

FILE NO. 01-0274

ORDINANCE NO. **63-01**

1 [An ordinance to (1) eliminate the alternative-measure basis of taxing businesses by
 2 retroactively repealing the gross receipts ordinance effective January 1, 2000, (2) refund
 3 gross receipts-based tax payments for the 2000 tax year to the extent such payments
 4 exceeded businesses' tax liability for such year as measured by payroll expense; and (3)
 amend business registration requirements consistent with the repeal of the gross receipts
 ordinance.]

5 **Ordinance amending the Business and Tax Regulations Code to (1) repeal Section**
 6 **917.1 of Article 12-A and all of Article 12-B to eliminate the gross receipts method of**
 7 **calculating the tax on businesses; (2) enact a new Article 12 to amend business**
 8 **registration requirements consistent with the repeal of Article 12-B; and (3) enact a new**
 9 **Article 12-B to refund gross receipts-based tax payments for the 2000 tax year to the**
 10 **extent that such payments exceeded businesses' tax liability for such year as**
 11 **measured by their payroll expense.**

12
 13 Note: Additions are single-underline italics Times New Roman;
 14 deletions are ~~striketrough italics Times New Roman~~.
 15 Board amendment additions are double underlined.
 16 Board amendment deletions are ~~striketrough normal~~.

17 Be it ordained by the People of the City and County of San Francisco:

18
 19 Section 1. Statement Of Purpose. Prior to enactment of this Ordinance, persons
 20 engaging in business within San Francisco were required to pay taxes under an alternative-
 21 measure system whereby a business paid a tax measured either by its payroll expense or its
 22 gross receipts, whichever resulted in a higher tax liability. This Ordinance repeals, retroactive
 23 to the beginning of the 2000 tax year (January 1, 2000), the gross receipts ordinance set forth
 24 in former Article 12-B, and Section 917.1 of Article 12-A (which exempts a business from any
 25 payment under the payroll expense ordinance if its calculated liability under the gross receipts

1 ordinance is higher than its liability under the payroll expense ordinance). The purpose of this
2 Ordinance is to impose a single-measure tax on all persons engaging in business within the
3 City. Persons that paid a tax measured by gross receipts under former Article 12-B for the
4 2000 tax year shall receive a refund as specified in Article 12-B, as enacted by this
5 Ordinance, with interest. The refund shall be in an amount equal to the difference between
6 the amount actually paid under the gross receipts ordinance for the 2000 tax year and the
7 lesser amount payable under the payroll expense ordinance for such year.

8
9 Section 2. Repeal of Section 917.1 of Article 12-A. The San Francisco Business and
10 Tax Regulations Code is hereby amended by repealing Section 917.1 of Article 12-A thereof
11 in its entirety. The effective date of the repeal of Section 917.1 is January 1, 2000.

12 ~~SEC. 917.1. EXEMPTIONS: PERSONS SUBJECT TO GREATER TAX LIABILITY UNDER~~
13 ~~BUSINESS TAX ORDINANCE.~~

14 ~~Nothing in this ordinance shall be construed as requiring the payment of any tax hereunder by a~~
15 ~~person who is subject to tax under the provisions of Article 12-B (Gross Receipts Tax) if the person's~~
16 ~~tax liability as computed hereunder is less than his or her tax liability as computed under the provisions~~
17 ~~of Article 12-B (Gross Receipts Tax).~~

18
19 Section 3. Repeal of Article 12-B. The San Francisco Business and Tax Regulations
20 Code is hereby amended by repealing Article 12-B thereof in its entirety. The gross receipts
21 measure imposed by Article 12-B and the exemption set forth in Section 1026.1 thereof are
22 hereby repealed effective for tax years commencing on or after January 1, 2000. Persons
23 who made tax payments pursuant to the gross receipts measure at a rate specified in
24 Sections 1004.01 through 1004.18, inclusive, of former Article 12-B for the 2000 tax year shall
25

1 be entitled to refunds as specified in Article 12-B of the Business and Tax Regulations Code
2 as enacted by this Ordinance.

3 ~~SEC. 1001. SHORT TITLE.~~

4 ~~This ordinance shall be known as the "Business Tax Ordinance."~~

5 ~~SEC. 1002. OPERATION OF DEFINITIONS.~~

6 ~~Except where the context otherwise requires, the terms used in this ordinance shall have the~~
7 ~~meaning given to them in Sections 1002.1 to 1002.15, inclusive, of this ordinance.~~

8 ~~SEC. 1002.1. "BUSINESS."~~

9 ~~The term "business" shall include all activities engaged in or caused to be engaged in within~~
10 ~~this City and County, with the object of gain, benefit or advantage, whether direct or indirect, to the~~
11 ~~taxpayer or to another or to others, but shall not include the services rendered by an employee to his or~~
12 ~~her employer or a casual or isolated transaction. Although an activity of a taxpayer may be incidental~~
13 ~~to another or other of the taxpayer's activities, each such activity shall be considered to be business~~
14 ~~engaged in within the meaning of this ordinance.~~

15 ~~SEC. 1002.2. "BUSINESS TAX."~~

16 ~~The term "business tax" shall mean the tax imposed upon persons engaged in the businesses or~~
17 ~~occupations described herein for engaging in such businesses or occupations, employing or loaning~~
18 ~~capital on property, or maintaining an office or other fixed place of business in the name of, or for the~~
19 ~~benefit of such persons, in the City and County of San Francisco.~~

20 ~~SEC. 1002.3. "CASH DISCOUNT."~~

21 ~~A deduction from the invoice price of goods or charge for services which is allowed if the bill is~~
22 ~~paid on or before a specified date.~~

1 ~~SEC. 1002.5. "ENGAGING IN BUSINESS."~~

2 ~~Commencing, conducting, or continuing in business and also the exercise of corporate or~~
3 ~~franchise powers as well as liquidating a business when the liquidators thereof hold themselves out to~~
4 ~~the public as conducting such business.~~

5 ~~SEC. 1002.6. "GROSS RECEIPTS."~~

6 ~~The term "gross receipts" as used in this ordinance is defined, except as otherwise specifically~~
7 ~~provided, as follows:~~

8 ~~The total amount of the sale price of all sales (except retail merchandise service charges), the~~
9 ~~total amount charged or received for the performance of any act, service or employment of whatever~~
10 ~~nature it may be, whether such service, act or employment is done as a part of or in connection with the~~
11 ~~sale of goods, wares, merchandise or not, for which a charge is made or credit allowed, including all~~
12 ~~receipts, cash, credits and property of any kind or nature, any amount for which credit is allowed by~~
13 ~~the seller to the purchaser without any deduction therefrom on account of the cost of the property sold,~~
14 ~~the cost of materials used, labor or service costs, interest paid or payable, losses (except bad debts and~~
15 ~~uncollectables) or any other expense whatsoever; provided, that cash or trade discounts, promotional~~
16 ~~allowances, quantity discounts, advertising allowances, or advertising discounts allowed or taken on~~
17 ~~sales shall not be included. Gross receipts shall also include the amount of any federal manufacturers'~~
18 ~~or importers' excise tax included in the price of the property sold (except that for any taxable year~~
19 ~~beginning after December 31, 1969, in the case of wholesale sales only the tax imposed by Section~~
20 ~~5701 of the United States Internal Revenue Code) or California excise tax included in the price of the~~
21 ~~property sold (except that for any taxable year beginning after December 31, 1969, in the case of~~
22 ~~wholesale sales only the tax imposed by Section 30101 of the Revenue and Taxation Code of the State~~
23 ~~of California) even though the manufacturer or importer is also the retailer thereof and whether or not~~
24 ~~the amount of such tax is stated as a separate charge. Gross receipts shall not include the amount of~~
25 ~~any federal tax imposed on or with respect to retail sales whether imposed upon the retailer or upon~~

1 ~~the consumer and regardless of whether or not the amount of federal tax is stated to customers as a~~
2 ~~separate charge, or any California State, City or City and County sales or use tax or transient~~
3 ~~occupancy tax included in or added to the purchase price and collected from the consumer or~~
4 ~~purchaser, or such part of the sales price of any property previously sold and returned by the~~
5 ~~purchaser to the seller which is refunded by the seller by way of cash or credit allowances given, or~~
6 ~~any tangible personal property taken in part payment on any sale or the proceeds from the sale of~~
7 ~~personal property received by a seller from a purchaser of property as part of the consideration paid~~
8 ~~by the purchaser to the seller.~~

9 ~~As used in this Section, the term "gross receipts" does not include any of the receipts~~
10 ~~enumerated in Sections 1002.6 1 to but not including Section 1002.7 hereof.~~

11 ~~**SEC. 1002.6 1.**~~

12 ~~Receipts from a trade, calling, occupation, vocation, profession or other means of livelihood,~~
13 ~~which this City and County is prohibited from taxing under the Constitution or laws of the United~~
14 ~~States or under the Constitution or laws of the State of California.~~

15 ~~**SEC. 1002.6 2.**~~

16 ~~Receipts of any organization having a formally recognized exemption from income taxation~~
17 ~~pursuant to Section 501(c) or 501(d) or 401(a) of Title 26 of the United States Code as qualified by~~
18 ~~Sections 502, 503, 504 and 508 of Title 26 of the United States Code.~~

19 ~~**SEC. 1002.6 5.**~~

20 ~~Receipts of persons acting as agents or brokers, other than receipts received as commissions or~~
21 ~~fees earned or charges of any character made or compensation of any character received for the~~
22 ~~performance of any service as agent or broker; provided that any agent or broker dealing in stocks or~~
23 ~~other similar written instruments evidencing a right to participate in the assets of any business, or~~
24 ~~dealing in bonds or other evidence of indebtedness, who also deals in such property as a principal,~~
25 ~~shall include in the gross receipts by which the tax is measured the amount of his or her trading profits~~

1 ~~resulting from such dealings. No deduction from receipts attributable to trading as a principal shall be~~
2 ~~made unless such deduction is provided for under Sections 1002.6 through 1002.6-13 of this ordinance.~~

3 ~~SEC. 1002.6-6.~~

4 ~~Receipts from the operation of any motor vehicle or equipment along the streets of this City and~~
5 ~~County if such operation is merely occasional and incidental to a business conducted elsewhere;~~
6 ~~provided that no operation shall be deemed merely occasional if trips or hauls are made beginning or~~
7 ~~ending at points within this City and County upon an average more than 13 times in any quarter, and a~~
8 ~~business shall be deemed to be conducted within this City and County if an office or agency is~~
9 ~~maintained here or if transportation business is solicited here.~~

10 ~~SEC. 1002.6-8.~~

11 ~~Receipts from the operation of any motor vehicle for any day or fraction thereof when such~~
12 ~~vehicle is operated exclusively on any day to transport students or members of bona fide youth~~
13 ~~organizations and their supervising adults to and from public or private schools, school events, or~~
14 ~~other youth activities, without regard to the manner or source of compensation to the operator.~~

15 ~~SEC. 1002.6-9.~~

16 ~~Receipts derived from the sale of real property; provided, however, that receipts derived from~~
17 ~~the sale of real property by any person engaged in the business of developing and selling property shall~~
18 ~~be subject to tax under Section 1004.07 of this ordinance.~~

19 ~~SEC. 1002.6-10.~~

20 ~~Receipts from services or sales in transactions between affiliated corporations. An affiliated~~
21 ~~corporation is a corporation:~~

22 ~~(i) The voting and nonvoting stock of which is owned by at least 80 percent by such other~~
23 ~~corporation with which such transaction is had; or~~

24 ~~(ii) Which owns at least 80 percent of the voting and nonvoting stock of such other corporation;~~

25 ~~or~~

1 ~~(iii) At least 80 percent of the voting and nonvoting stock of which is owned by a common~~
2 ~~parent corporation which also has such ownership of the corporation with which such transaction is~~
3 ~~had.~~

4 ~~SEC. 1002.6 12.~~

5 ~~Receipts derived from services or sales in transactions initiated or consummated at closed~~
6 ~~conventions. A closed convention is hereby defined to be an assemblage of delegates to or members of~~
7 ~~a formally established organization devoted to trade, industrial or commercial purposes, and to which~~
8 ~~only such delegates or members are admitted, to the exclusion of the general public, and where~~
9 ~~services or sales are not accompanied by immediate performance or delivery but are predicated upon~~
10 ~~orders taken for future performance or delivery.~~

11 ~~SEC. 1002.6 13.~~

12 ~~Receipts derived from the operation of Skilled Nursing Facilities licensed under the provisions~~
13 ~~of Title 22, California Administrative Code, Division 5 ("Licensing and Certification of Health~~
14 ~~Facilities and Referral Agencies"), Chapter 3 ("Skilled Nursing Facilities").~~

15 ~~SEC. 1002.7. "NEWLY ESTABLISHED BUSINESS."~~

16 ~~The term "newly established business" shall mean a business which was not engaged in during~~
17 ~~the immediately preceding business tax period specified for that kind of business. A business to which a~~
18 ~~valid existing registration certificate is transferred is not a newly established business, and shall be~~
19 ~~taxed as if the ownership had not changed.~~

20 ~~The following shall not be considered newly established businesses:~~

21 ~~1. The business engaged in from a new location whether within or outside the City and County~~
22 ~~when the business conducted and taxed at the location used during the preceding business tax period~~
23 ~~was discontinued at the same time or prior to commencement of business at the new location;~~

24 ~~2. The business engaged in during the current business tax period is the same kind as that~~
25 ~~engaged in during the immediately preceding period, but not at the close thereof;~~

1 ~~3. The business engaged in during the current tax period, though not in fact the same kind of~~
2 ~~business, is taxed under the same Section as the business engaged in during, but not necessarily~~
3 ~~throughout, the immediately preceding tax period.~~

4 ~~Provided that the Tax Collector may, on written application by the taxpayer, and after~~
5 ~~considering all the circumstances, find that a business described in this paragraph is in fact new and~~
6 ~~not a continuation of a business engaged in during the immediately preceding business tax period.~~

7 ~~**SEC. 1002.8 5. "DOMESTIC PARTNERSHIPS."**~~

8 ~~For all purposes of this ordinance, a domestic partnership established pursuant to Chapter 62~~
9 ~~of the San Francisco Administrative Code, as amended from time to time, shall be treated the same as a~~
10 ~~married couple.~~

11 ~~**SEC. 1002.9. "REGISTRATION CERTIFICATE."**~~

12 ~~"Registration Certificate" shall mean Business Tax Registration Certificate.~~

13 ~~**SEC. 1002.10. "SALE" AND "SELL."**~~

14 ~~"Sale" and "sell" shall be deemed to include and refer to: The making of any transfer of title, in~~
15 ~~any manner or by any means whatsoever, to tangible personal property for a price, and to the serving,~~
16 ~~supplying or furnishing, for a price, of any tangible personal property fabricated or made at the special~~
17 ~~order of consumers who do or who do not furnish directly or indirectly the specifications therefor. A~~
18 ~~transaction whereby the possession of property is transferred but the seller retains the title as security~~
19 ~~for the payment of the price shall likewise be deemed a sale. The foregoing definitions shall not be~~
20 ~~deemed to exclude any transaction which is or which, in effect, results in a sale within the~~
21 ~~contemplation of the law.~~

22 ~~**SEC. 1002.11. "SALES FOR CONVENIENCE."**~~

23 ~~"Sales for convenience" shall mean a sale of new goods, wares, or merchandise by a person~~
24 ~~engaged in selling such articles to another person engaged in selling like or similar kinds of articles.~~

1 ~~(i) Where the primary purpose of the particular transaction or sale is to accommodate the~~
2 ~~purchaser rather than to make a sale in the ordinary course of business;~~

3 ~~(ii) Where, in the particular kind of business involved, a similar manner of dealing is frequent or~~
4 ~~customary in the circumstances under which the particular sale is made; and~~

5 ~~(iii) Where goods, wares or merchandise of like or similar kind and of substantially equivalent~~
6 ~~value to that which was sold is received in consideration.~~

7 ~~The following types of transactions are sales for convenience within the meaning of this Section~~
8 ~~when the circumstances stated in paragraphs (i), (ii) and (iii) are present:~~

9 ~~(1) Transactions in which the seller conveys an article which is in short supply, or which, under~~
10 ~~the circumstances, cannot be obtained by the purchaser through normal sources of supply in sufficient~~
11 ~~time to permit the purchaser to furnish an equivalent article to a prospective customer;~~

12 ~~(2) Transactions in which, by reason of the seller's more convenient location relative to a~~
13 ~~designated point of delivery, the purchaser agrees to reimburse the seller for delivering goods, wares~~
14 ~~or merchandise at that point to the purchaser's customer in accordance with a contract of sale between~~
15 ~~the purchaser and the purchaser's customer;~~

16 ~~(3) Transactions in which, as a matter of business practice, the form of a sale is arranged and~~
17 ~~entered into by the seller and the purchaser as a substitute for or the equivalent of the transportation of~~
18 ~~the article or the payment of transportation charges on the article from the point of the delivery to some~~
19 ~~other point;~~

20 ~~(4) Transactions different in detail from those described in the three immediately preceding~~
21 ~~paragraphs of this Section, but which the Tax Collector has found and by rule determined to be of a~~
22 ~~kind whose primary purpose is to accommodate the purchaser rather than to make a sale in the~~
23 ~~ordinary course of business; of a kind which, in the particular kind of business involved, is frequent or~~
24 ~~customary in the circumstances under which a particular sale is made; and of a kind where goods,~~
25

1 ~~wares or merchandise of like or similar kind, and of substantially equivalent value to that which was~~
2 ~~sold is received as consideration.~~

3 ~~No sale shall be considered a sale for convenience within the meaning of this Subsection unless~~
4 ~~it is of a kind described in paragraphs (1), (2), (3) or (4) of this Subsection.~~

