

LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Administration of Homelessness Gross Receipts Tax]

Ordinance amending the Business and Tax Regulations Code to add provisions to administer the Homelessness Gross Receipts Tax; and to make conforming non-substantive changes.

Existing Law

Existing law provides for the administration of most of the City's taxes. These administrative provisions include definitions; the Tax Collector's audit and collection authority; filing and payment requirements; rules for refunds and lawsuits; penalty, interest, and citation provisions; and taxpayer confidentiality provisions, among others.

Amendments to Current Law

This ordinance would extend these provisions, as applicable, to the Homelessness Gross Receipts Tax, passed by the voters at the November 6, 2018 election. In general, the Homelessness Gross Receipts Tax would be administered in the same manner as the gross receipts tax in Article 12-A-1, including but not limited to the requirement to make estimated tax payments. Persons or combined groups would calculate their estimated Homelessness Gross Receipts Tax payments using the lesser of: (a) 25% of the Homelessness Gross Receipts Tax liability shown on the person or combined group's return for the tax year; and (b) 25% of the Homelessness Gross Receipts Tax liability shown on the person or combined group's return for the preceding tax year. For tax periods ending on or before December 31, 2019, persons or combined groups may make estimated Homelessness Gross Receipts Tax payments, but no estimated tax penalties would apply because the person or combined group's Homelessness Gross Receipts Tax liability for the preceding tax year would be zero.

This ordinance would be operative January 1, 2019, which is the operative date of the Homelessness Gross Receipts Tax.

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