



**OFFICE OF THE CONTROLLER**  
**CITY AND COUNTY OF SAN FRANCISCO**

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place Room 244  
San Francisco, CA 94102-4689

July 24, 2018

RE: File 180629 - Ordinance amending the Business Tax & Regulations Code – Additional gross receipts tax on cannabis

Dear Ms. Calvillo,

Should this ordinance be approved, in my opinion, it would result in an annual tax revenue increase to the City of \$5-12 million beginning in 2021. The tax is a general tax and proceeds would be deposited into the General Fund.

The measure would amend the City's Business Tax and Regulations Code to impose a cannabis business tax rate of between one percent and five percent depending on the type of cannabis business activity and amount of a business's gross receipts, beginning on January 1, 2021. In addition, the measure would exempt the first \$500,000 of gross receipts and exempt retail sales of medicinal cannabis. The tax rate may be adjusted between zero percent and seven percent at any time by a two-thirds vote of the Board of Supervisors, but the rate cannot be increased by more than 1 percent annually.

Sincerely,

A handwritten signature in blue ink that reads "Ben Rosenfield".

*for*  
Ben Rosenfield  
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information