

1 [Access Line Tax Adjustment - Consumer Price Index of 2019]

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3 **Resolution concurring with the Controller's establishment of the Consumer Price Index**
4 **for 2019, and adjusting the Access Line Tax by the same rate.**

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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, Sections 782(b) and 784 state, in part, that the cap and rates established
11 by this subsection shall be adjusted annually in accordance with the increase in the Consumer
12 Price Index; all Urban Consumers for the San Francisco/Oakland/San Jose Area for all items
13 as reported by the United States Bureau of Labor Statistics, or any successor to that index, as
14 of December 31st of each year; and

15 WHEREAS, Sections 782 and 784 also require that this increase be approved,
16 annually, by the Board of Supervisors and the Mayor; and

17 WHEREAS, The Consumer Price Index for All Urban Consumers for the San
18 Francisco/Oakland/Hayward Area for All Items as reported by the United States Bureau of
19 Labor Statistics increased from 277.4 in December 2017 to 289.9 in December 2018, an
20 increase of 4.50%; and

21 WHEREAS, The monthly rates are currently set at \$3.49 per access line, \$26.17 per
22 trunk line, and \$471.10 per high capacity line and the annual cap is \$69,811.40; and

23 WHEREAS, The new monthly rates will be \$3.64 per Access Line, \$27.35 per Trunk
24 Line, and \$492.32 per High Capacity Line and the new Annual Cap will be \$72,956.19; 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. 190632, 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 2019 Consumer Price Index.
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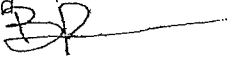
OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

MEMORANDUM

TO: Members, Board of Supervisors

FROM: Ben Rosenfield 

DATE: May 10, 2019

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 and the annual payment cap. As codified in San Francisco Business and Tax Regulations Code Section 784:

The amount of the tax shall be \$2.75 per month per access line, \$20.62 per month per trunk line and \$371.15 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.

As codified in San Francisco Business and Tax Regulations Code Section 782(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.

In January 2019, the Controller's Office calculated the inflationary increase on fees to be 4.50%. 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–Hayward CA Area," using December factors from the end of the prior year. The difference between the inflation index for December 2017 (277.4) and December 2018 (289.9) is 12.5, or 4.50%.

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

Rate Adjustment for July 1, 2018			
Line Type	Current Rate Per Line	Adjustment Factor	New Rate Per Line
Access line	\$ 3.49	4.50%	\$ 3.64
Trunk line	\$ 26.17	4.50%	\$ 27.35
High capacity line	\$ 471.10	4.50%	\$ 492.32
Payment cap	\$ 69,811.40	4.50%	\$ 72,956.19

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.

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors *SK*
FROM: Sophia Kittler
RE: Resolution Adjusting the Access Line Tax with the Consumer Price Index
of 2019
DATE: May 31, 2019

Resolution concurring with the Controller's establishment of the Consumer Price Index for 2019, and adjusting the Access Line Tax by the same rate.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

SK
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RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO