

File No. 180373

Committee Item No. 4

Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 17, 2018

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
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Completed by: Linda Wong Date \_\_\_\_\_

Completed by: Linda Wong Date \_\_\_\_\_

1 [Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on  
2 Transportation Network Company Services and Private Transit Vehicle Services]

3 **Motion ordering submitted to the voters at an election to be held on November 6, 2018,**  
4 **an Ordinance amending the Business and Tax Regulations Code to add a new gross**  
5 **receipts tax category for transportation network company services and private transit**  
6 **vehicle services, revise the application of the gross receipts tax for persons engaged in**  
7 **multiple business activities, and eliminate the payroll expense tax exclusion and the**  
8 **gross receipts tax limit for certain persons in the Central Market Street and Tenderloin**  
9 **Area; and increasing the City's appropriations limit by the amount collected under the**  
10 **new gross receipts tax category for four years from November 6, 2018.**

11  
12 **MOVED,** That the Board of Supervisors hereby submits the following ordinance to the  
13 voters of the City and County of San Francisco, at an election to be held on November 6,  
14 2018.

15  
16 **Ordinance amending the Business and Tax Regulations Code to add a new gross**  
17 **receipts tax category for transportation network company services and private transit**  
18 **vehicle services; revising the application of the gross receipts tax for persons engaged**  
19 **in multiple business activities; eliminating the payroll expense tax exclusion and the**  
20 **gross receipts tax limit for certain persons in the Central Market Street and Tenderloin**  
21 **Area; and increasing the City's appropriations limit by the amount collected under the**  
22 **new gross receipts tax category for four years from November 6, 2018.**

23 **NOTE:** **Unchanged Code text and uncodified text** are in plain font.  
24 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
25 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

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

2  
3 Section 1. Pursuant to Article XIII C of the Constitution of the State of California, this  
4 ordinance shall be submitted to the qualified electors of the City and County of San Francisco  
5 at the November 6, 2018, consolidated general election.  
6

7 Section 2. Purpose and Findings. The People of the City and County of San Francisco  
8 declare their purpose and findings in enacting this ordinance as follows:

9 (a) Promoting and maintaining the City's economic competitiveness requires a high  
10 level of investment in the City's infrastructure and operations.

11 (b) The gross receipts tax provides a significant source of the City's revenue for  
12 general purposes of the City.

13 (c) As a charter city and to raise revenue for general purposes of the City, the City  
14 desires to exercise its sovereign right of taxation under the California Constitution to the  
15 maximum extent permissible.

16 (d) Transportation service industries utilizing emerging and new technologies need to  
17 pay their fair share of taxes to the City.

18 (e) The addition of a new gross receipts tax category for transportation network  
19 company services and private transit vehicle services reflects emerging and new technologies  
20 that are supplementing or replacing previous business models and recognizes the need to  
21 generate revenue to maintain a high quality of life and continued economic growth in the City.  
22

23 Section 3. The Business and Tax Regulations Code is hereby amended by adding  
24 Section 953.7.5 to Article 12-A-1 and revising Sections 953, 953.9, and 956, to read as  
25 follows:

1     **SEC. 953. IMPOSITION OF GROSS RECEIPTS TAX.**

2           (a) Except as otherwise provided under this Article 12-A-1, the City imposes and every  
3 person engaging in business within the City shall pay an annual gross receipts tax measured  
4 by the person's gross receipts from all taxable business activities attributable to the City.  
5 A person's liability for the gross receipts tax shall be calculated according to Sections 953.1  
6 through 953.7.5.

7           (b) The gross receipts tax is a privilege tax imposed upon persons engaging in  
8 business within the City for the privilege of engaging in a business or occupation in the City.  
9 The gross receipts tax is imposed for general governmental purposes. Proceeds from the tax  
10 shall be deposited in the City's general fund and may be expended for any purposes of the  
11 City.