5 ~~**SEC. 1002.12. "SELLING GOODS, WARES OR MERCHANDISE."**~~

6 ~~"Selling Goods, Wares or Merchandise" shall, unless otherwise specifically provided and in~~
7 ~~addition to any other meaning established by law, be deemed to extend to and include in its application~~
8 ~~the serving or supplying of meals for a fee or charge; but sales of goods, wares or merchandise by~~
9 ~~persons engaging in selling such articles shall not be considered as producing gross receipts to the~~
10 ~~extent that such sales are sales for convenience.~~

11 ~~**SEC. 1002.13. "SUCCESSOR."**~~

12 ~~Any person who, through direct or mesne conveyance, purchases or succeeds to the business or~~
13 ~~portion thereof, or the whole or any part of the stock of goods, wares, merchandise, or fixtures, or any~~
14 ~~interest therein of a taxpayer quitting, selling out, exchanging or otherwise disposing of his or her~~
15 ~~business. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any~~
16 ~~contractor defaulting in the performance of any contract as to which such person is a surety or~~
17 ~~guarantor.~~

18 ~~**SEC. 1002.15. "ENGAGED IN THE BUSINESS OF DEVELOPING AND SELLING REAL**~~
19 ~~**PROPERTY."**~~

20 ~~(a) A person shall be deemed to be engaged in the business of developing and selling real~~
21 ~~property who:~~

22 ~~(1) As a subdivider, as that term is defined in Section 66423 of the Government Code, has sold~~
23 ~~subdivided property within San Francisco pursuant to a permit or authorization from the State Real~~
24 ~~Estate Commissioner; or~~

1 ~~(2)Sells two or more pieces of real property within a calendar year and upon each of which a~~
2 ~~building was constructed or caused to be constructed by the seller; provided such sales were within~~
3 ~~three years of the recordation by anyone of a subdivision map respecting the property sold pursuant to~~
4 ~~the Subdivision Map Act; or~~

5 ~~(3)Sells any real property upon which said person has constructed or caused to be constructed~~
6 ~~an apartment house or commercial building; provided such sale occurs either prior to or within three~~
7 ~~years after the date upon which (i) a Certificate of Occupancy or its equivalent respecting such~~
8 ~~property is issued, or (ii) a paying tenant or tenants first occupy such property or any portion thereof~~
9 ~~after completion of such construction.~~

10 ~~(b)For the purposes of this Section, the term "gross receipts" shall not include proceeds realized~~
11 ~~from the sale of property through foreclosure, to an Agency proposing to take the land under eminent~~
12 ~~domain proceedings, the exercise of a power of sale contained in a deed of trust or mortgage;~~
13 ~~bankruptcy, assignment for the benefit of creditors or by court order; or the unpaid balance of any~~
14 ~~encumbrance of record upon the property (i) existing prior to the sale and remaining in existence~~
15 ~~between the same parties following the sale; (ii) with respect to which a deficiency judgment is~~
16 ~~prohibited under the provisions of Code of Civil Procedure Section 580(b), whether or not it is~~
17 ~~extinguished by reason of the sale.~~

18 **~~SEC. 1003. IMPOSITION OF TAX REGISTRATION.~~**

19 ~~(a)Subject to the provisions of this ordinance, a business tax registration certificate must be~~
20 ~~obtained annually and displayed on the business premises by every person engaged in business within~~
21 ~~the City and County, regardless of whether or not such person is subject to tax hereunder. Subject to~~
22 ~~the provisions of this ordinance, a business tax must be paid by every person engaged in any of the~~
23 ~~businesses specified in Sections 1004 through 1004.13 inclusive, 1004.15, 1004.16, and 1004.18 of this~~
24 ~~ordinance within the City and County, and a business tax is hereby imposed in the amount prescribed~~
25 ~~in the applicable provision. A person engaged in more than one trade, calling, occupation, vocation,~~

1 ~~profession or other means of livelihood embraced by more than one of the aforementioned Sections~~
2 ~~shall obtain a separate registration certificate for the activities covered by each Section, and shall pay~~
3 ~~tax on the gross receipts derived from engaging in the business covered by each Section at the rate~~
4 ~~prescribed for each business in the applicable provision of Section 1004.17. However, effective~~
5 ~~January 1, 1995, each person required to obtain a registration certificate for engaging in the business~~
6 ~~of selling firearms or firearms ammunition under the provisions of Section 1004.18 shall not be~~
7 ~~required to obtain a registration certificate for activities covered by any other Section of this ordinance~~
8 ~~and shall pay tax on gross receipts derived from any activity covered by any Section of this ordinance~~
9 ~~at the rate prescribed for gross receipts from the sale of firearms or firearms ammunition.~~

10 ~~No person shall engage in any business subject to tax under the provisions of this ordinance,~~
11 ~~without obtaining a registration certificate and paying the tax required herein. The business tax~~
12 ~~registration certificate required to be obtained and the tax required to be paid are hereby declared to~~
13 ~~be required pursuant to the taxing power of the City and County of San Francisco, solely for the~~
14 ~~purpose of obtaining revenue. Compliance with such requirements shall not be construed as a~~
15 ~~condition precedent to engaging in any business within the City and County where the imposition of~~
16 ~~such a condition precedent would be contrary to law.~~

17 ~~(b) **Business Tax Registration Certificate** — Transfer. No registration certificate shall be~~
18 ~~transferable, except where the business taxed is transferred, whether by sale or otherwise, to another~~
19 ~~person under such circumstances that the real or ultimate ownership of the business after the transfer~~
20 ~~is substantially similar to the real or ultimate ownership existing before the transfer. For the purpose of~~
21 ~~this Section, stockholders, bondholders, partners, or other persons holding an interest in a corporation~~
22 ~~or other entity herein defined to be a person, are regarded as having the real or ultimate ownership of~~
23 ~~such corporation or other entity.~~

1 ~~SEC. 1004. FIXED PLACE OF BUSINESS.~~

2 ~~Subject to the provisions of Section 1005 of this ordinance, for every person maintaining an~~
3 ~~office or other fixed place of business in the City and County of San Francisco there shall be a~~
4 ~~minimum tax calculated as set forth in Section 1004.17, whether or not any gross receipts of such~~
5 ~~person are derived from or attributable to the business activities engaged in by such person in the City~~
6 ~~and County of San Francisco; provided, however, that where the gross receipts of any such person are~~
7 ~~subject to tax under any of Sections 1004.1 to 1004.13 inclusive or under Section 1004.15 hereof, this~~
8 ~~Section shall not be applicable to such person.~~

9 ~~SEC. 1004.01. COMMISSION MERCHANT OR BROKER.~~

10 ~~(a) For every person engaged in the business of a commission merchant or broker, the tax shall~~
11 ~~be calculated as set forth in Section 1004.17.~~

12 ~~(b) For the purpose of this Section, the business of commission merchant or broker shall be~~
13 ~~deemed to include the buying and selling of goods, wares or merchandise by a person to the extent that~~
14 ~~the person:~~

15 ~~(1) Does not engage in the business of manufacturing, refining, fabricating, milling, treating or~~
16 ~~other processing of the goods, wares or merchandise bought and sold, and does not cause said goods,~~
17 ~~wares or merchandise to be manufactured, refined, fabricated, milled, treated or otherwise processed;~~

18 ~~(2) Does not obtain or retain title to said goods, wares or merchandise except in one or more of~~
19 ~~the following situations: while such may be in transit, or for short periods of time before transportation~~
20 ~~commences or after it ceases; and~~

21 ~~(3) Does not store or warehouse such goods, wares or merchandise except during one or more~~
22 ~~of the following situations: While such goods, wares or merchandise are actually in transit, or for short~~
23 ~~periods of time before transportation commences or after it ceases.~~

24 ~~(c) "Gross receipts" shall mean, for the purpose of this Section, all commissions charged or~~
25 ~~received, all receipts, cash, credits and property of any kind or nature received for the performance of~~

1 ~~any service, act or employment as a commission merchant or broker, or in connection with the business~~
2 ~~of being a commission merchant or broker, and all trading profits, without any deduction therefrom on~~
3 ~~account of trading losses, labor or service costs or other costs of engaging in business, or any other~~
4 ~~expense whatever.~~

5 ~~SEC. 1004.02. CONTRACTOR.~~

6 ~~(a) For every person engaged in business as a contractor, the tax shall be calculated as set forth~~
7 ~~in Section 1004.17.~~

8 ~~(b) The term "contractor" as used herein means any person (except an owner who contracts for~~
9 ~~a project with another person who is licensed by the State of California as a contractor or architect or~~
10 ~~registered civil engineer acting solely in his professional capacity) who in any capacity other than as~~
11 ~~an employee of another with wages as the sole compensation, undertakes to or offers to undertake to,~~
12 ~~or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through~~
13 ~~others construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building,~~
14 ~~highway, road, railroad, excavation, or other structure, project, development or improvement, or to do~~
15 ~~any part thereof, including the erection of scaffolding, or other structures or works in connection~~
16 ~~therewith. The term "contractor" does not include any person engaged in business as an architect or~~
17 ~~engineer.~~

18 ~~(c) The meaning of the term "gross receipts" as used herein shall be that set forth in Section~~
19 ~~1002.6; provided that such term shall include the total contract price for the work performed under the~~
20 ~~contract to which the contractor is a party, without deduction for subcontracts, and irrespective of~~
21 ~~whether the contract is one on a fixed price or on a cost plus basis or one under the terms of which the~~
22 ~~contractor acts as agent for the owner. The term "gross receipts," however, shall include only receipts~~
23 ~~from contracts which cover jobs or projects with construction sites located within the City limits of the~~
24 ~~City and County.~~

1 ~~(d)The term "bid" as used herein means the execution of any contract or any bid for a contract,~~
2 ~~whichever occurs first.~~

3 ~~SEC. 1004.03. HOTEL, APARTMENT, ETC.~~

4 ~~(a)Subject to the limitations stated herein, for every person engaged in the business of~~
5 ~~conducting or operating a hotel, roominghouse, boardinghouse, apartment house, lodginghouse, house~~
6 ~~court or bungalow court, and every person engaged in the business of renting or letting rooms,~~
7 ~~apartments or other accommodation for dwelling, sleeping or lodging in any such place, the tax shall~~
8 ~~be calculated as set forth in Section 1004.17.~~

9 ~~(b)Nothing in this Section shall be construed to require that a registration certificate be~~
10 ~~obtained or a tax paid by any person engaged in the business of renting or letting apartments in a~~
11 ~~structure consisting of less than four units.~~

12 ~~(c)At the time the tax provided for herein is remitted, the Tax Collector may require the~~
13 ~~registrant to furnish a statement of the number of such businesses conducted by him, giving the street~~
14 ~~address of each location, number of units at each location, and the amount of gross receipts~~
15 ~~attributable to each location.~~

16 ~~(d)The Tax Collector may require a person engaged in any business taxed by this Section to~~
17 ~~furnish such information as may be necessary in order for the Tax Collector to determine the nature of~~
18 ~~the ownership of the business, and the amount of interest which parties to the ownership of the business~~
19 ~~claim or possess. Notice of such determination made by the Tax Collector shall be served on the~~
20 ~~persons or parties affected by his determination in the same manner as notices of deficiency~~
21 ~~determination are served under the provisions of Subsection (f) of Section 1010.~~

22 ~~SEC. 1004.04. LAUNDRY, CLEANING AND DYEING, AGENT, COLLECTOR, LINEN SUPPLY.~~

23 ~~For every person engaged in the business of washing, ironing, drying, cleaning, dyeing, sizing,~~
24 ~~blocking or pressing any clothing, wearing apparel, garment, linen, fabric or similar material, or~~
25 ~~similar article of personal property, whether accomplished by hand, machine or any coin operated~~

1 ~~machine operated by such person, his employee or any customer, or furnishing or letting the use of any~~
2 ~~towels, linen, aprons, bedding, napkins, table covers, or other article of similar nature, or collecting or~~
3 ~~delivering any such article as an agency or otherwise for a fee or charge, the tax shall be calculated as~~
4 ~~set forth in Section 1004.17; provided that a person engaged in a business subject to tax under this~~
5 ~~Section, who, at the same location is also engaged in any business subject to tax under Section 1004.08~~
6 ~~of this ordinance, or, at the same location makes minor alterations or repairs to the clothing, wearing~~
7 ~~apparel, garments, linens, fabrics or similar material being washed, ironed, dried, cleaned, dyed, sized,~~
8 ~~blocked or pressed, in lieu of paying a separate business tax and obtaining separate registration~~
9 ~~certificates under this ordinance for the conduct of each such business may combine the gross receipts~~
10 ~~of all such businesses at the location and upon the basis of that computation pay a combined business~~
11 ~~tax and obtain a single registration certificate under this Section for all such businesses.~~

12 **SEC. 1004.05. LENDING MONEY, ETC.**

13 ~~(a) Subject to the exceptions stated hereafter, for each person engaged in the business of lending~~
14 ~~money, advancing credit, or lending credit or arranging for the loan of money or advancing of credit or~~
15 ~~lending of credit for and on his own behalf or on behalf of any other person as principal, agent or~~
16 ~~broker, whether security of any kind is taken for such loan or advance or not; or purchasing or~~
17 ~~discounting or arranging for the purchase or discounting of any obligation or evidence of money due~~
18 ~~or to become due, whether such obligation or evidence is secured, guaranteed or not, and whether the~~
19 ~~person so purchasing or arranging for the purchase of the items aforesaid acts as principal, agent or~~
20 ~~broker, the tax shall be calculated as set forth in Section 1004.17.~~

21 ~~(b) The tax imposed under the provisions of Subsection (a) shall not apply to the business of~~
22 ~~lending money or advancing credit or arranging for the loan of money or the advancing of credit as~~
23 ~~principal or agent, where the obligation to repay the money lent or debt incurred or to compensate for~~
24 ~~the advance of credit is secured by a lien on real property, or some interest in real property, nor shall~~
25 ~~the provisions of this Section apply to the business of purchasing, either as principal or agent, any debt~~

1 ~~or evidence of debt secured by any lien upon real property; nor shall the provisions of this Section~~
2 ~~apply to any transaction involving the purchase or sale of real property. Further, the tax imposed~~
3 ~~under the provisions of Subsection (a) shall not apply to a business all of which or substantially all of~~
4 ~~which consists of the purchase of unsecured accounts receivable without recourse. All persons engaged~~
5 ~~in businesses such as are described in this Subsection shall be subject to tax under Section 1004.07.~~
6 ~~Persons covered by Section 1276.1 of the Police Code shall pay tax on their interest income under~~
7 ~~Section 1004.07 and shall pay tax on their retail sales under Section 1004.08.~~

8 ~~(c) The tax imposed under the provisions of Subsection (a) shall not apply to a person who, in~~
9 ~~the conduct of another business in the City and County, engages in a business of the kind described in~~
10 ~~Subsection (a) solely with customers or suppliers of that other business; nor shall the tax apply to a~~
11 ~~person engaged in such a business, whether or not the relation of customer or supplier exists, when the~~
12 ~~person confines such business dealing to other persons who either stand in the relation of parent or~~
13 ~~subsidiary to him, or are so constituted as to have substantially common ownership with him; provided,~~
14 ~~however, if said other business is subject to a tax under this ordinance measured by gross receipts, all~~
15 ~~interest and other charges received as a result of the activity described in Subsection (a) shall be~~
16 ~~included in the gross receipts, by which the tax elsewhere imposed by this ordinance is measured; and~~
17 ~~if said other business is not subject to a tax measured by gross receipts, it shall pay a tax under the~~
18 ~~provisions of Section 1004.07 for engaging in the kind of activity described in Subsection (a). If a~~
19 ~~person described in this Subsection as exempt from the tax imposed under Subsection (a) engages in~~
20 ~~the business there taxed with respect to persons other than those described in this Subsection, the~~
21 ~~exemption shall not apply.~~

22 ~~**SEC. 1004.06. PERSONAL PROPERTY RENTAL.**~~

23 ~~(a) For every person engaged in the business of leasing or renting any tangible personal~~
24 ~~property and not specifically taxed by other provisions of this ordinance, the tax shall be calculated as~~
25 ~~set forth in Section 1004.17.~~

1 ~~(b) For the purpose of this Section "tangible personal property" shall mean personal property~~
2 ~~which may be seen, weighed, measured, felt or touched, or which is in any other manner perceptible to~~
3 ~~the senses.~~

4 ~~(c) Nothing in this Section of this Ordinance shall be construed to require the inclusion of the~~
5 ~~amount received for the leasing or renting of tangible property, or for the leasing or renting of mobile~~
6 ~~transportation equipment for use in for hire transportation of property such as railroad locomotives,~~
7 ~~trucks, truck tractors, freight cars, truck trailers, dollies, bogies, chassis, and cargo shipping~~
8 ~~containers, the entire use of which is made wholly outside the State of California.~~

9 ~~**SEC. 1004.07. OTHER BUSINESSES.**~~

10 ~~(a) For every person engaged in any business, trade, calling, occupation, vocation, profession or~~
11 ~~other means of livelihood, and not as an employee of another, and not specifically taxed by other~~
12 ~~provisions of this ordinance, the tax shall be calculated as set forth in Section 1004.17.~~

13 ~~(b) A person engaged in more than one trade, calling, occupation, vocation, profession or other~~
14 ~~means of livelihood embraced within this Section shall consolidate all gross receipts and shall be~~
15 ~~issued one registration certificate covering all such activities. Any person engaged in any activities~~
16 ~~embraced within this Section, in addition to activities covered by any other Section of this ordinance,~~
17 ~~shall obtain separate registration certificates for the activities covered by such other Sections.~~

18 ~~(c) A person engaged in the business of developing and selling real property, as defined in~~
19 ~~Section 1002.15, shall be allowed a tax credit equal to the amount of payroll expense tax actually and~~
20 ~~directly paid in the prior year(s) by said person to the Tax Collector pursuant to the provisions of~~
21 ~~Article 12A of this Code on the payroll expense paid to employees, as defined in Section 902.4 of this~~
22 ~~Code, who participated in the construction of the subdivision.~~

