

File No. 140625

Committee Item No. 12

Board Item No. 26

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 20, 2014

Board of Supervisors Meeting

Date 7/8/14

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date June 13, 2014

Completed by: L.W. Date 7/2/14

1 [Adjusting the Access Line Tax with the Consumer Price Index of 2014]

2
3 **Resolution concurring with the Controller's establishment of the Consumer Price Index**
4 **for 2014, and adjusting the Access Line Tax by the same rate.**

5
6 WHEREAS, The Electorate of the City and County of San Francisco passed
7 Proposition O in November 2008, establishing an Access Line Tax to be imposed upon every
8 person who subscribes to telephone communication services within the City and County of
9 San Francisco (Business and Tax Regulations Code Section 782); and

10 WHEREAS, Section 782 (b) states, in part, that the cap established by this subsection
11 shall be adjusted annually in accordance with the increase in the Consumer Price Index; All
12 Urban Consumers for the San Francisco/Oakland/San Jose Area for all items as reported by
13 the United States Bureau of Labor Statistics, or any successor to that index, as of December
14 31st of each year; and

15 WHEREAS, Section 782 also requires that this increase be approved, annually, by the
16 Board of Supervisors and the Mayor; and

17 WHEREAS, On December 31, 2013, the Consumer Price Index for All Urban
18 Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the
19 United States Bureau of Labor Statistics was stated to be 2.58%; and

20 WHEREAS, The monthly rates are currently set at \$3.01 per Access Line, \$22.60 per
21 Trunk Line, and \$406.79 per High Capacity Line; and

22 WHEREAS, The new monthly rates will be \$3.09 per Access Line, \$23.18 per Trunk
23 Line, and \$417.29 per High Capacity Line; and

1 WHEREAS, The Controller's certification of the Consumer Price Index rate is on file
2 with the Clerk of the Board of Supervisors in File No. 140625, which is hereby declared to be
3 part of this resolution as if set forth fully herein; now, therefore, be it

4 RESOLVED, That the Board of Supervisors hereby approves the adjustment of the
5 Access Line Tax by the 2014 Consumer Price Index.

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**MEMORANDUM**

TO: Members, Board of Supervisors
Clerk of the Board

FROM: Ben Rosenfield

DATE: February 22, 2014

SUBJECT: Notification of Access Line Tax Annual Rate Adjustment

In November 2008, San Francisco voters approved Proposition O to replace the Emergency Response Fee with the Access Line Tax. Prop O allows for annual inflationary adjustments to the per line tax rates, as codified in San Francisco Business and Tax Regulations Code Section 784:

The amount of the tax shall be \$2.82 per month per access line, \$21.16 per month per trunk line and \$380.84 per month per high capacity line. These amounts shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of each year, beginning with December 31, 2009.

In January 2014, the Controller's Office calculated the inflationary increase on fees effective July 1, 2014 to be 2.58%. Source data are from the US Department of Labor Bureau of Labor Statistics website using the "Consumer Price Index (CPI) – All Urban Consumers for the San Francisco–Oakland–San Jose CA Area," using December factors from the end of the prior year. The difference between the inflation index for December 2012 (239.533) and December 2013 (245.711) is 6.178, or 2.58%.

When applied to current rates per line, the new rates are as follows:

Rate Adjustment for July 1, 2014			
Line Type	Current Rate Per Line	Adjustment Factor	New Rate Per Line
Access line	\$ 3.01	2.58%	\$ 3.09
Trunk line	\$ 22.60	2.58%	\$ 23.18
High capacity line	\$ 406.79	2.58%	\$ 417.29

Please contact me or Michelle Allersma, Director of the Controller's Office Budget and Analysis Division, at (415) 554-4792 if you have any questions regarding this information.

SEC. 732. IMPOSITION OF ACCESS LINE TAX.

(a) There is hereby imposed a tax as provided in this Article on every person who subscribes to telephone communications services within the City and County of San Francisco, to the extent permitted by Federal and State law. The tax shall apply to each access line within the City's tax jurisdiction, including, without limitation, access lines billed to a telephone account having a situs in the City, as permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. § 116 et seq. There is a rebuttable presumption that service billed to a billing address or provided to a service address in the City is used, in whole or in part, within the City's boundaries and that such service is subject to taxation under this article. The tax shall not apply to a prepaid calling service or a post-paid calling service.

(b) The amount of the tax imposed by this Section shall be paid, on a per-access-line basis, by the person paying for telephone communications service; however, no telephone communications service subscriber shall be required to pay more than \$55,000.00 in tax per account per service location in any calendar year. The cost of wireless telephone communications services shall not be considered for purposes of this Subsection (b). The cap established by this subsection shall be adjusted annually in accordance with the increase in the Consumer Price Index; All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that index, as of December 31st of each year, beginning with December 31, 2009, and such increase shall take effect when 1) notice of the increase is given by the Controller in the manner generally used by the Controller for notification of fee or tax changes and 2) such increase is approved by the Mayor and Board of Supervisors by resolution.

(c) Only one payment of the tax shall be required for any access line, trunk line or high capacity trunk line, notwithstanding that access lines of more than one person are used in furnishing telephone communications service to a telephone communications service subscriber. (Added by Proposition O, § 2, 11/4/2008)

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: ~~From~~ Mayor Edwin M. Lee *EL*
RE: Resolution Adjusting the Access Line Tax with the Consumer Price Index
of 2014
DATE: June 2, 2014

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2014 JUN -2 - PM 2:40

Attached for introduction to the Board of Supervisors is the Resolution concurring with the Controller's establishment of the Consumer Price Index for 2014, and adjusting the Access Line Tax by the same rate.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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