12           (c) The voters intend by adopting this measure to authorize application of the gross  
13 receipts tax in the broadest manner consistent with the provisions of this Article 12-A-1 and the  
14 requirements of the California Constitution, the United States Constitution, and any other  
15 applicable provision of federal and state law.

16           (d) The gross receipts tax imposed under this Article 12-A-1 is in addition to the payroll  
17 expense tax imposed under Article 12-A. Persons not otherwise exempt from the gross  
18 receipts tax or payroll expense tax shall pay both taxes. Persons exempt from either the  
19 gross receipts tax or payroll expense tax, but not both, shall pay the tax from which they are  
20 not exempt.

21           (e) Except for subsection (d) of this Section 953, the tax on Administrative Office  
22 Business Activities imposed by Section 953.8 is intended as a complementary tax to the gross  
23 receipts tax, and shall be considered a gross receipts tax for purposes of this Article 12-A-1.

24           (f) For a five-year period beginning in 2015, the Treasurer, Controller, and Chief  
25 Economist shall jointly prepare an annual report to the Mayor and Board of Supervisors on the

1 implementation of the measure. The report shall include projections of collections of the gross  
2 receipts tax, compare these projections to those anticipated in preparation of the measure,  
3 and outline impacts of the measure on San Francisco's economy and business community.  
4 The report may recommend policy, administrative, or technical changes for the consideration  
5 of the Mayor and Board of Supervisors that further the goals established in the measure.  
6

7 **SEC. 953.7.5. GROSS RECEIPTS TAX APPLICABLE TO TRANSPORTATION NETWORK**  
8 **COMPANY SERVICES AND PRIVATE TRANSIT VEHICLE SERVICES.**

9 (a) Notwithstanding Sections 953.1 through 953.7, inclusive, the base gross receipts tax rate  
10 provided by this Section 953.7.5 shall apply to the business activities of transportation network  
11 company services and private transit vehicle services. The base tax rate provided by this  
12 Section 953.7.5 is:

13 .625% (e.g., \$6.25 per \$1,000) for taxable gross receipts between \$0 and \$1,000,000

14 .705% (e.g., \$7.05 per \$1,000) for taxable gross receipts between \$1,000,000.01 and  
15 \$2,500,000

16 .87% (e.g., \$8.70 per \$1,000) for taxable gross receipts between \$2,500,000.01 and  
17 \$25,000,000

18 .975% (e.g., \$9.75 per \$1,000) for taxable gross receipts over \$25,000,000

19 Persons or combined groups with more than \$50,000,000 in total gross receipts, before any allocation  
20 or apportionment, derived from the business activities of transportation network company services  
21 and/or private transit vehicle services shall not be subject to the administrative office tax under  
22 Section 953.8, even if they are engaging in business within the City as an administrative office, as  
23 defined in Section 953.8(b).

24 (b) For purposes of this Section 953.7.5, the following definitions shall apply:  
25

1                   (1) "Private transit vehicle" has the same meaning as in Section 1202 of the  
2 Transportation Code.

3                   (2) "Private transit vehicle services" means any transportation provided by a private  
4 transit vehicle.

5                   (3) "Transportation network company services" means prearranged transportation  
6 services, within and outside California, for compensation using an online-enabled application or  
7 platform to connect passengers with drivers using a personal vehicle, as those terms are defined and  
8 used in Section 5431 of the California Public Utilities Code but disregarding references to  
9 "California," "this state," and the "commission."

10                   (c) The amount of gross receipts from transportation network company services activities  
11 subject to the gross receipts tax shall be one-half of the amount determined under Section 956.1 plus  
12 one-half of the amount determined under Section 956.2.

13                   (d) The amount of gross receipts from private transit vehicle services activities subject to the  
14 gross receipts tax shall be the total amount determined under Section 956.1.