23 ~~For the purpose of calculating the amount of tax credit, each subdivision shall be treated~~
24 ~~separately and the calculations shall be made on appropriate forms provided by the Tax Collector.~~

1 ~~The amount of the tax credit allowed shall be limited to the amount of tax liability attributable to the~~
2 ~~taxable gross receipts generated from selling units in the subdivision during the period commencing~~
3 ~~January 1, 1984. However, if the tax credit calculated is not absorbed entirely in one year, the~~
4 ~~remaining balance may be carried over to the subsequent year(s).~~

5 ~~SEC. 1004.08. RETAIL SALES.~~

6 ~~(a) For every person selling any goods, wares or merchandise at retail, and not otherwise~~
7 ~~specifically taxed by other provisions of this ordinance, the tax shall be calculated as set forth in~~
8 ~~Section 1004.17, provided that blind persons need not include the first \$15,000 of gross receipts in the~~
9 ~~computation of the amount of tax due hereunder nor be required to pay the minimum tax. This~~
10 ~~exemption shall not subject such blind persons to the provisions of Section 1004.07 of this ordinance.~~

11 ~~(b) For the purpose of this Section, a "retail sale" or "sale at retail" means a sale of goods,~~
12 ~~wares or merchandise for any purpose other than resale in the regular course of business.~~

13 ~~(c) Whenever a person engages at the same location in two or more businesses of the kind taxed~~
14 ~~in this Section, a joint registration certificate shall be issued for all such businesses and the tax shall be~~
15 ~~measured by the sum of the gross receipts of all such businesses so conducted.~~

16 ~~(d) A "blind person," within the meaning of this Section shall mean a person having not more~~
17 ~~than 10 percent visual acuity in the better eye, with correction. Such blindness shall be certified by a~~
18 ~~licensed physician and surgeon who specializes in diseases of the eye, or by the Bureau of Vocational~~
19 ~~Rehabilitation of the Department of Education of the State of California, and the exemption provided~~
20 ~~by this Section shall not apply until a certificate as to such blindness shall be furnished to the Tax~~
21 ~~Collector.~~

22 ~~(e) Nothing in this Section contained shall be construed to require the inclusion in the~~
23 ~~computation of the amount of the tax due thereunder the gross receipts of the sales of goods which are~~
24 ~~shipped to the purchasers of such goods by the seller to points outside the State of California.~~

1 ~~SEC. 1004.09. STORAGE, FREIGHT FORWARDING.~~

2 ~~(a) "Freight forwarding" shall mean the business of collecting or consolidating for shipment in~~
3 ~~earload lots or less, or truckload lots or less, any goods, wares or merchandise as agent or bailee for~~
4 ~~any person where a fee is charged for such service.~~

5 ~~(b) For every person engaged in the business of freight forwarding or maintaining any storage~~
6 ~~or warehouse for the storage of goods, wares or merchandise of any kind, the tax shall be calculated as~~
7 ~~set forth in Section 1004.17.~~

8 ~~SEC. 1004.10. TELEPHONE, GAS, ELECTRIC AND STEAM SERVICE.~~

9 ~~(a) For every person engaged as a public utility in the business of furnishing railroad,~~
10 ~~telephone, gas, electric or steam services, the tax shall be calculated as set forth in Section 1004.17.~~

11 ~~(b) For the purposes of this Section, "gross receipts" shall have the same meaning as in Section~~
12 ~~1002.6, except that only those receipts derived from providing services within the City and County shall~~
13 ~~be included, and further excepting that, with respect to telephone services, only receipts resulting from~~
14 ~~intrastate telephone service shall be included.~~

15 ~~SEC. 1004.11. TRANSPORTING PERSONS FOR HIRE.~~

16 ~~(a) Definitions.~~

17 ~~(1) Operator. The term "operator" includes:~~

18 ~~(i) Any person engaging in the transportation of persons or property for hire or compensation by~~
19 ~~or upon a motor vehicle upon any public highway in this State, either directly or indirectly;~~

20 ~~(ii) Any person who for compensation furnishes any motor vehicle for the transportation of~~
21 ~~persons or property under a lease or rental agreement when such person operates the motor vehicle~~
22 ~~furnished or exercises any control of, or assumes any responsibility for the operation of the vehicle~~
23 ~~irrespective of whether the vehicle is driven by such person or the person to whom the vehicle is~~
24 ~~furnished, or engages either in whole or in part in, the transportation of persons or property in the~~
25 ~~motor vehicle furnished.~~

1 ~~(2) Not An Operator. The term "operator" does not include any of the following:~~

2 ~~(i) Any person transporting his own property in a motor vehicle owned or operated by him~~
3 ~~unless he makes a specific charge for the transportation. This subdivision does not in any way limit any~~
4 ~~other exemption granted by this Section;~~

5 ~~(ii) Any farmer, resident of this State, who occasionally transports property for other farmers, or~~
6 ~~who transports his own farm products, or who transports laborers to and from farm work incidentally~~
7 ~~in his farming operations;~~

8 ~~(iii) Any nonprofit agricultural cooperative association, organized and acting within the scope~~
9 ~~of its powers under Chapter 4 of Division 6 of the Agricultural Code of the State of California to the~~
10 ~~extent only that it is engaged in the transporting of its own property or the property of its members;~~

11 ~~(iv) Any person whose sole transportation of persons or property for hire or compensation consists of~~
12 ~~the transportation of children to or from any public or nonprofit private school and whose total~~
13 ~~compensation from all sources for providing such transportation does not exceed \$100 in any calendar~~
14 ~~month;~~

15 ~~(v) Any person engaged in the business of operating a hearse or other vehicle in a procession to~~
16 ~~a burial ground or place of interment and from the burial ground or place of interment to a garage or~~
17 ~~place of storage;~~

18 ~~(vi) Any registered owner of a pleasure vehicle who, while operating the vehicle, transports~~
19 ~~persons to his work or to a place through which he passes on the way to his work, whether for or~~
20 ~~without compensation, if he is not in the business of furnishing such transportation;~~

21 ~~(vii) Any person engaged in the business of collecting and disposing of garbage, rubbish or~~
22 ~~waste, and who transports any such matter in a motor vehicle owned or operated by him, unless he~~
23 ~~makes a separate or specific charge for transportation. It is hereby declared that any such business is~~
24 ~~one substantially affecting the public health and welfare.~~

1 ~~(3)Transportation for Hire. The term "transportation for hire" shall be deemed to include~~
2 ~~transportation for gain or profit, direct or indirect.~~

3 ~~(4)Motor Vehicle. The term "motor vehicle" includes any automobile, truck, tractor, or other~~
4 ~~self-propelled vehicle used for the transportation of persons or property upon the public highways,~~
5 ~~otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn~~
6 ~~thereby.~~

7 ~~(b)Tax Imposed.~~

8 ~~(1)Every person whose business in whole or in part is that of operator, as defined herein, of any~~
9 ~~motor vehicle for the transportation of persons for hire, and who in the course of that business uses the~~
10 ~~public streets and highways in this City and County for the purpose of such business, shall pay a~~
11 ~~business tax measured by gross receipts derived from the transportation of passengers as provided in~~
12 ~~this Section. This tax is imposed for the privilege of using the public streets and highways in the City~~
13 ~~and County of San Francisco for the purpose of such business, employing or loaning capital on~~
14 ~~property, or maintaining an office in the City and County of San Francisco. No person shall engage in~~
15 ~~such business or perform any act required to be taxed under this Section during any tax period without~~
16 ~~first obtaining a registration certificate.~~

17 ~~(2)The business tax under the provisions of this Section shall be on the transportation of~~
18 ~~persons by an operator:~~

19 ~~(i)Wholly within the City and County;~~

20 ~~(ii)From a place or places outside the City and County (including a place or places outside the~~
21 ~~State of California) to a place or places within the City and County;~~

22 ~~(iii)From a place or places within the City and County to a place or places outside the City and~~
23 ~~County (including a place or places outside the State of California);~~

1 ~~(iv) From a place or places within the City and County to a place or places also within the City~~
2 ~~and County even though such transportation involves going outside the City and County (including a~~
3 ~~place or places outside the State of California) in the course thereof.~~

4 ~~(c) Measure of Tax.~~

5 ~~(1) For every person whose business in whole or in part is that of operator, as defined herein, of~~
6 ~~any motor vehicle for the transportation of persons for hire, and who in the course of that business uses~~
7 ~~the public streets and highways in the City and County for the purpose of such business, the tax shall be~~
8 ~~calculated as set forth in Section 1004.17.~~

9 ~~(d) Apportionment: Interstate Commerce. Whenever an operator engages in the transportation~~
10 ~~of passengers partly within and partly without the City and County of San Francisco, the tax imposed~~
11 ~~by this Section shall apply exclusively to the portion of the gross receipts attributable to operations~~
12 ~~within the City and County of San Francisco. For purpose of this Section, gross receipts attributable to~~
13 ~~operations within the City and County of San Francisco shall mean that percentage of an operator's~~
14 ~~total gross receipts, including gross receipts from the transportation of persons to and from a place or~~
15 ~~places outside the State of California, which is equal to that percentage which the mileage operated~~
16 ~~within the City and County of San Francisco bears to the entire mileage over which the operations~~
17 ~~extend.~~

18 ~~(e) Exemption for Certain School Buses. No tax hereunder shall be required for the operation~~
19 ~~of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively on any~~
20 ~~day to transport students or members of bona fide youth organizations, and their supervising adults to~~
21 ~~and from public or private schools, school events or other youth activities, without regard to the~~
22 ~~manner or source of compensation to the operator. This exemption shall not subject such operation to~~
23 ~~the provisions of Section 1004.07 of this ordinance.~~

1 ~~SEC. 1004.12. TRUCKING-HAULING.~~

2 ~~(a) Definitions.~~

3 ~~(1) Operator. The term "operator" is used in this Section as defined in the Motor Vehicle~~
4 ~~Transportation License Tax Act of California, with reference only, however, to persons engaging in the~~
5 ~~transportation of property for hire or compensation.~~

6 ~~(2) Motor Vehicle. The term "motor vehicle" is used in this Section as defined in the Motor~~
7 ~~Vehicle Transportation License Tax Act of California.~~

8 ~~(3) Tractor. The term "tractor" as used herein shall mean "truck tractor" as defined in the~~
9 ~~Vehicle Code of California.~~

10 ~~(b) Tax Imposed. Every person whose business in whole or in part is that of operator, as defined~~
11 ~~herein, of any motor vehicle for the transportation of property for hire or compensation, and who in the~~
12 ~~course of that business uses the public streets and highways in this City and County for the purpose of~~
13 ~~such business, shall pay a business tax as provided in this Section.~~

14 ~~(c) Measure of Tax; Reporting Period. The tax required to be paid by this Section shall be~~
15 ~~reported and paid annually. Every person engaged in the business subject to tax under this Section~~
16 ~~shall pay a minimum tax of \$12.50 per year. The tax required to be paid under this Section shall be~~
17 ~~measured as follows:~~

18 ~~(1) For each motor vehicle, other than a tractor, trailer, semitrailer, or dolly, used to receive or~~
19 ~~discharge, pick up or deliver property within this City and County, the tax shall be calculated as set~~
20 ~~forth in Section 1004.17.~~

21 ~~(d) Method of Reporting.~~

22 ~~(1) No person shall engage in such business or perform any act required to be taxed under this~~
23 ~~Section during any tax period without first obtaining a registration certificate.~~

24 ~~(2) At the close of each tax period such person shall file a statement with the Tax Collector~~
25 ~~showing the tax due and setting forth a summary of the vehicles of each graduation specified in~~

1 ~~Subsection (c) above used during such preceding tax period and the number of days or fractions~~
2 ~~thereof of such use, and shall pay on or before the last day of February in the next subsequent tax~~
3 ~~period any (additional) tax that may be due hereunder for such preceding tax period.~~

4 ~~(3) In making such statement, the person may at his option elect to compute such summary and~~
5 ~~pay such tax on a "test week" basis, by separately computing the tax which would be due for each of~~
6 ~~the four test weeks specified in Subsection (d)(4) hereof, dividing the total of the tax due for the four~~
7 ~~test weeks by four to ascertain the average weekly tax, and multiplying the said average weekly tax by~~
8 ~~the number of weeks of the tax period during which he conducted operations subject to tax under this~~
9 ~~Section. If the person elects to compute the tax imposed hereunder on a test week basis such election~~
10 ~~shall be irrevocable and conclusive as to the tax period for which such election is made. Any person~~
11 ~~electing to compute such tax on a test week basis shall retain the records used for such computation for~~
12 ~~a period of two years from the date of filing such report. Upon the failure of any person electing to~~
13 ~~compute such tax on a test week basis to retain such records, the Tax Collector may determine the~~
14 ~~amount of any additional tax estimated to be due from such person in the manner provided by Section~~
15 ~~1010.~~

16 ~~(4) The test weeks which may be used by a person in computing the tax imposed under this~~
17 ~~Section are the second full week in January, the second full week in April, the second full week in July~~
18 ~~and the second full week in October. If a person does not conduct operations subject to tax under this~~
19 ~~Section in any one or more of such test weeks, then he may use the next succeeding week following such~~
20 ~~test week in which he does conduct such operations in the place of such test weeks; provided, however,~~
21 ~~that if a person does not conduct operations subject to tax under this Section during each of the four~~
22 ~~test weeks which may, under this Subsection, be used in computing the tax, such person may not elect to~~
23 ~~compute his tax on a test week basis without prior written application to and prior written approval of~~
24 ~~the Tax Collector as to what alternate test period or periods may be used.~~

1 ~~(5) In the event the business is discontinued, dissolved or otherwise terminated before the close~~
2 ~~of such tax period, the statement required by Subsection (d)(2) hereof shall thereupon be filed and any~~
3 ~~additional tax due hereunder shall be paid within 15 days following date of such discontinuance,~~
4 ~~dissolution or termination.~~

5 ~~(e) Exemption for Vehicles Operated Exclusively in Interstate Commerce. No tax hereunder~~
6 ~~shall be required for the operation of any motor vehicle or any day or fraction thereof when such~~
7 ~~vehicle is operated exclusively between points within this City and County and points without this State.~~

8 ~~(f) Exemptions and Exceptions. No tax hereunder shall be required for the operation of any~~
9 ~~motor vehicle or equipment along the streets of this City and County if such operation is merely~~
10 ~~occasional and incidental to a business conducted elsewhere; provided that no operation shall be~~
11 ~~deemed merely occasional if trips or hauls are made beginning or ending at points within this City and~~
12 ~~County upon an average more than once a week in any quarter, and a business shall be deemed to be~~
13 ~~conducted within this City and County if an office or agency is maintained here or if transportation~~
14 ~~business is solicited here.~~

15 **~~SEC. 1004.13. WHOLESALE SALES.~~**

16 ~~(a) For every person selling any goods, wares or merchandise at wholesale not otherwise~~
17 ~~specifically taxed by other provisions of this ordinance, the tax shall be calculated as set forth in~~
18 ~~Section 1004.17; provided that blind persons need not include the first \$20,000 of gross receipts in the~~
19 ~~computation of the amount of tax due hereunder nor be required to pay the minimum tax. This~~
20 ~~exemption shall not subject such blind person to the provisions of Section 1004.7 of this ordinance.~~

21 ~~(b) For the purpose of this Section, a "wholesale sale" or "sale at wholesale" means a sale of~~
22 ~~goods, wares or merchandise for the purpose of resale in the regular course of business.~~

23 ~~(c) Whenever a person engages in the same location in two or more businesses of the kind taxed~~
24 ~~in this Section, a joint registration certificate shall be issued for all such businesses and the tax shall be~~
25 ~~measured by the sum of the gross receipts of all such businesses so conducted.~~

1 ~~(d) A "blind person," within the meaning of this Section, shall mean a person having not more~~
2 ~~than 10 percent visual acuity in the better eye, with correction. Such blindness shall be certified by a~~
3 ~~licensed physician and surgeon who specializes in diseases of the eye, or by the Bureau of Vocational~~
4 ~~Rehabilitation of the Department of Education of the State of California, and the exemption provided~~
5 ~~by this Section shall not apply until a certificate as to such blindness shall be furnished to the Tax~~
6 ~~Collector.~~

7 ~~(e) Nothing in this Section contained shall be construed to require the inclusion in the~~
8 ~~computation of the amount of the tax due thereunder gross receipts of the sales of goods which are~~
9 ~~shipped to the purchasers of such goods by the seller to points outside the State of California.~~

10 **~~SEC. 1004.15. ARCHITECTS, ENGINEERS.~~**

11 ~~(a) For every person engaged in business as an architect or engineer, the tax shall be calculated~~
12 ~~as set forth in Section 1004.17.~~

13 ~~(b) The term "engaged in business as an architect" as used herein shall mean engaged in an~~
14 ~~activity for which a license is required under Chapter 3, Division III of the Business and Professions~~
15 ~~Code of the State of California. The term "engaged in business as an engineer" as used herein shall~~
16 ~~mean engaged in an activity for which a license is required under Chapter 7, Division III of the~~
17 ~~Business and Professions Code of the State of California.~~

18 ~~(c) The meaning of the term "gross receipts" as used herein shall be that set forth in Section~~
19 ~~1002.6; provided that such term shall include the total contract price for the work performed by such~~
20 ~~architect or engineer, without deduction for consulting fees paid and irrespective of whether the~~
21 ~~contract is one on a stipulated sum or on a cost plus fee basis or one under the terms of which the~~
22 ~~architect or engineer acts as agent for the owner.~~

23 ~~(d) Whenever an architect or engineer performs work or renders services in part within the City~~
24 ~~and County of San Francisco and in part without the City and County of San Francisco, no~~
25 ~~apportionment shall be made except that the tax shall be levied only on that percentage of gross~~

1 receipts equal to the percentage which working time expended within the City and County of San
2 Francisco bears to his total working time both within and without the City and County of San
3 Francisco.

