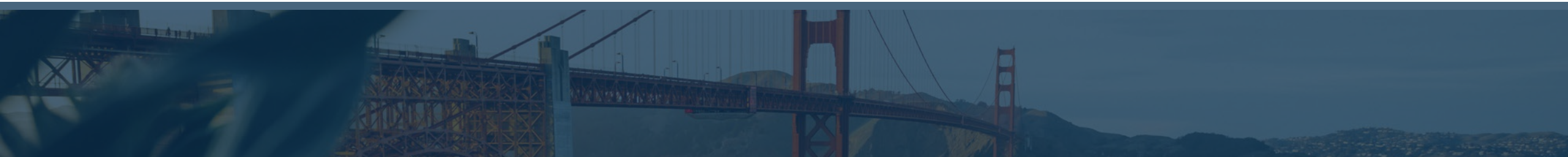
**12,755** – Notices to File sent via USPS  
Followed by email reminders



**2,348** – Failure to File Notices sent  
**139** – Determination Notices sent



**67** – Taxpayers TTX is actively  
pursuing for outstanding balance of  
\$1.9 million





# Tax Collections & Compliance

## Audits & Investigations



**183** audits completed



**\$164 million** collected in prior year tax liabilities, penalties, interest and fees



**406** businesses registered after investigator contact

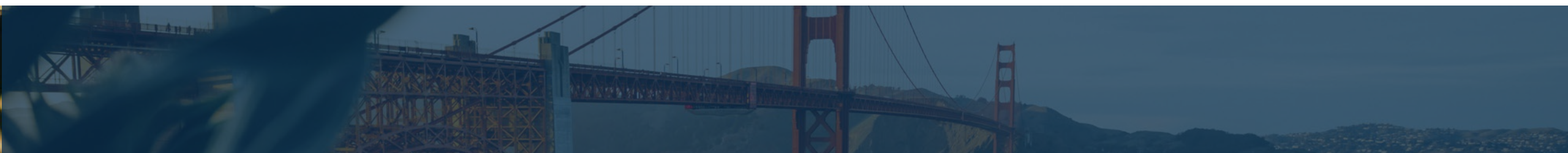


# Business Tax Reform

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- Issued joint report with Controller on challenges to business tax structure
- Convened a series of stakeholder meetings to explore and refine business tax reform concepts
- Issued recommendations for reforms and drafted proposed ordinance to:
  - Promote greater equity for small businesses
  - Reduce risk of tax loss from remote work and business relocation
  - Simplify tax structure to achieve greater predictability for both businesses and the City
  - Reduce volatility stemming from overconcentration of business taxes on a small number of payers





# Business Tax Reform - Implementation

2024

2025

2026

Jul

Sep

Nov

Jan

Feb

May

Jun

Feb

Mar

Election

Reform  
Becomes  
Effective

**First Filings & Payments  
Under Reform**  
2025 Business Taxes &  
Business Registration  
Renewal Due

Introduce \$10M  
license fee  
elimination  
ordinance

Introduce Voluntary  
Disclosure Agreement  
Program ordinance

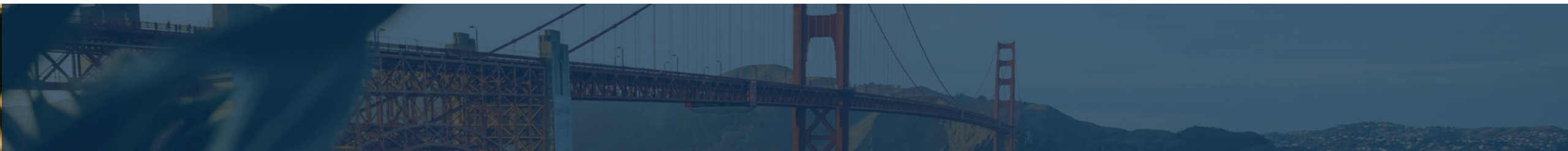
Begin Public Process on  
Sourcing Regulations

2024 Business  
Tax Filings &  
Payments Due

Business  
Registration  
Renewal Due  
(9-month  
transition period)

Implement  
Advanced Written  
Determinations  
Program

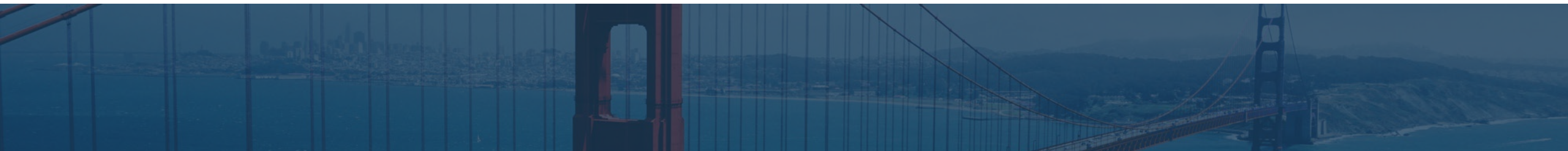
\$10M license  
fees eliminated





# Empty Homes Tax Implementation

- Became effective on January 1, 2024 and filing and payment will begin in 2025
- Partnered with DBI, Planning, and the Assessor to build a database of property owners
- TTX will begin a comprehensive multi-language awareness campaign beginning this summer, including:
  - Informational videos and webinar
  - Letter and email campaigns
  - Step-by-Step guidance on confirming the tax applies and how to file
  - Outreach to property management companies