15  
16       **SEC. 953.9. PERSONS OR COMBINED GROUPS ENGAGED IN MULTIPLE BUSINESS**  
17 **ACTIVITIES.**

18                   If a person, or a combined group as described in Section 956.3, engages in business  
19 activities described in more than one of Sections 953.1 through 953.7.5, inclusive, of this  
20 Article 12-A-1, the rate or rates of gross receipts tax to be applied to that person or group, and  
21 the method for determining gross receipts in the City, shall be determined as follows:

22                   (a) Tax Years Beginning On or After January 1, 2019. If a person or combined group's total  
23 gross receipts, before any allocation or apportionment, derived from business activities described in  
24 any of Sections 953.1 through 953.7.5, inclusive, are less than the separate activity threshold, then the  
25 gross receipts of any such activities may, at the option of the person or combined group, be combined

1 for all purposes related to computing the gross receipts tax with the gross receipts of that person or  
2 combined group derived from business activities described in whichever of Sections 953.1 through  
3 953.7.5, inclusive, generated the highest amount of gross receipts for the person or combined group.  
4 This subsection (a) is not applicable if the person or combined group did not derive total gross receipts  
5 from business activities described in any of Sections 953.1 through 953.7.5, inclusive, that were equal  
6 to or higher than the separate activity threshold. For tax year 2019, the separate activity threshold  
7 shall be \$10,000. The Tax Collector may increase the separate activity threshold for a particular tax  
8 year by specifying a new separate activity threshold prior to the beginning of the tax year if the Tax  
9 Collector determines that doing so would improve filing simplicity without significantly reducing tax  
10 revenues. If the Tax Collector does not set a new separate activity threshold prior to the beginning of  
11 any tax year, the separate activity threshold for that tax year shall be \$10,000, even if the separate  
12 activity threshold was higher during the prior tax year. This subsection (a) applies to tax years  
13 beginning on or after January 1, 2019.

14 **(ab) Tax Years Beginning Before January 1, 2019.** If more than 80% of a person or  
15 combined group's gross receipts, determined in accordance with Section 956, are derived  
16 from business activities described in only one of Sections 953.1 through 953.7, inclusive, then  
17 the rules of that applicable Section apply to all of its gross receipts derived from all business  
18 activities. This subsection (b) applies to tax years beginning before January 1, 2019.

19 **(bc)** If, after any application of subsection (a) or (b) of this Section 953.9, a person or  
20 combined group's business activities in the City are still described in more than one of  
21 Sections 953.1 through 953.7.5, inclusive, and subsection (a) of this Section 953.9 does not apply,  
22 then such person or combined group shall separately compute the gross receipts tax for each  
23 set of business activities, after any application of subsection (a) or (b) of this Section 953.9, as  
24 provided in the Section applicable to that particular set of business activities, modified as  
25 follows:

1                   ~~(1) if the set of business activities described in any of Sections 953.1 through 953.75,~~  
2 ~~inclusive, generates less than 20 percent of the total gross receipts of the person or group, then the~~  
3 ~~receipts and payroll of any such set of activities may be combined for all purposes related to computing~~  
4 ~~the gross receipts tax with whichever set of that person's or group's activities are taxed at the highest~~  
5 ~~rate;~~

6                   (21) the small business exemption provided in Section 954.1 shall apply only if  
7 the sum of receipts within the City from all sets of business activities does not exceed  
8 \$1,000,000 in total, adjusted annually in accordance with the increase in the Consumer Price Index:  
9 All Urban Consumers for the San Francisco/Oakland/San Jose Area for All Items as reported by the  
10 United States Bureau of Labor Statistics, or any successor to that index, as of December 31 of the  
11 preceding year, beginning with December 31, 2014;

12                   (32) the progressive rates described in Sections 953.1 through 953.7.5 apply on  
13 an aggregate basis for businesses with multiple sets of activities;

14                   (43) the applicable rate for each set of business activities shall be determined in  
15 numbered order of the Sections describing each set of business activities; i.e., the gross  
16 receipts and tax for business activities described in Section 953.1 should be determined first,  
17 Section 953.2 second, and so on;

18                   (54) the rate(s) applicable to any set of activities after the first shall be  
19 determined by adding together the gross receipts determined for all previous sets of activities  
20 and applying the rate scale commencing with the total gross receipts so determined; and

21                   (65) the gross receipts tax liability for the person or combined group shall be the  
22 sum of the liabilities for each set of business activities.