4 ~~SEC. 1004.16. NONPROFIT GARAGE CORPORATIONS.~~

5 ~~For every person engaged in business as a nonprofit garage corporation, the tax shall be~~
6 ~~calculated as set forth in Section 1004.17.~~

7 ~~As used herein, The term "nonprofit garage corporation" shall mean any nonprofit corporation~~
8 ~~formed for the express purpose of aiding and assisting the City and County of San Francisco in~~
9 ~~constructing a public off street parking facility, which such nonprofit corporation has issued revenue~~
10 ~~bonds, the interest on which is exempt from federal income tax and which bonds or a portion thereof is~~
11 ~~outstanding. Notwithstanding any other provision herein, a nonprofit garage corporation which~~
12 ~~receives revenues by reason of its interest in a public off street parking facility shall be deemed to be~~
13 ~~engaged in business for purposes of this ordinance.~~

14 ~~Nothing contained herein shall reduce or repeal the San Francisco Parking Tax (Ordinance No.~~
15 ~~286 70) imposed on occupants of parking stations; nor shall anything contained herein reduce or~~
16 ~~repeal any San Francisco tax as applied to any person who is not a "nonprofit garage corporation,"~~
17 ~~even if said person is an operator, manager or lessee of a public off street parking facility.~~

18 ~~SEC. 1004.17. RATES OF TAX.~~

19 ~~(a) The rates of gross receipts tax under Sections 1004.01, 1004.02, 1004.03, 1004.04, 1004.06,~~
20 ~~1004.07, 1004.08, 1004.09, 1004.10, 1004.11, 1004.13, 1004.15, 1004.16, and 1004.18, shall be as~~
21 ~~follows:~~

Sec. No.	Business	Tax on First \$10,000 of Gross Receipt or Fractional Part Thereof	Tax on Each Additional \$1,000 of Gross Receipts or Fractional Part Thereof
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1004.01	Commission Merchant or Broker	\$ 30.00	3.00
1004.02	Contractor	30.00	3.00
1004.03	Hotel, Apartment	15.00	1.50
1004.04	Laundry, Etc.	15.00	1.50
1004.06	Personal Property Rental	30.00	3.00
1004.07	Other Businesses	30.00	3.00
1004.08	Retail Sales	15.00	1.50
1004.09	Storage, Etc.	30.00	3.00
1004.10	Telephones, Etc.	12.00	1.23
1004.11	Transporting Persons	30.00	3.00
1004.13	Wholesale Sales	12.00	1.23
1004.15	Architects, Engineers	30.00	3.00
1004.16	Nonprofit Garage	2,500.00	250.00
1004.18	Firearms/Ammunition Sales	300.00	30.00

~~(b) The tax under Section 1004 (Fixed Place of Business) shall be \$24 per year.~~

~~(c) The tax under Section 1004.05 (Lending Money) shall be \$800 per year.~~

~~(d) The rates of tax under Section 1004.12 (Trucking Hauling) shall be as follows:~~

~~For each motor vehicle (other than a tractor, trailer, semitrailer or dolly) used to receive or discharge, pick up or deliver property within this City and County (1) if the unladen weight thereof is 4,000 pounds or less, the tax shall be \$0.07 for each day or fraction thereof of its operation as specified in Section 1004.12(b); (2) if the unladen weight thereof is over 4,000 pounds, and not more than 8,000 pounds, the tax shall be \$0.15 for each day or fraction thereof of its operation as specified in Section~~

1 ~~1004.12(b); and (3) if the unladen weight thereof is over 8,000 pounds, the tax shall be \$0.16 for each~~
2 ~~day or fraction thereof of its operation as specified in Section 1004.12(b).~~

3 ~~For each tractor which is used to haul one or more trailers or semitrailers, the tax shall be~~
4 ~~\$0.16 for each day or fraction thereof of its operation as specified in Section 1004.12(b).~~

5 ~~**SEC. 1004.18. FIREARMS AND AMMUNITION SALES.**~~

6 ~~(a) For every person engaged in the business of selling firearms or firearms ammunition, as~~
7 ~~defined by this ordinance, the tax shall be calculated as set forth in Section 1004.17 and shall apply to~~
8 ~~gross receipts from selling firearms or firearms ammunition or from any other activity which is subject~~
9 ~~to tax under the provisions of this Article.~~

10 ~~(b) As used herein, the term "firearm" means any device, designed to be used as a weapon, from~~
11 ~~which is expelled through a barrel a projectile by the force of any explosion, or other form of~~
12 ~~combustion. The term also includes any rocket, rocket propelled projectile launcher, or similar device~~
13 ~~containing any explosive or incendiary material and not designed for emergency or distress signaling~~
14 ~~purposes.~~

15 ~~(c) As used herein, the term "firearms ammunition" means any projectiles with their fuses,~~
16 ~~propelling charges, or primers fired from weapons, and any of the individual components thereof,~~
17 ~~including, but not limited to, black powder and reloading primers.~~

18 ~~(d) As used herein, the term "engaged in the business of selling firearms or firearms~~
19 ~~ammunition" means the selling, leasing or transferring of firearms or firearms ammunition. No person~~
20 ~~shall be "engaged in the business of selling firearms or firearms ammunition" within the meaning of~~
21 ~~this ordinance if she or he is not required to obtain a license to sell firearms or firearms ammunition~~
22 ~~pursuant to Section 613 of Part II of the San Francisco Municipal Code or if she or he is an auctioneer~~
23 ~~or auction company required to maintain a bond or deposit pursuant to California Civil Code 1812.600~~
24 ~~or any successor statute.~~

1 ~~SEC. 1005. CONSTITUTIONAL EXEMPTIONS; INTERSTATE OR FOREIGN COMMERCE.~~

2 ~~Nothing in this ordinance shall be construed as requiring the payment of any tax for engaging~~
3 ~~in a business or the doing of an act when such payment would constitute an unlawful burden upon or~~
4 ~~an unlawful interference with interstate or foreign commerce, or which payment would be in violation~~
5 ~~of the Constitution or a statute of the United States or of the Constitution or a statute of the State of~~
6 ~~California.~~

7 ~~SEC. 1005.3. SMALL BUSINESS EXEMPTION.~~

8 ~~(a) Notwithstanding any other provisions of this Business ("Gross Receipts") Tax Ordinance,~~
9 ~~except the provisions of Section 1009, "small business enterprises," as hereinafter defined, shall be~~
10 ~~exempt from taxation under this ordinance; provided, however, that small business enterprises shall~~
11 ~~pay the annual registration fee pursuant to Section 1007.~~

12 ~~(b) The term "small business enterprise" shall mean and include any taxpayer:~~

13 ~~(1) Whose tax liability hereunder, but for this exemption provision, would not exceed \$2,500;~~
14 ~~and~~

15 ~~(2) Who has filed a tax return pursuant to Section 1009 of this Article. If the taxpayer fails to file~~
16 ~~a return by the date set in that Section, the taxpayer shall not be entitled to the exemption for that year;~~
17 ~~provided, however, that upon a showing of good cause, the Tax Collector may, in his or her discretion,~~
18 ~~allow the exemption for a taxpayer filing a late return.~~

19 ~~(c) For the purpose of taxes due on gross receipts received on or after January 1, 1995, no~~
20 ~~person engaged in the business of selling firearms or firearms ammunition, as defined by Subsection~~
21 ~~(d) of Section 1004.18, any portion of whose gross receipts are derived from the business of selling~~
22 ~~firearms or firearms ammunition, shall be eligible for the small business tax exemption herein~~
23 ~~provided.~~

1 ~~(d) When the annual revenues received by the City and County from the annual registration fee~~
2 ~~exceed \$8,500,000, \$200,000 shall be reserved for the Mayor to consider expending for the benefit of~~
3 ~~the small business community in the City and County.~~

4 ~~SEC. 1005.5. ENTERPRISE ZONE TAX CREDIT.~~

5 ~~(a) A credit against this tax shall be allowed for each person who maintains a fixed place of~~
6 ~~business within the San Francisco Enterprise Zone and who, on or after January 1, 1992, creates one~~
7 ~~or more new jobs and hires employees who qualify under Subsection (b) of this Section; provided,~~
8 ~~however, that in no event shall the tax credit reduce a person's tax liability to less than zero. Each~~
9 ~~person claiming this credit shall file with the Tax Collector, on a form prescribed by the Tax Collector,~~
10 ~~an affidavit attesting to facts establishing his or her entitlement to the tax credit; said affidavit shall be~~
11 ~~supported by State tax credit forms (EDD, DSS and PIC).~~

12 ~~(b) An employee is a "qualified employee" for purposes of computing this tax credit if he or she~~
13 ~~is newly hired by the taxpayer on or after January 1, 1992 and either (1) is receiving subsidized~~
14 ~~employment training or services under the terms of the Federal Job Training Partnership Act (JTPA);~~
15 ~~or (2) is registered in the Greater Avenues for Independence (GAIN) Program; or (3) is certified by the~~
16 ~~Employment Development Department as eligible for the federal Work Opportunity Credit Program; or~~
17 ~~(4) is receiving General Assistance.~~

18 ~~(c) The tax credit, for each qualified employee, shall be a varying percentage of wages paid for~~
19 ~~work performed within the Enterprise Zone, and the dollar amount of such tax credit shall depend both~~
20 ~~upon the duration of employment as of the date the gross receipts taxes are due, and the eligible wages~~
21 ~~paid, as follows:~~

22 ~~(1) The eligible wages to which the percentage is applied shall be limited to wages paid for work~~
23 ~~performed by the qualified employee while physically present within San Francisco.~~

24 ~~(2) The percentage to be applied to eligible wages shall depend upon the employee's duration of~~
25 ~~employment as follows:~~

~~Credit Allowed on~~

~~Duration of Employment Gross Receipts Tax Liability~~

~~First 24 months 100%~~

~~Second 24 months 50%~~

~~Third 24 months 25%~~

~~Fourth 24 months 15%~~

~~Fifth 24 months 10%~~

~~SEC. 1005.6. NEW JOBS TAX CREDIT.~~

~~(a) Purpose. The purpose of this provision is to increase the number of permanent jobs (which in no case shall be a job lasting less than two years) within the City and County of San Francisco by providing an incentive for businesses to create or relocate jobs in San Francisco that otherwise would be situated elsewhere.~~

~~(b) General Rule.~~

~~(1) Any business, as defined in Section 1002.1 of Part III of the Municipal Code, shall be allowed a credit against the Payroll Expense Tax for each new job created on or after July 1, 1993; however, in no event shall the tax credit reduce a taxpayer's liability for such tax to less than zero. Each taxpayer claiming the tax credit shall file with the Tax Collector, on a form prescribed by the Tax Collector, an affidavit under penalty of perjury attesting to the facts required by the Tax Collector to establish the taxpayer's entitlement to the tax credit consistent with this Section and regulations adopted by the Tax Collector.~~

~~(2) No business shall be allowed a credit under this Section for any job which previously had been performed in San Francisco for a predecessor employer.~~

~~(c) Amount of Credit.~~

~~(1) For purposes of this Section, the amount of the new jobs tax credit for any given year, subject to the conditions below, shall be a percentage of the additional Payroll Expense Tax that otherwise would be due (assuming for this purpose that the Business Tax does not apply) for an individual hired~~

1 ~~after July 1, 1993 and prior to January 1, 1998 for a job qualifying for the credit based on the~~
2 ~~employee's duration of employment as follows:~~

3 ~~Duration of Employment Tax Credit~~

4 ~~First 12 months 100%~~

5 ~~Second 12 months 50%~~

6 ~~For an individual hired on or after January 1, 1998 for a job qualifying for the credit, the credit shall~~
7 ~~be as follows:~~

8 ~~Duration of Employment Tax Credit~~

9 ~~First 24 months 100%~~

10 ~~Next 24 months 50%~~

11 ~~(2) For purposes of this Section, "base year liability" for any given tax year shall be the~~
12 ~~employer's highest Payroll Tax liability (exclusive of any credits granted under this provision) for any~~
13 ~~prior year from 1992 on.~~

14 ~~(3) No credit shall be allowed for any first year of employment to the extent that such credit~~
15 ~~would reduce the employer's Payroll Tax Expense liability below that employer's base year liability.~~

16 ~~(4) No credit shall be allowed for any second year of employment to the extent that such credit~~
17 ~~for second year employment and any credits for first year of employment would reduce the employer's~~
18 ~~Payroll Tax Expense liability below the employer's previous base year liability.~~

19 ~~(5) No credit shall be allowed for any third or fourth year of employment to the extent that such~~
20 ~~credit for third or fourth year employment and any credits for first and second year of employment~~
21 ~~would reduce the employer's Payroll Tax Expense liability below the employer's previous base year~~
22 ~~liability.~~

23 ~~(6) For purposes of this limitation, it shall be presumed that the employer is liable for the~~
24 ~~Payroll Expense Tax regardless of the Business Tax.~~

1 ~~(d) **Small Business Tax Exemption.** If after the new jobs tax credit the net tax does not exceed~~
2 ~~\$2,500, and the taxpayer is a "small business enterprise" as defined in Section 1005.3 of this Part, the~~
3 ~~taxpayer shall be exempt from taxation under this ordinance.~~

4 ~~(e) **Special Regulations.** The Tax Collector is directed to adopt and promulgate and to enforce~~
5 ~~rules and regulations relating to the application of this Section including provisions which provide~~
6 ~~penalties due to fraud, any underpayment of tax, or an intent to evade this ordinance or authorized~~
7 ~~rules and regulations. The Board of Review, as provided for in Section 6.14.3 of this Code, shall~~
8 ~~approve, modify or disapprove the rules and regulations prescribed by the Tax Collector pursuant to~~
9 ~~this ordinance. Any rules and regulations adopted by the Tax Collector shall also be approved by the~~
10 ~~City Attorney, and further provided that any modifications determined by the Board of Review shall be~~
11 ~~approved as to legal form by the City Attorney. The rules and regulations shall become effective 30~~
12 ~~days after receipt by the Clerk of the Board, unless the Board of Supervisors disapproves or modifies~~
13 ~~the regulations. The Board of Supervisors' determination to modify or disapprove a rule or regulation~~
14 ~~submitted by the Tax Collector pursuant to this ordinance shall not impair the ability of the Tax~~
15 ~~Collector to submit the same or a similar rule or regulation to the Board of Supervisors if the Tax~~
16 ~~Collector determines it is necessary to effectuate the purpose of this ordinance.~~

17 ~~(f) **Report on Effect of Tax Credit.** The Tax Collector shall submit a report to the Board of~~
18 ~~Supervisors on May 31, 1994, and every year thereafter for which the tax credit is available, which~~
19 ~~evaluates the effect of the tax credit on employment and local tax revenues. The Tax Collector shall~~
20 ~~also make available to the Board of Supervisors the aggregate information of the dollar value of the~~
21 ~~new jobs tax credits claimed each year by businesses.~~

22 ~~(g) **Expiration.** The New Jobs Tax Credit provided in this Section shall expire on December 31,~~
23 ~~2002, unless the Board of Supervisors extends the credit.~~

1 ~~SEC. 1005.7. SUMMER YOUTH EMPLOYMENT TAX CREDIT.~~

2 ~~Any person liable for the tax under this Article by virtue of Section 1026.1 of Part III of the~~
3 ~~Municipal Code, Article 12 B shall be entitled to a credit against the tax due under this ordinance in~~
4 ~~the amount of credit that he or she would have been entitled to under Section 906C of Part III, Article~~
5 ~~12 A of the Municipal Code against the Payroll Expense Tax Ordinance had Section 917.1 of that~~
6 ~~ordinance not been in effect.~~

7 ~~SEC. 1005.8. GARMENT MANUFACTURERS' TAX CREDIT.~~

8 ~~(a) Purpose. The purpose of this provision is to retain garment manufacturing jobs within the~~
9 ~~City and County of San Francisco by providing an incentive for businesses to strengthen and revitalize~~
10 ~~their production and management systems, upgrade the skills and competency of their workers, and~~
11 ~~invest in new equipment and technologies. This is part of an overall policy adopted by the City and~~
12 ~~County of San Francisco to enhance the ability of small and medium sized businesses to compete in the~~
13 ~~global economy, and thereby to retain and expand manufacturing jobs within the City.~~

14 ~~(b) Credit. A credit shall be allowed against this tax for any garment manufacturer with gross~~
15 ~~receipts of not more than \$5,000,000 annually that, on or after January 1, 1997, invests in (1) technical~~
16 ~~equipment for use in the garment manufacturer's business in San Francisco, (2) work reorganization~~
17 ~~within the garment manufacturer's factory in San Francisco, or (3) training of the garment~~
18 ~~manufacturer's San Francisco employees.~~

19 ~~Each taxpayer claiming the credit shall file with the Tax Collector, on a form prescribed by the~~
20 ~~Tax Collector, an affidavit attesting to facts establishing his or her entitlement to the tax credit. The~~
21 ~~affidavit shall be supported by such other documentation as the Tax Collector shall prescribe.~~

22 ~~Any taxpayer claiming a credit for employee training shall, prior to commencement of training, obtain~~
23 ~~preapproval of the training program from the Tax Collector.~~

24 ~~(c) Definitions. For purposes of this Section, the following definitions shall apply:~~

1 ~~(1) "Technical equipment" means any equipment used directly in the process of operating and~~
2 ~~managing a garment factory, including, but not limited to, cutting room equipment, sewing room~~
3 ~~equipment, press room equipment, and design room equipment. In addition, "technical equipment"~~
4 ~~means any equipment used to improve the management and operation of the garment factory,~~
5 ~~including, but not limited to, general office equipment to upgrade the garment manufacturer's~~
6 ~~accounting, management, and marketing processes. The term "technical equipment" shall include, but~~
7 ~~not be limited to, computerized pattern making equipment, cutting tables, electric cutting knives,~~
8 ~~single needle sewing machines, overlock machines, special machines, boilers, irons, steam boards,~~
9 ~~automatic spreaders, pressing and fusing equipment, steam channels, CAD system and CAM system,~~
10 ~~computers, and management and operational software.~~

