



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 16, 2019

RE: File 190584 – Ordinance to create an excise tax on net rider fares for rides facilitated by transportation network companies and mobility providers of autonomous vehicles and private transit service vehicles

Dear Ms. Calvillo,

Should the proposed ordinance be approved by the voters, in my opinion, it would result in an annual tax revenue increase to the City of approximately \$30 to \$35 million. The proposed tax is a dedicated tax and proceeds would be deposited into the Traffic Congestion Mitigation Fund.

The proposed ordinance would amend the City's Business Tax and Regulations Code to impose an excise tax of 3.25 percent of the passenger fare, excluding any taxes, fees, and other government charges, for rides provided by transportation network companies and mobility providers of autonomous vehicles and private transit service vehicles. The rate for shared rides would be 1.5 percent. The tax would be effective January 1, 2020 for rides originating in San Francisco, and expire on November 5, 2045. Rides provided in zero-emission vehicles from January 1, 2020 through December 31, 2024 would be taxed at 1.5 percent.

The proposed ordinance would establish the Traffic Congestion Mitigation Fund. After allowable administrative costs, 50 percent of the Fund would provide funding for the Municipal Transportation Agency for Muni transit service and affordability, system reliability and capacity, and keeping transit infrastructure in a state of good repair, for defined purposes. The remaining 50 percent would provide funding for the San Francisco County Transportation Authority for planning, design studies, and/or capital improvements that promote users' safety in the public right-of-way, for defined purposes. The proposed ordinance authorizes the City to pledge revenues of the Fund to the repayment of limited tax bonds, up to \$300,000,000.

Sincerely,

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 Pamphlet.