1 **SEC. 956. ALLOCATION AND APPORTIONMENT FOR ALL PERSONS DERIVING**  
2 **GROSS RECEIPTS FROM BUSINESS ACTIVITIES BOTH WITHIN AND OUTSIDE THE**  
3 **CITY.**

4 All persons deriving gross receipts from business activities both within and outside the  
5 City shall allocate and/or apportion their gross receipts to the City, using the rules set forth in  
6 Section 956.1 and 956.2, in the manner directed in Sections 953.1 through 953.7.5, inclusive,  
7 *and in Section 953.9 of this Article.*

8  
9 Section 4. The Business and Tax Regulations Code is hereby amended by revising  
10 Section 903.6 of Article 12-A, to read as follows:

11  
12 **SEC. 906.3. CENTRAL MARKET STREET AND TENDERLOIN AREA PAYROLL**  
13 **EXPENSE TAX EXCLUSION.**

14 \* \* \* \*

15 (g) The Central Market Street and Tenderloin Area exclusion authorized under this  
16 Section 906.3 shall expire on December 31, 2018~~the eighth anniversary date of the effective date of~~  
17 ~~this Section~~. A person may not use or claim any unused portion of the Central Market Street  
18 and Tenderloin Area exclusion after the expiration date of this Section. Unless exempted  
19 under Section 906 of this Article 12-A, every person engaging in a business in the Central  
20 Market Street and Tenderloin Area in the City shall pay the tax imposed under this Article on  
21 the full amount of the person's payroll expense attributable to the City from and after the  
22 expiration of this Section.

23 \* \* \* \*

1           Section 5. Appropriations Limit Increase. Pursuant to California Constitution  
2 Article XIII B and applicable laws, for four years from November 6, 2018, the appropriations  
3 limit for the City shall be increased by the aggregate sum collected by the levy of the tax  
4 imposed under this ordinance.

5  
6           Section 6. Severability. If any section, subsection, sentence, clause, phrase, or word  
7 of this ordinance, or any application thereof to any person or circumstance, is held to be  
8 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
9 shall not affect the validity of the remaining portions or applications of the ordinance. The  
10 People of the City and County of San Francisco hereby declare that they would have passed  
11 this ordinance and each and every section, subsection, sentence, clause, phrase, and word  
12 not declared invalid or unconstitutional without regard to whether any other portion of this  
13 ordinance or application thereof would be subsequently declared invalid or unconstitutional.

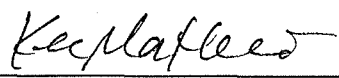
14  
15           Section 7. No Conflict with Federal or State Law. Nothing in this ordinance shall be  
16 interpreted or applied so as to create any requirement, power, or duty in conflict with any  
17 federal or state law.

18  
19           Section 8. Scope of Ordinance. In enacting this ordinance, the People of the City and  
20 County of San Francisco intend to amend only those words, phrases, paragraphs,  
21 subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other  
22 constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions  
23 or deletions, in accordance with the "Note" that appears under the official title of the  
24 ordinance.

1 Section 9. Effective and Operative Date. The effective date of this ordinance shall be  
2 ten days after the date the official vote count is declared by the Board of Supervisors. This  
3 ordinance shall become operative on January 1, 2019.  
4

5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA, City Attorney

7  
8 By:   
9 KERNE H. O. MATSUBARA  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on Transportation Network Company Services and Private Transit Vehicle Services]

**Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.**

Existing Law

Persons engaged in business in the City, including transportation network companies ("TNCs") and companies providing private transit vehicle ("PTV") services, currently pay a gross receipts tax to the City. Rates vary by line of business and the amount of the person's taxable gross receipts, and range from 0.075% to 0.65%. If a business conducts multiple lines of business that cross multiple rate schedules, special rules apply depending on whether a business activity accounts for more than 80% of the business's total gross receipts (the "80-20 Rule"), and whether a business activity accounts for less than 20% of the business's total gross receipts (the "20% Rule").