11 ~~(2) "Work reorganization" means the conversion within a garment factory from the traditional~~
12 ~~manufacturing system of progressive bundles to a more productive and efficient system, such as a~~
13 ~~modular manufacturing system or a unit production system. The costs for which the credit for work~~
14 ~~reorganization may be taken include, but are not limited to, (A) the costs of constructing or installing~~
15 ~~new technology; (B) the costs of modifying existing machinery and work spaces, including necessary~~
16 ~~electrical upgrades; and (C) the costs of accessories and attachments to existing machinery, such as~~
17 ~~foot pedals, floor mats, incentive boards, rolling bins, and maintenance tools and manuals.~~

18 ~~(3) "Employee training" means any training provided to the taxpayer's employees for purposes~~
19 ~~of upgrading their skills with respect to the garment manufacturing business. "Employee training"~~
20 ~~includes, but is not limited to, training to operate technical equipment, as defined in paragraph (1),~~
21 ~~training and improvement in business and other management skills, and learning and incorporating~~
22 ~~new or improved production methods or technologies in the garment manufacturing process.~~

23 ~~(4) "Garment Manufacturer" means a person who utilizes commercial sewing techniques and~~
24 ~~skills to process fabric into finished articles of clothing or apparel to be worn by human beings.~~

1 ~~(d) Amount of Credit. Except as otherwise provided in subdivisions (e) and (f), the amount of~~
2 ~~the credit allowed by this Section 1005.8 for the taxable year shall be the sum of (i) 60 percent of the~~
3 ~~qualified investment in the taxable year (the "First Year's Credit"), and (ii) 40 percent of the qualified~~
4 ~~investment in the taxable year immediately preceding such year (the "Second Year's Credit). For~~
5 ~~purposes of this Section 1005.8, the term "qualified investment" means the amount paid or incurred by~~
6 ~~a garment manufacturer for the purchase or lease of technical equipment for use in the garment~~
7 ~~manufacturer's business in San Francisco, for work reorganization within the garment manufacturer's~~
8 ~~factory in San Francisco, and for employee training provided to any employee employed in San~~
9 ~~Francisco. The credit, including any credit carryover from a prior year, shall not exceed \$30,000 per~~
10 ~~year, and in no event shall the tax credit reduce a taxpayer's tax liability under this Article to less than~~
11 ~~zero. The tax credit is not transferable.~~

12 ~~(e) Credit Limitations.~~

13 ~~(1) With respect to the credit for the purchase or lease of technical equipment, the First Year's~~
14 ~~Credit shall be allowed only if garment manufacturer places such equipment in service in San~~
15 ~~Francisco during the taxable year and keeps such equipment in service in San Francisco through the~~
16 ~~end of such taxable year, and the Second Year's Credit shall be allowed only if the garment~~
17 ~~manufacturer keeps such equipment in service in San Francisco through the end of the taxable year~~
18 ~~immediately following such taxable year.~~

19 ~~(2) With respect to the credit for work reorganization, the First Year's Credit shall be allowed~~
20 ~~only if a garment manufacturer keeps the factory for which the credit is claimed in service in San~~
21 ~~Francisco through the end of the taxable year within which such work reorganization is completed, and~~
22 ~~the Second Year's Credit shall be allowed only if the garment manufacturer keeps such factory in~~
23 ~~service in San Francisco through the end of the taxable year immediately following such taxable year.~~

24 ~~(3) With respect to the credit for employee training, the First Year's Credit shall be allowed only if and~~
25 ~~to the extent a garment manufacturer employs the specific individuals for which the employee training~~

1 ~~credit is claimed in San Francisco through the end of the taxable year within which such training is~~
2 ~~completed, and the Second Year's Credit shall be allowed only if and to the extent the garment~~
3 ~~manufacturer employs such individuals in San Francisco through the end of the taxable year~~
4 ~~immediately following such taxable year.~~

5 ~~**(f) Recapture of Credits.**~~

6 ~~(1) With respect to the credit for the purchase or lease of technical equipment, the First Year's~~
7 ~~Credit shall be retroactively disallowed if the technical equipment for which such credit was claimed is~~
8 ~~disposed of by the garment manufacturer or otherwise ceases to be used in such garment~~
9 ~~manufacturer's business in San Francisco before the first anniversary of the date upon which the~~
10 ~~garment manufacturer placed such equipment in service, and the Second Year's Credit shall be~~
11 ~~retroactively disallowed if such technical equipment is disposed of by the garment manufacturer or~~
12 ~~otherwise ceases to be used in the garment manufacturer's business in San Francisco before the second~~
13 ~~anniversary of the date upon which such equipment was placed in service by the garment~~
14 ~~manufacturer.~~

15 ~~(2) With respect to the credit for work reorganization, the First Year's Credit shall be~~
16 ~~retroactively disallowed if the factory for which such credit was claimed is disposed of or otherwise~~
17 ~~ceases to remain in service in San Francisco by the garment manufacturer before the first anniversary~~
18 ~~of the date upon which such work reorganization was completed, and the Second Year's Credit shall be~~
19 ~~retroactively disallowed if such factory is disposed of or otherwise ceases to remain in service in San~~
20 ~~Francisco by the garment manufacturer before the second anniversary of the date upon which such~~
21 ~~work reorganization was completed.~~

22 ~~(3) With respect to the credit for employee training, the First Year's Credit shall be retroactively~~
23 ~~disallowed if and to the extent the specific individuals for which the employee training credit was~~
24 ~~claimed cease to be employed in San Francisco by the garment manufacturer before the first~~
25 ~~anniversary of the date upon which such training was completed, and the Second Year's Credit shall be~~

1 ~~retroactively disallowed if and to the extent such individuals cease to be employed in San Francisco by~~
2 ~~the garment manufacturer before the second anniversary of the date upon which such training was~~
3 ~~completed.~~

4 ~~(g) Carryover. In the case where the credit allowed by this Section exceeds the tax, the excess~~
5 ~~may be carried over to reduce the tax in the following years and succeeding years, if necessary, until~~
6 ~~the credit has been exhausted, for up to three years.~~

7 ~~(h) Other Credits. The credit provided in this Section shall be in addition to any other credit~~
8 ~~under Part III to which the taxpayer is entitled for costs to which this credit applies. The credit~~
9 ~~provided in this Section shall be taken after any other available credits have been exhausted.~~

10 ~~(i) Expiration; Carryover of Unused Credit. The credit provided in this Section shall expire on~~
11 ~~December 31, 2001, unless the Board of Supervisors extends the credit. Any unused credit may~~
12 ~~continue to be carried forward, as provided in Subdivision (g), until the credit has been exhausted, but~~
13 ~~in no event for more than three years.~~

14 ~~**SEC. 1005.9. CREDIT OF SURPLUS BUSINESS TAX REVENUE.**~~

15 ~~(a) General Rule. Any business, as defined in Section 1002.1 of Part III of the Municipal Code,~~
16 ~~that does not qualify as a "small business enterprise" under the provisions of Section 1005.3 (Small~~
17 ~~Business Exemption), shall be allowed a credit against the Business Tax for any taxable year ending~~
18 ~~within a fiscal year of the City and County of San Francisco immediately following a fiscal year in~~
19 ~~which the City and County of San Francisco has surplus Business Tax revenue; provided, however, that~~
20 ~~in no event shall the tax credit allowable pursuant to this Section reduce a taxpayer's liability for such~~
21 ~~tax to an amount less than zero. For each fiscal year, the Controller shall determine whether the City~~
22 ~~and County of San Francisco has surplus Business Tax revenue. The Controller's determination~~
23 ~~whether the City and County of San Francisco has surplus Business Tax revenue shall be made on or~~
24 ~~before the first business day of September following the close of such fiscal year; provided, however,~~
25

1 ~~that for purposes of the 1997/1998 fiscal year, the Controller may make his or her determination on or~~
2 ~~before December 31, 1998. The Controller shall notify the Tax Collector of his or her determination.~~

3 ~~(b) Amount of Credit. For purposes of this Section, the amount of the tax credit for any taxable~~
4 ~~year shall be \$500.00; provided, however, that in no event shall the tax credit allowable pursuant to~~
5 ~~this Section reduce a taxpayer's liability for such tax to an amount less than zero.~~

6 ~~(c) Definitions. The following definitions shall apply to the terms used in this Section.~~

7 ~~(1) For any fiscal year of the City and County of San Francisco, the City and County of San~~
8 ~~Francisco shall be deemed to have "surplus Business Tax revenue" if and only if the actual Business~~
9 ~~Tax revenue for such fiscal year exceeds the anticipated Business Tax revenue for such fiscal year.~~

10 ~~(2) For any fiscal year of the City and County of San Francisco, the "actual Business Tax~~
11 ~~revenue" means the aggregate amount of tax revenue collected pursuant Article 12 A (Payroll Expense~~
12 ~~Tax Ordinance) and Article 12 B (Business Tax Ordinance) of Part III of the San Francisco Municipal~~
13 ~~Code, less the amount of such revenue for such year allocable solely to tax rate increases in such year.~~

14 ~~(3) For any fiscal year of the City and County of San Francisco, the "anticipated Business Tax~~
15 ~~revenue" is an amount equal to the product of (i) the actual Business Tax revenue for the fiscal year~~
16 ~~immediately preceding such fiscal year, multiplied by (ii) 107.5 percent.~~

17 ~~(d) Effective Date. The tax credit provided by this Section shall be allowable in taxable years~~
18 ~~ending after 1997.~~

19 ~~**SEC. 1006. APPORTIONMENT; BUSINESS WITHIN AND WITHOUT CITY AND COUNTY.**~~

20 ~~When the gross receipts of any person engaged in business subject to tax under the provisions~~
21 ~~of this ordinance are derived from or attributable to business activities engaged in within and without~~
22 ~~the City and County, said gross receipts shall be allocated in such a manner as is fairly calculated to~~
23 ~~determine the amount of gross receipts derived from or attributable to engaging in business in the City~~
24 ~~and County. Gross receipts from services shall be allocated on the basis of payroll, value and situs of~~
25 ~~tangible property, general expense, or by reference to any of these or other factors, or by such other~~

1 ~~method of allocation as will fairly determine the amount of gross receipts derived from or attributable~~
2 ~~to engaging in business in the City and County. Gross receipts derived from isolated or occasional~~
3 ~~transactions at places outside the City and County but within the State of California, where the~~
4 ~~registrant is not regularly engaged in a course of business transactions shall be deemed to be gross~~
5 ~~receipts derived from engaging in business in the City and County.~~

6 ~~Allocation formulae designed to carry into effect the purpose of this Section shall be adopted by~~
7 ~~the Tax Collector by rules and regulations. Such rules and regulations shall be approved by the City~~
8 ~~Attorney prior to becoming effective. The Tax Collector is hereby authorized, in the application to~~
9 ~~individual cases of such rules and regulations and the formulae contained, to make such modifications~~
10 ~~in the formulae as may be necessary to carry out the intent of this Section.~~

11 ~~If the Tax Collector reallocates gross receipts upon examination of any return, the Tax~~
12 ~~Collector shall, upon the written request of the registrant, disclose to the registrant (within 10 days of~~
13 ~~such request) the basis upon which the reallocation has been made. The time for the doing of any act~~
14 ~~required by this ordinance or the commencement of any liability hereunder shall not begin to run until~~
15 ~~such disclosure is made.~~

16 ~~**SEC. 1007. REGISTRATION CERTIFICATE.**~~

17 ~~(a) No person subject to tax under Articles 12 A or 12 B of Part III of the San Francisco~~
18 ~~Municipal Code shall engage in business within the City and County of San Francisco unless said~~
19 ~~person shall have obtained a current registration certificate issued by the Tax Collector in accordance~~
20 ~~with the provisions of this Section. Failure to obtain a registration certificate shall not absolve any~~
21 ~~person from payment of any tax or license imposed by the City and County of San Francisco. Except as~~
22 ~~provided in Subsection (b), the annual fee for obtaining a registration certificate, payable in advance,~~
23 ~~shall be as follows: Businesses with a computed tax for the most recent year filed of between \$1 and~~
24 ~~\$10,000 shall pay \$150, except as provided in Section 1007.2; businesses with a computed tax for the~~
25 ~~most recent year filed of between \$10,001 and \$50,000 shall pay \$250, except as provided in Section~~

1 ~~1007.2; and businesses with a computed tax for the most recent year filed of \$50,001 and above shall~~
2 ~~pay \$500. In the event that an applicant has not filed his or her most recent tax statement as required~~
3 ~~by this ordinance, the Tax Collector will determine the amount of registration fee required.~~

4 ~~(b) Upon commencing any business within the City and County of San Francisco, each person subject to~~
5 ~~tax shall apply to the Tax Collector, on a form prescribed by the Tax Collector, for a registration~~
6 ~~certificate; said application shall be accompanied by said person's registration fee based upon~~
7 ~~estimated business tax liability or payroll expense tax liability for the calendar year in which said~~
8 ~~person commences a business. A person shall have 15 days after commencing business operations in~~
9 ~~which to apply for the registration certificate, and to pay the registration fee. Notwithstanding the~~
10 ~~amount of the annual registration fee set forth in Subdivision (a), for persons who commence business~~
11 ~~operations after January 1st of any year after 1990, except for those businesses that pay the minimum~~
12 ~~registration fee of \$25 under Section 1007.2, the registration fee will be prorated as follows: For~~
13 ~~persons commencing business between January 1st and March 31st, the registration fee shall be 100~~
14 ~~percent of the annual fee; for persons commencing business between April 1st and June 30th, the~~
15 ~~prorated registration fee shall be 75 percent of the annual fee; for persons commencing business~~
16 ~~between July 1st and September 30th, the prorated registration fee shall be 50 percent of the annual~~
17 ~~fee; and for persons commencing business between October 1st and December 31st, the prorated~~
18 ~~registration fee shall be 25 percent of the annual fee.~~

19 ~~(c) All persons other than business covered by Subsection (b) annually shall, in the month of~~
20 ~~October, apply to the Tax Collector, on a form prescribed by the Tax Collector, for renewal of its~~
21 ~~annual registration certificate; said application shall be accompanied by the full amount of the~~
22 ~~applicant's annual registration fee for the next succeeding calendar year.~~

23 ~~The renewal of the annual registration certificate shall become delinquent if not paid on or~~
24 ~~before the last day of October of each year.~~

1 ~~(d) Promptly after receiving each properly completed application and registration fee, the Tax~~
2 ~~Collector shall conduct an investigation to determine whether the applicant has paid: (1) all~~
3 ~~outstanding business taxes, (2) payroll expense taxes, (3) costs and/or charges assessed pursuant to~~
4 ~~Public Works Code Section 174.2 for failure to abate a nuisance regarding the cleanliness of an~~
5 ~~abutting public sidewalk or right of way, and, (4) other taxes and license fees due to the City and~~
6 ~~County of San Francisco. If the Tax Collector determines that all liabilities have been paid, the Tax~~
7 ~~Collector shall issue a registration certificate to the applicant, together with a duplicate registration~~
8 ~~certificate for each place of business maintained by the applicant and (1) in the case of persons making~~
9 ~~timely application under Subsection (c), the registration certificate shall be issued not later than~~
10 ~~November 30th; and (2) in all other cases of timely application, the registration certificate shall be~~
11 ~~issued within 10 days after the Tax Collector receives the application and registration fee. Each~~
12 ~~registration certificate issued hereunder shall expire on December 31st of the calendar year for which~~
13 ~~it is issued, and shall be valid only during the period for which it is issued. Such registration certificate~~
14 ~~shall be nonassignable and nontransferable and shall be surrendered immediately to the Tax Collector~~
15 ~~upon the cessation of business at the location named or upon its sale or transfer.~~

16 ~~(e) If the Tax Collector determines that any liabilities enumerated in Subsection (d) above~~
17 ~~remain unpaid at the time the application is received, the Tax Collector shall give written notification~~
18 ~~of that fact to the applicant, and shall set forth the amount owed, the liabilities enumerated in~~
19 ~~Subsection (d) above for which the amount is owed, the dates incurred and any other information the~~
20 ~~Tax Collector deems necessary fully to apprise the applicant of what liabilities are owed. A registration~~
21 ~~certificate shall not be issued unless and until the applicant has paid all taxes, license fees, and costs or~~
22 ~~charges assessed for failure to abate a nuisance condition on a public right of way under Section 174~~
23 ~~of the Public Works Code, for which said applicant is liable; provided, however, that if there is a~~
24 ~~dispute regarding outstanding business, payroll or other unsecured taxes or license fees allegedly owed~~
25 ~~by the applicant to the City and County that is pending in administrative proceedings before the Tax~~

1 ~~Collector, then the applicant shall not be denied the issuance of a registration certificate by the Tax~~
2 ~~Collector due to the dispute while the dispute is pending in such administrative proceedings.~~

3 ~~(f) Each annual registration certificate, and each duplicate thereof, shall state the place of~~
4 ~~business to which it is applicable and shall be prominently displayed therein. Such registration~~
5 ~~certificate shall set forth the name under which such person transacts or intends to transact business,~~
6 ~~the location of the registrant's place or places of business and such other information to facilitate the~~
7 ~~collection of the tax as the Tax Collector may require. The registration shall be signed by the owner if a~~
8 ~~natural person; in the case of an association or partnership, by a member or partner; in the case of a~~
9 ~~corporation, by a person authorized by the corporation to sign the registration.~~