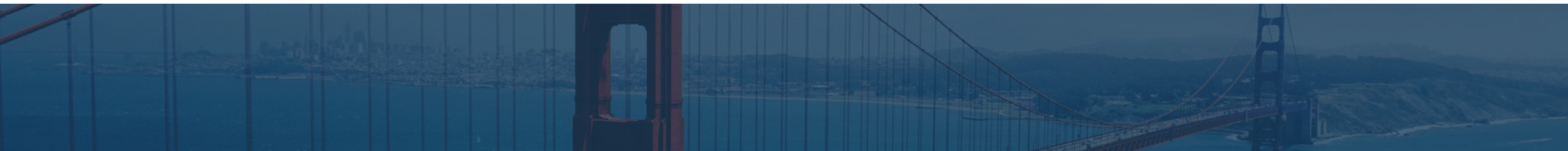






# Business Tax System Replacement

- Current Business Tax System is end of life and must be replaced
- TTX issued RFP to build a customizable system that will go live in 2026
- Custom system will be cloud-based and allow TTX to be responsive to unique and evolving business tax structures
- Key performance indicators for new system:
  - No changes to data shared between TTX and other departments
  - No interruption in annual business tax filing and collection
  - Ability to efficiently administer taxes as they continue to evolve
  - TTX to retain configuration and ownership responsibilities





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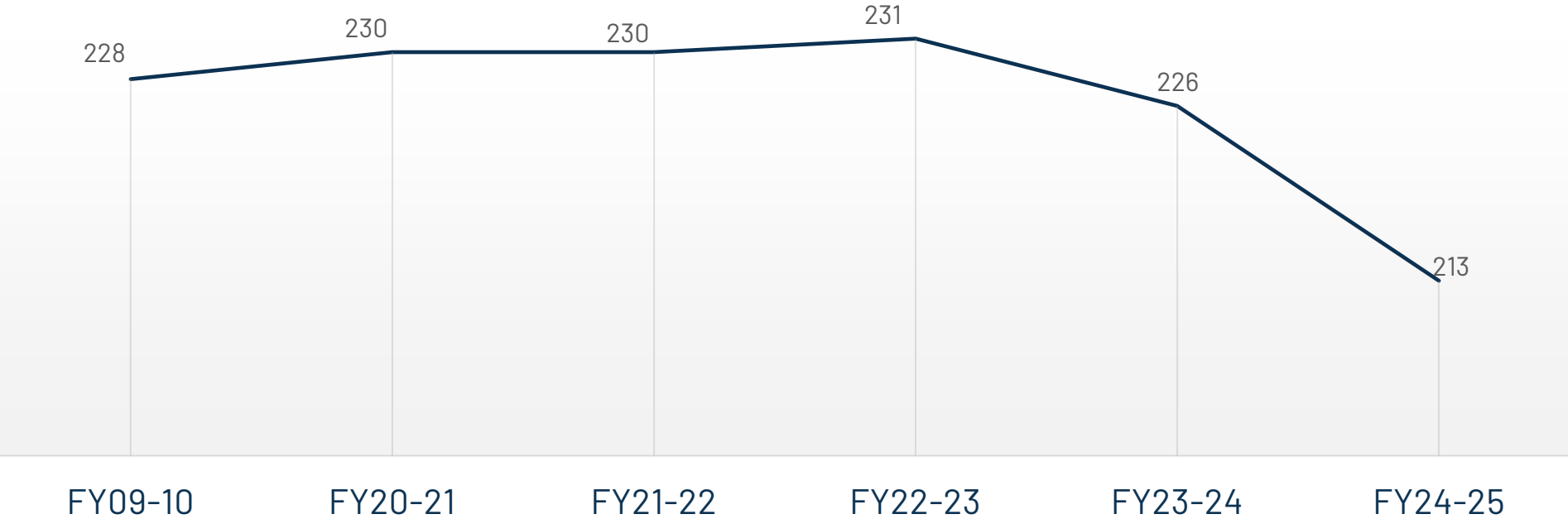
# Budget

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# Department Staffing



	FY09-10	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
# Staff	228	230	230	231	226	213





# Budget at a Glance



- Delete 11 FTEs of vacant positions
- Substitute 3 FTEs to a lower cost FTE
- Increase Department Revenue by \$355K
- Maintain philanthropic support for Kindergarten to College and Financial Justice
- COIT Request for \$1.5M for Business Tax Replacement and \$500K for Empty Homes
- Increase City Attorney services for litigation
- 20% or \$288K reduction in software licensing budget in General Fund

	FY23-24	FY24-25 (Proposed)	FY25-26 (Proposed)
<b>General Fund</b>	\$29.9M	\$27.5M	\$29.2M
<b>Interdepartmental Services</b>	\$10.7M	\$11.9M	\$12.5M
<b>Projects</b>	\$5.8M*	\$7.8M	\$6.2M
<b>Grants</b>	\$2.0M	\$2.0M	\$2.0M
<b>TOTAL</b>	<b>\$48.4M</b>	<b>\$49.2M</b>	<b>\$49.9M</b>

\*FY23-24 General Fund excludes the First Year Free (\$2.1M)



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# Questions?

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