Persons engaged in business in the City also currently pay a payroll expense tax to the City. Certain businesses in the Central Market Street and Tenderloin Area are eligible for an exclusion from the payroll expense tax as well as a limit on the gross receipts tax. Such exclusion and limit are set to expire on May 20, 2019.

Amendments to Current Law

Effective January 1, 2019, this ordinance would increase the gross receipts tax for TNC services and PTV services by adding a new industry category for such services. The gross receipts tax rates for this industry category would be:

- .625% for taxable gross receipts between \$0 and \$1,000,000;
- .705% for taxable gross receipts between \$1,000,000.01 and \$2,500,000;
- .87% for taxable gross receipts between \$2,500,000.01 and \$25,000,000; and
- .975% for taxable gross receipts above \$25,000,000.

The existing gross receipts tax rules and procedures, as amended by this ordinance, would apply to taxpayers in this new industry category. The gross receipts tax from this new industry category may be used for the City's general purposes.

Also effective January 1, 2019, this ordinance would replace the 80-20 Rule and the 20% Rule with a *de minimis* rule, by which taxpayers may combine the gross receipts from any business activity that generates less than \$10,000 in total gross receipts with the gross receipts that generate the highest amount of the taxpayer's total gross receipts. The Tax Collector would have the authority to raise the \$10,000 threshold prior to the beginning of a tax year, if the Tax Collector determines that doing so would improve filing simplicity without significantly reducing tax revenues.

This ordinance also would change the expiration date of the payroll expense tax exclusion and gross receipts tax limit for certain businesses in the Central Market Street and Tenderloin Area from May 20, 2019 to December 31, 2018.

This ordinance would increase the City's appropriations limit under Article XIII B by the amounts collected from the additional tax from this new industry category, for four years from November 6, 2018.

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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

April 19, 2018

File No. 180373

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On April 10, 2018, Supervisor Peskin introduced legislation for the following proposed Initiative Ordinance for the November 6, 2018, Election:

File No. 180373

**Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*Linda Wong*  
for By: Linda Wong, Assistant Clerk  
Budget and Finance Sub-Committee

Attachment

c: Joy Navarrete, Environmental Planner  
Laura Lynch, Environmental Planner

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Joy Navarrete

Digitally signed by Joy Navarrete  
DN: cn=Joy Navarrete, o=Planning,  
ou=Environmental Planning,  
email=joy.navarrete@sfgov.org, c=US  
Date: 2018.04.30 16:11:17 -0700'

## Wong, Linda (BOS)

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**From:** Navarrete, Joy (CPC)  
**Sent:** Monday, April 30, 2018 4:12 PM  
**To:** Lew, Lisa (BOS)  
**Cc:** Lynch, Laura (CPC); Wong, Linda (BOS)  
**Subject:** RE: BOS Referral: File No. 180373 - Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on Transportation Network Company Services and Private Transit Vehicle Services  
**Attachments:** 180373 CA CEQA.pdf

Here's 180373

**Joy Navarrete. Principal Environmental Planner**  
**San Francisco Planning Department**  
**1650 Mission Street, Suite 400**  
**San Francisco, CA 94103**  
**P. 415-575-9040 F. 415-558-6409**  
**[www.sfplanning.org](http://www.sfplanning.org)**

---

**From:** Lew, Lisa (BOS)  
**Sent:** Thursday, April 19, 2018 8:44 AM  
**To:** Gibson, Lisa (CPC)  
**Cc:** Navarrete, Joy (CPC); Lynch, Laura (CPC); Wong, Linda (BOS)  
**Subject:** BOS Referral: File No. 180373 - Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on Transportation Network Company Services and Private Transit Vehicle Services

Hello,

The following proposed legislation is being transmitted to you for environmental review:

**File No. 180373**

**Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.**

Sent on behalf of Linda Wong, Budget and Finance Sub-Committee. Please respond directly to Linda Wong.