10 ~~**SEC. 1007.1. BUSINESS TAX REGISTRATION TAG REQUIRED ON CERTAIN VEHICLES.**~~

11 ~~(a) The Tax Collector shall require persons engaged in the businesses listed in Subsection (b) to~~
12 ~~display prominently upon each company vehicle which is registered as a commercial vehicle with the~~
13 ~~California Department of Motor Vehicles, and which is used by the person in the conduct of his or her~~
14 ~~business, a registration tag in such form and color and containing such information as the Tax~~
15 ~~Collector shall determine. An employee's personally owned vehicles are exempt from this requirement.~~
16 ~~The Tax Collector shall charge an annual fee of \$30 for each tag issued to cover the cost of issuing the~~
17 ~~tag. The registration tag shall be valid for one year concurrent with the business tax registration~~
18 ~~certificate.~~

19 ~~It is unlawful for any person, required to display a registration tag pursuant to this Section, to~~
20 ~~use or cause to be used any company vehicle which is registered as a commercial vehicle with the~~
21 ~~California Department of Motor Vehicles in the conduct of the person's business within the City and~~
22 ~~County that does not have a business tax registration tag attached thereto or to remove or deface or~~
23 ~~cover up the registration tag, or to place such registration tag upon any vehicle other than a vehicle~~
24 ~~used by the person in his or her business, or to use or cause to be used any such vehicle more than 30~~
25

1 ~~days after the expiration of the period for which the registration tag was issued. An employee's~~
2 ~~personally owned vehicles are exempt from this requirement.~~

3 ~~Each person required to display a registration tag on vehicles used in the conduct of his or her~~
4 ~~business shall keep the registration tag(s) issued by the Tax Collector firmly affixed upon each vehicle~~
5 ~~for which a registration tag was issued at such location upon the vehicle as is designated by the Tax~~
6 ~~Collector.~~

7 ~~Subsequent to the issuance of any business tax registration certificate and prior to the~~
8 ~~expiration date, any person seeking to use any company vehicle which is registered as a commercial~~
9 ~~vehicle with the California Department of Motor Vehicles in his or her business, for which a tag has~~
10 ~~not been issued, shall procure a tag for such vehicle from the Tax Collector. Upon the payment of a fee~~
11 ~~for such tag, the Tax Collector shall deliver the tag to the person, which tag shall be securely affixed to~~
12 ~~the vehicle upon the location designated by the Tax Collector.~~

13 ~~(b) Persons engaged in the following business(es) shall be required to display a registration tag~~
14 ~~on company vehicles which are registered as commercial vehicles with the California Department of~~
15 ~~Motor Vehicles and which are used in the conduct of his or her business:~~
16 ~~Roofing contractor and any other contractor performing work for which a reroofing permit is required.~~

17 ~~**SEC. 1007.2. BUSINESS TAX REGISTRATION FEE EXCEPTIONS.**~~

18 ~~Notwithstanding any other provision of this Article, the fee payable under Section 1007 shall~~
19 ~~not apply, and the Tax Collector shall issue a certificate of authority pursuant to the provisions of~~
20 ~~Section 1007 to businesses with annual gross receipts of less than \$15,000 in the previous tax year.~~
21 ~~Such businesses shall instead pay a minimum registration fee of \$25, payable in advance.~~

22 ~~For the purpose of this exemption, "gross receipts" means the total gross receipts of a business~~
23 ~~whether or not the gross receipts are taxable or are attributable to business within the City and County~~
24 ~~of San Francisco, except that for new businesses, gross receipts shall be based upon estimated gross~~
25 ~~receipts for the current tax year as estimated by the Tax Collector.~~

1 ~~The Tax Collector shall refund the fee under Section 1007 paid by any business exempted from~~
2 ~~payment under this Section, provided that a refund claim has been filed in accordance with the~~
3 ~~provisions of Section 1017 of this Article.~~

4 ~~**SEC. 1007.3. PROOF OF COMPLIANCE WITH BUSINESS TAX REGISTRATION**~~
5 ~~**REGULATIONS REQUIRED TO FILE STATEMENT OF FICTITIOUS BUSINESS NAME.**~~

6 ~~The County Clerk shall not accept for filing, pursuant to Section 17900 et seq. of the California~~
7 ~~Business and Professions Code, any statement of fictitious business name representing any new,~~
8 ~~renewal, addition, withdrawal or abandonment of a fictitious business name until a registration~~
9 ~~certificate or other proof of compliance is presented which shows that the applicant has complied with~~
10 ~~all applicable sections under Article 12 B of Part III of the San Francisco Municipal Code regarding~~
11 ~~business tax registration. The County Clerk is hereby authorized and directed to develop rules and~~
12 ~~regulations to implement the provisions of this Section.~~

13 ~~**SEC. 1007.4. ISSUANCE OF REGISTRATION CERTIFICATE PROHIBITED TO PERSON NOT**~~
14 ~~**IN COMPLIANCE WITH CHILD SUPPORT ORDER OR JUDGMENT.**~~

15 ~~(a) As used in this Section:~~

16 ~~(1) The term "compliance with a judgment or order for support" means that, as set forth in a~~
17 ~~judgment or order for child or family support, the obligor is no more than 30 calendar days in arrears~~
18 ~~in making payments in full for current support, in making periodic payments on a support arrearage, or~~
19 ~~in making periodic payments on a judgment for reimbursement of public assistance, or has obtained a~~
20 ~~judicial determination that the order is unenforceable; and~~

21 ~~(2) The term "district attorney" means the District Attorney of the City and County of San~~
22 ~~Francisco.~~

23 ~~(b) The District Attorney shall maintain a list of those persons included in a case being enforced~~
24 ~~under Title IV D of the Social Security Act for whom a child support order or judgment has been~~
25 ~~rendered by, or registered in, a court of this State, and who are not in compliance with that order or~~

1 ~~judgment. The District Attorney shall submit an updated certified list with the names, social security~~
2 ~~numbers, and last known addresses of these persons to the Tax Collector on a monthly basis. The~~
3 ~~District Attorney shall verify that the persons listed are subject to an order or judgment for the payment~~
4 ~~of support and that these persons are not in compliance with the order or judgment.~~

5 ~~(e) Promptly after receiving a properly completed application for a registration certificate and~~
6 ~~registration fee pursuant to Subsection (b) or (c) of Section 1007, the Tax Collector shall determine~~
7 ~~whether the applicant is on the most recent certified list provided by the District Attorney. If the~~
8 ~~applicant is on the list, the Tax Collector shall immediately serve notice on the applicant of the Tax~~
9 ~~Collector's intent to withhold issuance of the annual registration certificate. The notice shall be made~~
10 ~~personally or by mail to the applicant's last known mailing address on file with the Tax Collector. The~~
11 ~~notice shall: (1) indicate that the applicant must obtain a release from the District Attorney's office as a~~
12 ~~condition for the issuance of an annual registration certificate; (2) indicate that the applicant may~~
13 ~~obtain a temporary registration certificate by filing a request for review with the District Attorney,~~
14 ~~pursuant to Subsection (e) within 30 calendar days of the issuance of the Tax Collector's notice; and~~
15 ~~(3) include a form that the applicant may use to request a review by the District Attorney.~~

16 ~~(d) The Tax Collector shall not issue a registration certificate unless and until (s)he receives a~~
17 ~~release from the District Attorney, as provided in Subsection (e). The Tax Collector shall issue a~~
18 ~~temporary registration certificate, valid for a period of 150 days, to any applicant whose name is on the~~
19 ~~certified list if the applicant is otherwise eligible for a registration certificate and if the applicant~~
20 ~~requests a review by the District Attorney within 30 calendar days of the issuance of the Tax Collector's~~
21 ~~notice and notifies the Tax Collector of such request.~~

22 ~~(e) If the applicant wishes to challenge the submission of his or her name on the certified list, the~~
23 ~~applicant shall submit a written request for review on the form provided by the Tax Collector to the~~
24 ~~District Attorney and shall notify the Tax Collector of such request. The District Attorney shall~~
25 ~~establish review procedures to allow an applicant to have the underlying arrearage and any relevant~~

1 ~~defenses investigated, to provide an applicant information on the process of obtaining a modification of~~
2 ~~a support order, or to provide an applicant assistance in the establishment of a payment schedule on~~
3 ~~arrearages if the circumstances so warrant. The District Attorney shall inform the applicant in writing~~
4 ~~of his or her findings upon completion of the review. The District Attorney shall immediately send a~~
5 ~~release to the Tax Collector and the applicant, if any of the following conditions are met:~~

6 ~~(1) The applicant is found to be in compliance or negotiates an agreement with the District~~
7 ~~Attorney for a payment schedule on arrearages or reimbursement.~~

8 ~~(2) The applicant has obtained a judicial finding of compliance as defined in this Section.~~

9 ~~(3) The applicant has filed and served a request for judicial review pursuant to this Section, but~~
10 ~~a resolution of that review will not be made within the 150 day period of the temporary registration~~
11 ~~certificate. This paragraph shall only apply if the delay in completing the judicial review process does~~
12 ~~not result from the applicant's failure to act in a reasonable, timely and diligent manner upon receiving~~
13 ~~the District Attorney's notice of his or her findings.~~

14 ~~(f) Except as otherwise provided in this Section, the District Attorney shall not issue a release if~~
15 ~~the applicant is not in compliance with the judgment or order for support. If upon completing a review~~
16 ~~initiated pursuant to Subsection (e) the District Attorney finds that a release cannot be issued, the~~
17 ~~District Attorney shall notify the applicant in writing that the applicant may, by filing an order to show~~
18 ~~cause or notice of motion, request any or all of the following:~~

19 ~~(1) Judicial review of the District Attorney's decision not to issue a release;~~

20 ~~(2) A judicial determination of compliance; or~~

21 ~~(3) A modification of the support judgment or order.~~

22 ~~The District Attorney's notice of findings shall contain the name and address of the court in which the~~
23 ~~applicant shall file the order to show cause or notice of motion and inform the applicant that his or her~~
24 ~~name shall remain on the certified list if the applicant does not timely request judicial review. The~~

1 ~~applicant shall comply with all statutes and rules of court regarding orders to show cause and notices~~
2 ~~of motion.~~

3 ~~(g) The request for judicial review shall be served by the applicant upon the District Attorney~~
4 ~~within seven calendar days of the filing of the petition. If the judicial review results in a finding by the~~
5 ~~court that the obligor is in compliance with the judgment or order for support, the District Attorney~~
6 ~~shall immediately send a release in accordance with Subdivision (e) to the Tax Collector.~~

7 ~~(h) If the Tax Collector does not receive a release from the District Attorney upon expiration of~~
8 ~~the applicant's temporary registration certificate, the Tax Collector shall refer the case to the District~~
9 ~~Attorney for prosecution pursuant to Subsection (b) of Section 1008 of this Article.~~

10 ~~(i) The Tax Collector and the District Attorney shall enter into a cooperative agreement to~~
11 ~~provide for the receipt by the Tax Collector of federal funds to cover that portion of costs incurred by~~
12 ~~the Tax Collector in implementing this Section which are reimbursable according to federal law and~~
13 ~~regulation.~~

14 ~~(j) In the event that a registration certificate is denied pursuant to this Section, any fee paid by~~
15 ~~the applicant shall not be refunded by the Tax Collector.~~

16 ~~**SEC. 1008. BUSINESS TAX REGISTRATION CERTIFICATES; SUSPENSION AND**~~
17 ~~**REVOCAION.**~~

18 ~~Whenever any person fails to comply with any provision of this ordinance pertaining to business~~
19 ~~taxes or any rule or regulation adopted pursuant thereto, the Tax Collector, after giving such person 10~~
20 ~~days' notice in writing specifying the time and place of hearing and requiring such person to show~~
21 ~~cause why his or her registration certificate or registration certificates should not be revoked, may~~
22 ~~revoke or suspend any one or more of the registration certificates held by such person. The notice shall~~
23 ~~be served in the same manner prescribed for service of notice of a deficiency determination. The Tax~~
24 ~~Collector shall not issue a new registration certificate after the revocation of a registration certificate~~
25 ~~unless the Tax Collector is satisfied that the registrant will thereafter comply with the business tax~~

1 ~~provisions of this ordinance and the rules and regulations adopted thereunder, and until the Tax~~
2 ~~Collector collects a fee of \$5 in addition to any other taxes or fees that may be required under the~~
3 ~~provisions of this ordinance.~~

4 ~~**SEC. 1009. PAYMENTS, RETURNS, PREPAYMENTS AND EXTENSIONS.**~~

5 ~~(a) **Due Date of Taxes.** Unless otherwise specifically provided for in other provisions of this~~
6 ~~ordinance, the taxes imposed by this ordinance shall become due and payable to the Tax Collector~~
7 ~~annually on or before the first day of January of each year and shall become delinquent if not paid on~~
8 ~~or before the last day of February of each year.~~

9 ~~(b) **Return: Time for Filing; Persons Required to File; and Execution.** Unless otherwise~~
10 ~~specifically provided for in other provisions of this ordinance, each person subject to the tax imposed~~
11 ~~by this Article and any person who would be subject to tax imposed by this Article but for the~~
12 ~~provisions of Section 1005.3 (Small Business Exemption) shall, on or before the last day of February of~~
13 ~~each year and concurrently with the payment of the tax herein imposed, file a return for the preceding~~
14 ~~annual period with the Tax Collector, in such form as the Tax Collector may prescribe.~~

15 ~~(c) **Contents of Return.** Returns shall show the amount of tax due for the related period and~~
16 ~~such other information as may be reasonably required by the Tax Collector for the purpose of~~
17 ~~ascertaining the amount of tax due.~~

18 ~~(d) **Prepayments.** Notwithstanding the dates otherwise provided for herein for the payment of the~~
19 ~~tax due hereunder, every person who becomes liable for payment of a total business tax in an amount in~~
20 ~~excess of \$2,500 shall be required to make tax payment for the following calendar year in two~~
21 ~~installments.~~

22 ~~The first installment (hereinafter called "tax prepayment"), shall be a credit against the total~~
23 ~~business tax liability attributable to said following calendar year, and shall be in an amount equal to 1/2~~
24 ~~of the estimated business tax liability for the then current year. Said estimated business tax liability~~
25 ~~shall be computed by using 1/2 of the gross receipts (for each business category) for the preceding tax~~

1 ~~year plus a two percent growth factor, and the rate of tax (for each business category) applicable to the~~
2 ~~current year. The second installment shall be in an amount equal to total business tax liability, less the~~
3 ~~amount of any tax prepayment actually paid. Such prepayment shall become due and payable every~~
4 ~~July 1st and shall become delinquent every August 1st. Any tax prepayment required hereunder which~~
5 ~~is not paid before the delinquency date shall bear a penalty of 5 percent of the amount of delinquent tax~~
6 ~~prepayment, in addition to the amount of such delinquent tax prepayment, if the delinquency is for not~~
7 ~~more than one month, with an additional 5 percent for each month or fraction of a month during which~~
8 ~~such failure continues, up to 20 percent in the aggregate, and shall also bear interest from the date of~~
9 ~~the delinquency on the amount of delinquent tax payment at the rate of one percent per month or~~
10 ~~fraction thereof, for each month of said delinquency. Said prepayment shall be accompanied by a tax~~
11 ~~prepayment form prepared by the Tax Collector, but failure of the Tax Collector to furnish the taxpayer~~
12 ~~with a tax prepayment form shall not relieve the taxpayer of the tax prepayment obligation set forth~~
13 ~~herein. If the taxpayer can establish by clear and cogent evidence that said prepayment will amount to~~
14 ~~more than the total tax liability for the calendar year in which the tax prepayment becomes due, the Tax~~
15 ~~Collector may, in writing, adjust the amount of the tax prepayment.~~

16 ~~(c) **Large Firm Prepayments.** Notwithstanding the dates otherwise provided for herein for the~~
17 ~~payment of the tax due hereunder each person subject to the tax imposed by this Article with a total tax~~
18 ~~liability of \$50,000 or more in the preceding year shall be required to make tax payment for the taxes~~
19 ~~due on the last day of February of the following year in four quarterly installments. The first, second,~~
20 ~~and third quarterly installments ("quarterly prepayments"), which shall become due and payable every~~
21 ~~April 1st, July 1st and October 1st and shall become delinquent every May 1st, August 1st and~~
22 ~~November 1st respectively, shall be a credit against the payments due on the last day of February of the~~
23 ~~following year. Quarterly prepayments due hereunder shall be in an amount equal to 1/4 the estimated~~
24 ~~business tax liability for the then current year. Said estimated business tax liability shall be computed~~
25 ~~by using 1/4 of the gross receipts (for each business category) for the preceding annual filing period plus~~

1 ~~a two percent growth factor, and the rate of tax (for each business category) applicable to the current~~
2 ~~annual filing period. The fourth installment shall be in an amount equal to the total business tax~~
3 ~~liability for the annual period, less the amount of any quarterly prepayment actually paid. Any~~
4 ~~quarterly prepayment required hereunder which is not paid before the delinquency date shall bear a~~
5 ~~penalty of 5 percent of the amount of delinquent quarterly prepayment, in addition to the amount of~~
6 ~~such delinquent tax prepayment, if the delinquency is for not more than one month, with an additional 5~~
7 ~~percent for each month or fraction of a month during which such failure continues, up to 20 percent in~~
8 ~~the aggregate, and shall also bear interest from the date of the delinquency on the amount of~~
9 ~~delinquent tax payment, at the rate of one percent per month or fraction thereof, for each month of said~~
10 ~~delinquency. Said quarterly prepayment shall be accompanied by a prepayment form prepared by the~~
11 ~~Tax Collector, but failure of the Tax Collector to furnish the taxpayer with a prepayment form shall not~~
12 ~~relieve the taxpayer of the tax prepayment obligation set forth herein. If the taxpayer can establish by~~
13 ~~clear and cogent evidence that any quarterly prepayment will make the sum of all prepayment made in~~
14 ~~an annual filing period exceed the total tax liability for the annual filing period in which the tax~~
15 ~~prepayment becomes due, the Tax Collector may, in writing, adjust the amount of the tax prepayment.~~

16 ~~SEC. 1009.5. AMENDMENTS INSTRUCTIONS FOR TAXPAYERS.~~

17 ~~The Tax Collector shall, within 15 days after the effective date of any amendments to the rates~~
18 ~~imposed hereunder or to the definitions of taxpayers herein, prepare instructions available for public~~
19 ~~distribution advising the public regarding the tax rates and the dates of payment.~~

20 ~~SEC. 1026.1. RELATION TO PAYROLL EXPENSE TAX ORDINANCE.~~

21 ~~No person shall be liable for payment of any tax otherwise due hereunder if the amount of said~~
22 ~~tax is less than the person's tax liability properly computed under the provisions of Ordinance No. 275-~~
23 ~~70 (Payroll Tax Ordinance).~~

1 **SEC. 852.3. "DOMESTIC PARTNERSHIPS."**

2 For all purposes of this ordinance, a domestic partnership established pursuant to Chapter 62
3 of the San Francisco Administrative Code, as amended from time to time, shall be treated the same as a
4 married couple.

