

## LEGISLATIVE DIGEST

[Waiver of Permit, License, and Business Registration Fees for New Small Businesses]

**Ordinance waiving certain first-year permit, license, and business registration fees for businesses that commence engaging in business within the City from November 1, 2021, through October 31, 2022, have estimated first-year San Francisco gross receipts of \$2,000,000 or less, and have a registered business location that is for storefront commercial use and not formula retail uses; and refunding any waived fees paid to the City.**

### Existing Law

Persons commencing business within the City must obtain a registration certificate from the Tax Collector and pay an initial registration fee covering the period from the commencement date through the next June 30th. They must annually renew their registrations and pay a registration renewal fee for the upcoming fiscal year beginning July 1. They pay fees for the application and/or issuance of various City permits, including, for example, building permits and permits that are required to operate their business. They also pay initial license fees to operate their business and pay license renewal fees that generally are due and payable to the Tax Collector on March 31 of each year.

### Amendments to Current Law

This ordinance would waive initial registration fees for each qualified new business. It would also generally waive all permit fees and all initial license fees of the qualified new business relating to the business's storefront commercial use.

A qualified new business is a business that: (1) applies for a registration certificate in accordance with Section 856 of Article 12 of the Business and Tax Regulations Code indicating its date of commencing business within the City on or after November 1, 2021 and on or before October 31, 2022 (2) has \$2,000,000 or less in estimated San Francisco gross receipts for the calendar year in which business commences within the City, and (3) has a registered business location that is for storefront commercial use as reported on its business registration application.

A storefront commercial use means the commercial use of the ground floor of any portion of a building or structure, where such ground floor is adjacent or tangent to a street, sidewalk, or other public right-of-way, other than formula retail uses.

The waiver would apply to registration certificate, permit, and license applications filed by the qualified new business on or after November 1, 2021 and on or before October 31, 2022. The waiver would not apply to (1) any permit issued under the Places for People Program or, if

adopted, the Shared Spaces Program, under Chapter 94A of the Administrative Code, (2) the renewal of any license or registration certificate, and (3) any fees collected on behalf of any federal, state, or other local government agency. This ordinance would refund any waived fees paid to the City, upon written request of the qualified new business filed within one year of payment of the fee.

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