Regards,

**Lisa Lew**  
Board of Supervisors  
San Francisco City Hall, Room 244  
San Francisco, CA 94102  
P 415-554-7718 | F 415-554-5163  
[lisa.lew@sfgov.org](mailto:lisa.lew@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

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: *ll* Ben Rosenfield, City Controller, Office of the Controller

FROM: *lw* Linda Wong, Assistant Clerk, Budget and Finance Sub-Committee  
Board of Supervisors

DATE: April 19, 2018

SUBJECT: INITIATIVE ORDINANCE INTRODUCED  
November 6, 2018 Election

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The Board of Supervisors' Budget and Finance Sub-Committee has received the following Initiative Ordinance for the November 6, 2018, Election, introduced by Supervisor Peskin on April 10, 2018. This matter is being referred to you in accordance with Rules of Order 2.22.4.

**File No. 180373**

**Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.**

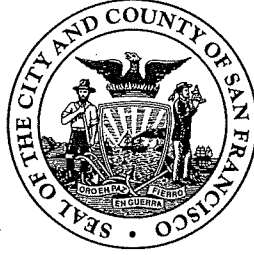
Please review and prepare a financial analysis of the proposed measure prior to the first Budget and Finance Sub-Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7719 or email: [linda.wong@sfgov.org](mailto:linda.wong@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller  
Peg Stevenson, City Performance Director



BOARD of SUPERVISORS



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Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

**MEMORANDUM**

TO: Regina Dick-Endrizzi, Director  
**Small Business Commission, City Hall, Room 448**

FROM: *ll*  
*br* Linda Wong, Assistant Clerk  
Budget and Finance Sub-Committee

DATE: April 19, 2018

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Sub-Committee

The Board of Supervisors' Budget and Finance Sub-Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 180373**

Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

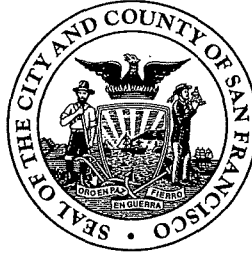
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**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

- No Comment**
- Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

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: Andres Power, Liaison to the Board of Supervisors, Mayor's Office  
Jon Givner, Deputy City Attorney, Office of the City Attorney  
John Arntz, Director, Department of Elections  
LeeAnn Pelham, Executive Director, Ethics Commission  
Naomi Kelly, City Administrator, Office of the City Administrator  
Jose Cisneros, Treasurer, Office of the Treasurer & Tax Collector

FROM: *ll*  
*for* Linda Wong, Assistant Clerk, Budget and Finance Sub-Committee  
Board of Supervisors

DATE: April 19, 2018

SUBJECT: INITIATIVE ORDINANCE INTRODUCED  
November 6, 2018 Election

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The Board of Supervisors' Budget and Finance Sub-Committee has received the following Initiative Ordinance for the November 6, 2018, Election, introduced by Supervisor Peskin on April 10, 2018. This matter is being referred to you in accordance with Rules of Order 2.22.4.

**File No. 180373**

**Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.**

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7719 or email: [linda.wong@sfgov.org](mailto:linda.wong@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Shahde Tavakoli, Mayor's Office  
Kyle Kundert, Ethics Commission  
Lynn Khaw, Office of the City Administrator  
Lihmeei Leu, Office of the City Administrator  
Amanda Kahn Fried, Office of the Treasurer & Tax Collector

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 APR 10 10:30  
Time stamp  
or meeting date

BY Ak

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor  inquiries"
- 5. City Attorney Request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Supervisor Peskin

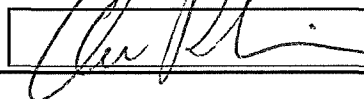
Subject:

[Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on Transportation Network Company Services and Private Transit Vehicle Services]

The text is listed:

Motion ordering submitted to the voters at an election to be held on November 6, 2018 an ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.

Signature of Sponsoring Supervisor:



For Clerk's Use Only