5 **SEC. 852.4. "NEWLY ESTABLISHED BUSINESS."**

6 (a) The term "newly established business" means a business that was not conducted within the
7 City during the immediately preceding tax year. The following shall not be considered newly
8 established businesses:

9 (1) A business to which a valid existing registration certificate is transferred in accordance
10 with Section 856(g) of this Article;

11 (2) A business conducted from a new location, whether within or without the City, if the
12 business conducted at the location used during the preceding tax year was discontinued prior to or
13 concurrently with commencement of business at the new location;

14 (3) A business that was conducted within the City at any time during the preceding tax year.

15 (b) The Tax Collector may, on written application by the taxpayer, and after considering all
16 the facts and circumstances, determine that a business described in Subsection (a) of this Section is in
17 fact newly established and not a continuation of a business conducted within the City during the
18 immediately preceding tax year.

19 **SEC. 852.5. "PAYROLL EXPENSE TAX ORDINANCE"; "PAYROLL EXPENSE TAX."**

20 "Payroll Expense Tax Ordinance" means Article 12-A of the Business and Tax Regulations
21 Code of the San Francisco Municipal Code; "Payroll Expense Tax" means the tax imposed thereunder.

22 **SEC. 852.6. "PERSON."**

23 (a) The term "person" means any individual, firm, company, partnership, limited liability
24 partnership, joint venture, association, proprietorship, social club, fraternal organization, joint stock
25 company, domestic or foreign corporation, limited liability company, estate, trust, business trust,

1 receiver, trustee, trustee in bankruptcy, administrator, executor, assignee, syndicate, or any other
2 group or combination acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise,
3 excepting: the United States of America, the State of California, and any political subdivision of either
4 of them upon which the City is without authority to impose the business registration requirements
5 provided in this Article.

6 (b) Whenever the term "person" is used in any clause in this Article imposing either a fee or a
7 penalty for failure to perform any act mandated by this Article, such term shall include any natural
8 person who as an individual or with a spouse and/or lineal descendant(s) owns or controls 50 percent
9 or more of the voting stock of a corporation obligated to register or remit fees pursuant to this Article
10 and, in addition, has the power to control the fiscal decision-making process by which the corporation
11 allocates funds to creditors in preference to its obligations under this Article. An individual who is an
12 officer or director of a "person," as defined above, shall rebuttably be presumed to be a person with the
13 power to control the entity's fiscal decision-making processes.

14 **SEC. 852.7. "REGISTRATION CERTIFICATE."**

15 The term "registration certificate" means a registration certificate issued by the Tax Collector
16 in accordance with the provisions of this Article.

17 **SEC. 852.8. "SUCCESSOR."**

18 The term "successor" means any person who, through direct or mesne conveyance, purchases
19 or succeeds to the business or portion thereof, or the whole or any part of the stock of goods, wares,
20 merchandise, or fixtures, or any interest therein of a taxpayer quitting, selling out, exchanging or
21 otherwise disposing of his or her business. Any person obligated to fulfill the terms of a contract shall
22 be deemed a successor to any contractor defaulting in the performance of any contract as to which
23 such person is a surety or guarantor.

1 **SEC. 852.9. "TAX YEAR."**

2 The term "tax year" means the year commencing on January 1st of each calendar year and
3 ending on December 31st of the same calendar year.

4 **SEC. 853. REGISTRATION CERTIFICATE -- REQUIRED.**

5 (a) No person may engage in business within the City unless the person has obtained a current
6 registration certificate pursuant to this Article. Every person engaging in business within the City shall
7 display a current registration certificate on the business premises, regardless of whether such person is
8 subject to tax pursuant to Article 12-A of the Business and Tax Regulations Code.

9 (b) Any organization having a formally recognized exemption from income taxation
10 pursuant to Section 501(c), 501(d) or 401(a) of Title 26 of the United States Code, as amended from
11 time to time, as qualified by Sections 502, 503, 504 and 508 of Title 26 of the United States Code, as
12 amended from time to time, or the successor statutes of any of them, and engaging in business within
13 the City shall obtain a registration certificate.

14 (c) Failure to obtain a registration certificate shall not absolve any person from payment of
15 any tax imposed or license required by the City.

16 **SEC. 854. NEXUS; "ENGAGING IN BUSINESS WITHIN THE CITY."**

17 (a) The registration requirements imposed by this Article shall apply to any person engaging in
18 business within the City. A person is "engaging in business within the City," within the meaning of this
19 Article, if that person meets one or more of the following conditions:

20 (1) The person maintains a fixed place of business within the City; or

21 (2) An employee of the person maintains a fixed place of business within the City for the
22 benefit or partial benefit of the person; or

23 (3) The person or one or more of the person's employees owns or leases real property
24 within the City for business purposes; or

1 (4) The person or one or more of the person's employees regularly maintains a stock of
2 tangible personal property within the City, held for sale in the ordinary course of the person's business;

3 or

4 (5) The person employs or loans capital on property within the City; or

5 (6) The person or one or more of the person's employees solicits business on a regular basis
6 within the City for all or part of any seven calendar days during one year; or

7 (7) The person or one or more of the person's employees performs work or renders services
8 within the City on a regular basis for all or part of any seven days during one year; or

9 (8) The person or one or more of the person's employees utilizes the streets within the City
10 in connection with the operation of motor vehicles for business purposes for all or part of any seven
11 days during one year; or

12 (9) The person or one or more of the person's employees exercises corporate or franchise
13 powers within the City for the benefit or partial benefit of the person; or

14 (10) The person or one or more of the person's employees liquidates a business when the
15 liquidators hold themselves out to the public as conducting such business.

16 (b) Notwithstanding Subsection (a) of this Section, a person receiving rental income in
17 connection with the operation of any of the following shall not, by reason of that fact alone, be deemed
18 to be engaging in business within the City: (1) a cooperative housing corporation, as defined in Section
19 216(b) of Title 26 of the United States Code, as amended from time to time, or any successor statute;
20 (2) a residential structure consisting of fewer than four units; or (3) a residential condominium.

21 (c) A person shall not be considered to be engaging in business within the City solely by
22 reason of the receipt of passive investment income. "Passive investment income" for this purpose
23 includes dividends, interest, royalties, annuities and gains from the sale or exchange of stock or
24 securities solely for a person's own account, not derived in the ordinary course of a business.

1 SEC. 855. REGISTRATION CERTIFICATE -- FEE.

2 (a) Except as otherwise provided in this Section and Section 856 of this Article, the annual fee
3 for obtaining a registration certificate, payable in advance, shall be as follows:

<u>Computed Payroll Expense Tax</u> <u>For The Immediately Preceding</u> <u>Tax Year</u>	<u>Annual Registration Fee</u>
<u>Less than \$1</u>	<u>\$25</u>
<u>\$1 to \$10,000</u>	<u>\$150</u>
<u>\$10,000.01 to \$50,000</u>	<u>\$250</u>
<u>More than \$50,000</u>	<u>\$500</u>

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10 (b) In the event that an applicant for a registration certificate has not filed a tax return for
11 the immediately preceding tax year as required by the Payroll Expense Tax Ordinance, the Tax
12 Collector shall determine the amount of the registration fee required based on the applicant's
13 estimated payroll expense for the period covered by the registration certificate.

14 (c) The fee for obtaining a registration certificate for any calendar year ending on or before
15 December 31, 2001 shall be determined in accordance with the registration fee provisions of the
16 Business and Tax Regulations Code, or its predecessor, governing such year.

17 (d) Any organization having a formally recognized exemption from income taxation
18 pursuant to Section 501(c), 501(d) or 401(a) of Title 26 of the United States Code, as amended from
19 time to time, as qualified by Sections 502, 503, 504 and 508 of Title 26 of the United States Code, as
20 amended from time to time, or the successor statutes of any of them, shall not be required to pay a
21 registration fee under this Article unless the organization is also engaged within the City in an
22 unrelated trade or business within the meaning of Section 906 of Article 12-A of the Business and Tax
23 Regulations Code.

24 (e) A person shall be exempt from paying the registration fee required by this Section if and
25 to the extent that federal or state law prohibits the imposition of the registration fee upon such person.

1 SEC. 856. REGISTRATION CERTIFICATE -- APPLICATION AND ISSUANCE.

2 (a) Each person engaging in business within the City shall apply to the Tax Collector, on a
3 form prescribed by the Tax Collector, for a registration certificate. The application shall be
4 accompanied by the person's registration fee as determined under this Article.

5 (b) Registration certificates shall be issued for a calendar year and shall be valid until
6 December 31 of such calendar year. All persons engaging in business within the City during any such
7 calendar year shall, before the last business day in October, apply to the Tax Collector for a
8 registration certificate for the succeeding calendar year. The application for renewal of the annual
9 registration certificate shall become delinquent if the registration fee is not paid on or before the last
10 business day in October.

11 (c) A person shall have 15 days after commencing business within the City to apply for a
12 registration certificate. Notwithstanding the amount of the annual registration fee set forth in Section
13 855, for persons who commence business operations after January 1st of any year after 1990, except for
14 those businesses that pay the minimum registration fee of \$25 under Section 855, the registration fee
15 will be prorated as follows: For persons commencing business between January 1st and March 31st,
16 the registration fee shall be 100 percent of the annual fee; for persons commencing business between
17 April 1st and June 30th, the prorated registration fee shall be 75 percent of the annual fee; for persons
18 commencing business between July 1st and September 30th, the prorated registration fee shall be 50
19 percent of the annual fee; and for persons commencing business between October 1st and December
20 31st, the prorated registration fee shall be 25 percent of the annual fee.

21 (d) All applications for renewal of registration certificates shall be accompanied by the full
22 amount of the applicant's annual registration fee for the period covered by the registration certificate.

23 (e) Promptly after receiving a properly completed application and registration fee from any
24 person, the Tax Collector shall determine whether the applicant has paid all outstanding: (1) Payroll
25 Expense Taxes, (2) costs and/or charges assessed pursuant to Section 174.2 of Article 5.1 of the Public

1 Works Code, as amended from time to time, for failure to abate a nuisance regarding the cleanliness of
2 an abutting public sidewalk or right-of-way, and (3) other taxes and license fees due to the City. In
3 addition, the Tax Collector may investigate whether the applicant has paid other amounts owing to the
4 City as a result of fines, penalties, interest, assessments, or any other financial obligations imposed by
5 law, regulation or contract. If the Tax Collector determines that all liabilities have been paid, the Tax
6 Collector shall issue a registration certificate to the applicant for each place of business maintained by
7 the applicant.

8 (f) If a person submits a timely application under this Section and the Tax Collector
9 determines that the applicant has satisfied all the requirements of this Article, including the payment of
10 all outstanding liabilities owed to the City, then the Tax Collector shall issue a registration certificate
11 to the applicant within 30 days after the Tax Collector makes such determination.

12 (g) Each registration certificate shall be nonassignable and nontransferable, except in cases
13 in which the business is transferred, whether by sale or otherwise, to another person or legal entity and
14 the ultimate beneficial ownership of the business, both before and after the transfer, is substantially the
15 same. For purposes of this Section, shareholders, partners, or other persons holding a direct or
16 indirect interest in a legal entity shall be deemed to be the ultimate beneficial owners of such legal
17 entity. Except as provided above, the holder of the registration certificate shall surrender the
18 certificate to the Tax Collector immediately upon the sale or transfer of the business for which the Tax
19 Collector issued the registration certificate. The holder of the registration certificate shall also
20 surrender the certificate to the Tax Collector when such holder ceases to conduct business at the
21 location designated in the certificate.

22 (h) If the Tax Collector determines that any liabilities enumerated in Subsection (h) of this
23 Section remain unpaid as of the date an application is received, the Tax Collector shall give written
24 notification of that fact to the applicant. The written notification shall set forth the amount owed, the
25 liabilities enumerated in Subsection (h) of this Section for which the amount(s) are owed, the dates the

1 liabilities were incurred and any other information the Tax Collector deems necessary to apprise the
2 applicant of what specific liabilities are owed to the City. The Tax Collector shall not issue a
3 registration certificate unless and until the applicant has paid all amounts owing to the City, including
4 but not limited to, taxes, license fees, and costs or charges assessed for failure to abate a nuisance
5 condition on a public right-of-way under Section 174.2 of Article 5.1 of the Public Works Code, as
6 amended from time to time, for which the applicant is liable; provided, that if a good faith dispute
7 exists regarding the amount of the outstanding liability or liabilities owed by the applicant to the City,
8 and the dispute is pending before a City agency or court of competent jurisdiction, then the Tax
9 Collector shall not refuse to issue a registration certificate solely for non-payment of the amount in
10 dispute.

11 (i) Each registration certificate, and each duplicate thereof, shall set forth the name under
12 which the person transacts or intends to transact business, the location of the registrant's place of
13 business and such other information as the Tax Collector may require, and be prominently displayed
14 therein. In the case of a sole proprietorship, the registration certificate shall be signed by the sole
15 proprietor; in the case of a partnership, the registration certificate shall be signed by a general
16 partner; in the case of a limited liability company, the registration certificate shall be signed by the
17 managing member; and in the case of a corporation, the registration certificate shall be signed by the
18 person authorized by the corporation to sign on its behalf.

19 (j) Each person liable for payment of a registration fee pursuant to this Article shall only
20 pay one registration fee; however, the Tax Collector shall issue a separate registration certificate for
21 each location within the City where the person engages in business.

22 **SEC. 857. PROOF OF REGISTRATION REQUIRED TO FILE STATEMENT OF FICTITIOUS**
23 **BUSINESS NAME.**

24 The County Clerk shall not accept for filing, pursuant to Section 17900 et seq. of the California
25 Business and Professions Code, as amended from time to time, or any successor statute, any statement

1 of fictitious business name representing any new, renewal, addition, withdrawal or abandonment of a
2 fictitious business name until a registration certificate or other evidence is presented which shows that
3 the applicant has complied with this Article. The County Clerk shall promulgate rules and regulations
4 to implement this Section.

5 **SEC. 858. ISSUANCE OF REGISTRATION CERTIFICATE PROHIBITED TO PERSON NOT**
6 **IN COMPLIANCE WITH CHILD OR FAMILY SUPPORT ORDER OR JUDGMENT.**

7 (a) The following definitions shall apply to terms used in this Section:

8 (1) The term "compliance with a judgment or order for support" means that, as set forth in
9 a judgment or order for child or family support, the obligor is no more than 30 calendar days in
10 arrears in making payments in full for current support, in making periodic payments on a support
11 arrearage, or in making periodic payments on a judgment for reimbursement of public assistance, or
12 has obtained a judicial determination that the judgment or order is unenforceable; and

13 (2) The term "Department of Child Support Services" shall mean the Department of Child
14 Support Services of the City.

15 (b) The Department of Child Support Services shall maintain a list of persons included in a
16 case being enforced under Title IV-D of the Social Security Act, as amended from time to time, or any
17 successor statute, for whom a child or family support order or judgment has been rendered by, or
18 registered in, a court of the State of California, and who are not in compliance with that order or
19 judgment. The Department of Child Support Services shall submit an updated list with the names,
20 social security numbers, and last known addresses of these persons to the Tax Collector on a monthly
21 basis. The Department of Child Support Services shall verify that the persons listed are subject to an
22 order or judgment for the payment of support and that these persons are not in compliance with the
23 order or judgment.

24 (c) Promptly after receiving a properly completed application for a registration certificate
25 pursuant to this Article, the Tax Collector shall determine whether the applicant is on the most recent

1 certified list provided by the Department of Child Support Services. If the applicant is on the list, the
2 Tax Collector shall immediately serve notice on the applicant of the Tax Collector's intent to withhold
3 issuance of the annual registration certificate for non-compliance with a judgement or order of
4 support. The notice shall be made personally or by mail to the applicant's last known mailing address
5 on file with the Tax Collector. The notice shall: (1) indicate that the applicant must obtain a release
6 from the Department of Child Support Services as a condition for the issuance of an annual
7 registration certificate; (2) indicate that the applicant may obtain a temporary registration certificate
8 by filing a request for review with the Department of Child Support Services, pursuant to Subsection (e)
9 of this Section within 30 calendar days of the issuance of the Tax Collector's notice; and (3) include a
10 form that the applicant may use to request a review by the Department of Child Support Services.

11 (d) Notwithstanding the requirements of Section 906 of this Article, the Tax Collector shall
12 not issue a registration certificate to an otherwise qualified applicant unless and until the Tax Collector
13 receives a release from the Department of Child Support Services, as provided in Subsection (e) of this
14 Section. The Tax Collector shall issue a temporary registration certificate, valid for a period of 150
15 days, to any applicant whose name is on the certified list if the applicant is otherwise eligible for a
16 registration certificate and if the applicant requests a review by the Department of Child Support
17 Services within 30 calendar days of the issuance of the Tax Collector's notice and notifies the Tax
18 Collector of such request.

19 (e) If the applicant wishes to challenge the submission of his or her name on the certified
20 list, the applicant shall submit a written request for review to the Department of Child Support
21 Services, on the form provided by the Tax Collector, and shall notify the Tax Collector of such request.
22 The Department of Child Support Services shall establish review procedures to allow an applicant to
23 have the underlying arrearage and any relevant defenses investigated, to provide an applicant
24 information on the process of obtaining a modification of a support order, or to provide an applicant
25 assistance in the establishment of a payment schedule on arrearages if the circumstances so warrant.

1 The Department of Child Support Services shall inform the applicant in writing of his or her findings
2 upon completion of the review. The Department of Child Support Services shall immediately send a
3 release to the Tax Collector and the applicant, if any of the following conditions are met:

4 (1) The applicant is found to be in compliance or enters an agreement with the Department
5 of Child Support Services for a payment schedule on arrearages or reimbursement; or

6 (2) The applicant has obtained a judicial finding of compliance with a judgment or order of
7 support; or

8 (3) The applicant has filed and served a request for judicial review pursuant to this Section,
9 but a resolution of that review will not be made within the 150-day period of the temporary registration
10 certificate. This paragraph shall only apply if the delay in completing the judicial review process does
11 not result from the applicant's failure to act in a reasonable, timely and diligent manner upon receiving
12 the Department of Child Support Services' notice of findings.

13 (f) Except as otherwise provided in this Section, the Department of Child Support Services
14 shall not issue a release if the applicant is not in compliance with a judgment or order for support. If,
15 upon completing a review initiated pursuant to Subsection (e) of this Section, the Department of Child
16 Support Services finds that a release should not be issued, the Department of Child Support Services
17 shall notify the applicant in writing that the applicant may, by filing an order to show cause or notice of
18 motion, request any or all of the following:

19 (1) Judicial review of the Department of Child Support Services' decision not to issue a
20 release; or

21 (2) A judicial determination of compliance; or

22 (3) A modification of the support judgment or order.

23 The notice of findings of the Department of Child Support Services shall contain the name and address
24 of the court in which the applicant shall file the order to show cause or notice of motion and inform the
25 applicant that his or her name shall remain on the list prepared by the Department of Child Support

1 Services pursuant to this Section if the applicant does not timely request judicial review. The applicant
2 shall comply with all statutes and rules of court regarding orders to show cause and motions.

3 (g) The request for judicial review shall be served by the applicant upon the Department of
4 Child Support Services within seven calendar days of the filing of the petition, notice of motion or order
5 to show cause. If the judicial review results in a finding by the court that the obligor is in compliance
6 with the judgment or order for support, the Department of Child Support Services shall immediately
7 send a release in accordance with Subsection (e) of this Section to the Tax Collector.

8 (h) If the Tax Collector does not receive a release from the Department of Child Support
9 Services upon expiration of the applicant's temporary registration certificate, the Tax Collector shall
10 refer the case to the Department of Child Support Services.

11 (i) The Tax Collector and the Department of Child Support Services shall enter into a
12 cooperative agreement to provide for the receipt by the Tax Collector of federal funds to cover that
13 portion of costs incurred by the Tax Collector in implementing this Section which are reimbursable
14 according to federal law and regulation.

15 (j) In the event that a registration certificate is denied pursuant to this Section, the Tax
16 Collector may retain a portion of the registration fee in an amount not to exceed the City's cost in
17 processing the registration application.

18 **SEC. 859. BUSINESS TAX REGISTRATION TAG REQUIRED ON CERTAIN VEHICLES.**

19 (a) The Tax Collector shall require persons engaged in the businesses listed in Subsection (b)
20 to display prominently upon each company vehicle which is registered as a commercial vehicle with the
21 California Department of Motor Vehicles, and which is used by the person in the conduct of his or her
22 business, a registration tag in such form and color and containing such information as the Tax
23 Collector shall determine. An employee's personally owned vehicles are exempt from this requirement.
24 The Tax Collector shall charge an annual fee of \$30 for each tag issued to cover the cost of issuing the
25

1 tag. The registration tag shall be valid for one year concurrent with the business tax registration
2 certificate.

3 It is unlawful for any person, required to display a registration tag pursuant to this Section, to
4 use or cause to be used any company vehicle which is registered as a commercial vehicle with the
5 California Department of Motor Vehicles in the conduct of the person's business within the City and
6 County that does not have a business tax registration tag attached thereto or to remove or deface or
7 cover up the registration tag, or to place such registration tag upon any vehicle other than a vehicle
8 used by the person in his or her business, or to use or cause to be used any such vehicle more than 30
9 days after the expiration of the period for which the registration tag was issued. An employee's
10 personally owned vehicles are exempt from this requirement.

11 Each person required to display a registration tag on vehicles used in the conduct of his or her
12 business shall keep the registration tag(s) issued by the Tax Collector firmly affixed upon each vehicle
13 for which a registration tag was issued at such location upon the vehicle as is designated by the Tax
14 Collector.

15 Subsequent to the issuance of any business tax registration certificate and prior to the
16 expiration date, any person seeking to use any company vehicle which is registered as a commercial
17 vehicle with the California Department of Motor Vehicles in his or her business, for which a tag has
18 not been issued, shall procure a tag for such vehicle from the Tax Collector. Upon the payment of a fee
19 for such tag, the Tax Collector shall deliver the tag to the person, which tag shall be securely affixed to
20 the vehicle upon the location designated by the Tax Collector.

21 (b) Persons engaged in the following business(es) shall be required to display a registration
22 tag on company vehicles which are registered as commercial vehicles with the California Department
23 of Motor Vehicles and which are used in the conduct of his or her business:

24 Roofing contractor and any other contractor performing work for which a reroofing permit is
25 required.

1 **SEC. 860. REGISTRATION CERTIFICATE -- SUSPENSION AND REVOCATION.**

2 If a person fails to comply with any provision of this Article or any rule or regulation adopted
3 pursuant thereto, the Tax Collector, after giving such person 10 business days' notice in writing
4 specifying the time and place of the hearing and requiring such person to show cause why his or her
5 registration certificate or registration certificates should not be revoked, may revoke or suspend any
6 one or more of the registration certificates held by such person. The notice shall be served in the same
7 manner prescribed for the service of a notice of a deficiency determination under Article 6 of the
8 Business and Tax Regulations Code. The Tax Collector shall not issue a new registration certificate
9 after the revocation of a registration certificate unless the registrant complies with the provisions of
10 this Article and Articles 6 and 12-A of the Business and Tax Regulations Code and the rules and
11 regulations adopted thereunder.

12 **SEC. 861. AUTHORITY TO PROMULGATE REGULATIONS.**

13 The Tax Collector may promulgate regulations and issue rules, determinations and
14 interpretations consistent with the purposes of this Article and Article 6 of the Business and Tax
15 Regulations Code as may be necessary and appropriate to apply such Articles in a lawful manner,
16 including provisions for penalties due to fraud, underpayment of fees and taxes, or any evasion of such
17 Articles or the rules and regulations promulgated thereunder. All regulations, rules, determinations
18 and interpretations promulgated or issued by the Tax Collector that are not inconsistent with such
19 Articles, and that were promulgated or issued prior to the effective date of this Article, shall remain in
20 full force and effect.

21 **SEC. 862. SAVINGS CLAUSE.**

22 No section, clause, part or provision of ~~Nothing in~~ this Article shall be construed as
23 requiring the payment of any fee for engaging in a business or the doing of an act when such payment
24 or act would constitute an unlawful burden upon or an unlawful interference with interstate or foreign
25 commerce, or which payment or act would be in violation of the United States Constitution or a

1 statute of the United States or of the California Constitution or a statute of the State of California. If
2 any section, clause, part or provision of this Article, or the application thereof to any person or
3 circumstance, is held invalid or unconstitutional, the remainder of this Article, including the
4 application of such part or provision to other persons or circumstances, shall not be affected thereby
5 and shall continue in full force and effect. To this end, the provisions of this Article are severable.
6

7 Section 5. Amendment; Section 905-A of Article 12-A ~~12-B~~. The Section 905-A of
8 Article 12-A of the San Francisco Business and Tax Regulations Code is hereby amended to
9 read as follows:

10 **SEC. 905-A. SMALL BUSINESS TAX EXEMPTION.**

11 (a) Notwithstanding any other provisions of this Payroll Expense Tax Ordinance,
12 except Sections 907 and 909 herein, "small business enterprises" as hereinafter defined, shall
13 be exempt from taxation under this ordinance; provided, however, that small business
14 enterprises shall pay the annual registration fee pursuant to Section ~~885~~ 1007 of this Code.

15 (b) The term "small business enterprise" shall mean and include any taxpayer who has
16 performed all of the following:

17 (1) Whose tax liability hereunder, but for this exemption provision, would not exceed
18 \$2,500; and

19 (2) For the purpose of taxes due on payroll expenses and/or salary distribution
20 incurred after January 1, 1995, who has filed a tax return pursuant to Section 907 of this
21 Article by the last date of February of each year. If the taxpayer fails to file a return by that
22 date, the taxpayer shall not be entitled to the exemption for that tax year; provided, however,
23 that upon a showing of good cause, the Tax Collector may in his or her discretion allow the
24 exemption for a taxpayer filing a late return.
25

1 ~~(c) For the purpose of taxes due on payroll expenses and/or salary distribution incurred on or~~
2 ~~after January 1, 1995, no person engaged in the business of selling firearms or firearms ammunition~~
3 ~~shall be eligible for the small business exemption herein provided.~~

4 ~~(1) As used herein, the term "firearm" means any device, designed to be used as a weapon,~~
5 ~~from which is expelled through a barrel a projectile by the force of any explosion, or other form of~~
6 ~~combustion. The term also includes any rocket, rocket propelled projectile launcher, or similar device~~
7 ~~containing any explosive or incendiary material and not designed for emergency or distress signaling~~
8 ~~purposes.~~

9 ~~(2) As used herein, the term "firearms ammunition" means any projectiles with their own fuses,~~
10 ~~propelling charges, or primers fired from weapons, and any of the individual components thereof,~~
11 ~~including, but not limited to, black powder and reloading primers.~~

12 ~~(3) As used herein, the term "engaged in the business of selling firearms or firearms~~
13 ~~ammunition" means the selling, leasing, or transferring of firearms or firearms ammunition. No~~
14 ~~person shall be "engaged in the business of selling firearms or firearms ammunition" within the~~
15 ~~meaning of this ordinance if she or he is not required to obtain a license to sell firearms or firearms~~
16 ~~ammunition pursuant to Section 613 of Part II of the San Francisco Municipal Code or if she or he is~~
17 ~~an auctioneer or auction company required to maintain a bond or deposit pursuant to California Civil~~
18 ~~Code 1812.600 or any successor statute.~~

19
20 Section 6. Amendment; Enactment of New Section 908 of Article 12-A. The San
21 Francisco Business and Tax Regulations Code is hereby amended by adding a new Section
22 908 to Article 12-A thereof to read as follows:

23 SEC. 908. SAVINGS CLAUSE.

24 No section, clause, part or provision of this Article shall be construed as requiring the
25 payment of any tax for engaging in a business or the doing of an act when such payment or

1 act would constitute an unlawful burden upon or an unlawful interference with interstate or
2 foreign commerce, or which payment or act would be in violation of the United States
3 Constitution or a statute of the United States or of the California Constitution or a statute of
4 the State of California. If any section, clause, part or provision of this Article, or the
5 application thereof to any person or circumstance, is held invalid or unconstitutional, the
6 remainder of this Article, including the application of such part or provision to other persons or
7 circumstances, shall not be affected thereby and shall continue in full force and effect. To this
8 end, the provisions of this Article are severable.

9
10 Section 8 7. Amendment; Enactment of New Article 12-B. The San Francisco
11 Business and Tax Regulations Code is hereby amended by adding a new Article 12-B thereto
12 to read as follows:

13 ARTICLE 12-B
14 BUSINESS TAX REFUND

15 SEC. 1021. REFUND.

16 (a) Any person who paid any tax measured by gross receipts under former Article 12-B, at a
17 rate specified in Sections 1004.01 through 1004.18, inclusive, as it read at the time payment was due
18 for the tax year commencing on January 1, 2000 and ending on December 31, 2000 (the 2000 tax
19 year), and who files within six months of the effective date of this Article a verified claim for refund
20 thereof, on a form prescribed by the Tax Collector, shall be allowed a refund in an amount and in a
21 manner determined under this Article.

22 (b) The Tax Collector shall notify every person who paid a tax measured by gross receipts as
23 described in subsection (a) of this Section, at the person's last known address, that such tax has been
24 repealed, and that such person may be entitled to a refund. The Tax Collector shall furnish such
25 person with a form upon which to claim the refund specified in this Article.

1 SEC. 1022. DETERMINATION OF REFUND.

2 (a) Amount of Refund. For the tax year commencing on January 1, 2000 and ending on
3 December 31, 2000 (the 2000 tax year), the City shall refund an amount equal to the excess of a
4 person's actual tax payments to the City under former Article 12-B as it read at the time payment was
5 due for such tax year over the sum of the person's lesser liability under the Payroll Expense Tax
6 Ordinance for such tax year and the person's outstanding tax obligations to the City, if any. A person's
7 lesser liability under the Payroll Expense Tax Ordinance for the 2000 tax year shall be an amount
8 equal to the liability that such person would have incurred under the Payroll Expense Tax Ordinance
9 in such tax year but for the exemption set forth in Section 917.1 of the Business and Tax Regulations
10 Code as that section read on December 31, 2000. If a person paid penalties for the 2000 tax year that
11 were calculated as a percentage of the person's tax liability as measured by gross receipts for such tax
12 year, then the City shall provide a refund for such penalties in an amount equal to the penalty actually
13 paid, multiplied by a fraction, the numerator of which is the excess of the tax actually paid over the
14 person's lesser liability under the Payroll Expense Tax Ordinance and the denominator of which is the
15 amount of tax the person actually paid under former Article 12-B for such tax year. The amount of any
16 refund required by this Article shall earn interest thereon at the rate specified in Section 6.15-2 of
17 Article 6 of the San Francisco Business and Tax Regulation Code pursuant to Tax Collector ruling(s).
18 The refund shall be paid to the person in accordance with the provisions of Subsection (b) of this
19 Section.

20 (b) Payment of Refund. The amount the City shall refund to each person pursuant to
21 Subsection (a) of this Section shall be paid within six (6) months of receipt by the Tax Collector of a
22 complete verified claim establishing the person's entitlement to the refund pursuant to this Article.

23 (c) Small Business Exemption. For the 2000 tax year, persons may qualify for the Small
24 Business Exemption set forth in Section 905A of Article 12-A of the Business and Tax Regulations Code

1 as it read on December 31, 2000, as a result of the reduction of the person's liability for such tax year
2 resulting from the retroactive repeal of former Article 12-B of the Business and Tax Regulations Code.

3 SEC. 1023. AUTHORITY TO PROMULGATE REGULATIONS.

4 The Tax Collector may promulgate regulations and issue rules, determinations and
5 interpretations consistent with the purposes of this Article and Article 6 of the Business and Tax
6 Regulations Code as may be necessary and appropriate to apply such Articles in a lawful manner,
7 including provisions for penalties due to fraud, underpayment of taxes, or any evasion of such Articles
8 or the rules and regulations promulgated thereunder.

9 SEC. 1024. SAVINGS CLAUSE.

10 No section, clause, part or provision of this Article shall be construed to require any act
11 when such act would constitute an unlawful burden upon or an unlawful interference with
12 interstate or foreign commerce, or in violation of the United States Constitution or a statute of
13 the United States or of the California Constitution or a statute of the State of California. If any
14 section, clause, part or provision of this Article, or the application thereof to any person or
15 circumstance, is held invalid or unconstitutional, the remainder of this Article, including the
16 application of such part or provision to other persons or circumstances, shall not be affected
17 thereby and shall continue in full force and effect. To this end, the provisions of this Article
18 are severable.

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20 / / /

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22 / / /

23 / / /

24 / / /

25 / / /

1 Section 9 &. Severability. If any part or provision of this Ordinance, or the application
2 thereof to any person or circumstance, is held invalid, the remainder of this Ordinance,
3 including the application of such part or provision to other persons or circumstances, shall not
4 be affected thereby and shall continue in full force and effect. To this end, provisions of this
5 Ordinance are severable.

6
7
8 APPROVED AS TO FORM:
9 LOUISE H. RENNE, City Attorney

10
11 By: 
12 THOMAS J. OWEN
13 Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 010274

Date Passed:

Ordinance amending the Business and Tax Regulations Code to (1) repeal Section 917.1 of Article 12-A and all of Article 12-B to eliminate the gross receipts method of calculating the tax on businesses; (2) enact a new Article 12 to amend business registration requirements consistent with the repeal of Article 12-B; and (3) enact a new Article 12-B to refund gross receipts-based tax payments for the 2000 tax year to the extent that such payments exceeded businesses' tax liability for such year as measured by their payroll expense.

April 2, 2001 Board of Supervisors — CONTINUED ON FIRST READING

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Peskin, Sandoval, Yee

Excused: 1 - Newsom

April 9, 2001 Board of Supervisors — CONTINUED ON FIRST READING

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Peskin, Sandoval, Yee

Excused: 1 - Newsom

April 16, 2001 Board of Supervisors — PASSED ON FIRST READING

Ayes: 9 - Ammiano, Daly, Hall, Leno, Maxwell, McGoldrick, Peskin, Sandoval, Yee

Noes: 1 - Gonzalez

Excused: 1 - Newsom

April 23, 2001 Board of Supervisors — FINALLY PASSED

Ayes: 6 - Hall, Leno, Maxwell, McGoldrick, Peskin, Yee

Noes: 3 - Daly, Gonzalez, Sandoval

Absent: 2 - Ammiano, Newsom

File No. 010274

I hereby certify that the foregoing Ordinance was FINALLY PASSED on April 23, 2001 by the Board of Supervisors of the City and County of San Francisco.



Jean Lum
Acting Clerk of the Board

APR 25 2001

Date Approved



Mayor Willie L. Brown Jr.