[Due Date for Taxes]

AMENDING ARTICLE 12-B OF PART III OF THE SAN FRANCISCO MUNICIPAL CODE
(REVENUE AND FINANCE BUSINESS REGULATIONS) BY AMENDING SECTION 1009
THERETO, PROVIDING THAT TAXES SHALL BE DUE AND PAYABLE ON THE FIRST
DAY OF JANUARY OF EACH YEAR; PROVIDING THAT TAXES SHALL BECOME
DELINQUENT IF NOT PAID ON OR BEFORE THE LAST DAY OF FEBRUARY OF SUCH
YEAR; REQUIRING INSTALLMENT PAYMENTS OF TAXES IN EXCESS OF $2,500; AND
IMPOSING A MONTHLY PENALTY OF 5 PERCENT ON DELINQUENT TAXES, UP TO 20
PERCENT IN THE AGGREGATE.

Note: Additions are underlined; deletions are in ((double parentheses)).

Be it ordained by the People of the City and County of San Francisco:
Section 1. Article 12-B of Part III of the San Francisco Municipal Code is hereby
amended by amending Section 1009, to read as follows:

SEC. 1009. PAYMENTS, RETURNS, PREPAYMENTS AND EXTENSIONS. (a) Due
Date of Taxes. Unless otherwise specifically provided for in other provisions of this
ordinance, the taxes imposed by this ordinance shall become due and payable to the Tax
Collector annually on or before ((the last day of the month of February next succeeding each
respective annual period)) the first day of January of each year and shall become delinquent
if not paid on or before the last day of February of each year.

(b) Return: Time for Filing; Persons Required to File; and Execution. Unless
otherwise specifically provided for in other provisions of this ordinance, each person subject
to the tax imposed by this Article and any person who would be subject to tax imposed by this

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Article but for the provisions of Section 1005.3 (Small Business Exemption) shall, on or before the last day of February of each year and concurrently with the payment of the tax herein imposed, file a return for the preceding annual period with the Tax Collector, in such form as the Tax Collector may prescribe.

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

(d) **Prepayments.** Notwithstanding the dates otherwise provided for herein for the payment of the tax due hereunder, every person who becomes liable for payment of a total business tax in an amount in excess of (($1,000)) $2,500, shall be required to make tax payment for the following calendar year in two installments.

The first installment (hereinafter called "tax prepayment"), shall be a credit against the total business tax liability attributable to said following calendar year, and shall be in an amount equal to 1/2 of the estimated business tax liability for the then-current year. Said estimated business tax liability shall be computed by using 1/2 of the gross receipts (for each business category) for the preceding tax year plus a two percent growth factor, and the rate of tax (for each business category) applicable to the current year. The second installment shall be in an amount equal to total business tax liability, less the amount of any tax prepayment actually paid. Such prepayment shall become due and payable every July 1st and shall become delinquent every August 1st. Any tax prepayment required hereunder which is not paid before the delinquency date shall bear a penalty of (10) 5 percent of the

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amount of delinquent tax prepayment, in addition to the amount of such delinquent tax prepayment, if the delinquency is for not more than one month, with an additional 5 percent for each month or fraction of a month during which such failure continues, up to 20% in the aggregate, and shall also bear interest from the date of the delinquency on the amount of delinquent tax payment at the rate of one percent per month or fraction thereof, for each month of said delinquency. Said prepayment shall be accompanied by a tax prepayment form prepared by the Tax Collector, but failure of the Tax Collector to furnish the taxpayer with a tax prepayment form shall not relieve the taxpayer of the tax prepayment obligation set forth herein. If the taxpayer can establish by clear and cogent evidence that said prepayment will amount to more than the total tax liability for the calendar year in which the tax prepayment becomes due, the Tax Collector may, in writing, adjust the amount of the tax prepayment.

(e) **Large Firm Prepayments.** Notwithstanding the dates otherwise provided for herein for the payment of the tax due hereunder each person subject to the tax imposed by this Article with a total tax liability of $50,000 or more in the preceding year shall be required to make tax payment for the taxes due on the last day of February of the following year in four quarterly installments. The first, second, and third quarterly installments ("quarterly prepayments"), which shall become due and payable every April 1st, July 1st and October 1st and shall become delinquent every May 1st, August 1st and November 1st respectively, shall be a credit against the payments due on the last day of February of the following year. Quarterly prepayments due hereunder shall be in an amount equal to $\frac{1}{4}$ the estimated business tax liability for the then-current year. Said estimated business tax liability shall be computed by using $\frac{1}{4}$ of the gross receipts (for each business category) for the preceding
annual filing period plus a two percent growth factor, and the rate of tax (for each business category) applicable to the current annual filing period. The fourth installment shall be in an amount equal to the total business tax liability for the annual period, less the amount of any quarterly prepayment actually paid. Any quarterly prepayment required hereunder which is not paid before the delinquency date shall bear a penalty of 5 percent of the amount of delinquent quarterly prepayment, in addition to the amount of such delinquent tax prepayment, if the delinquency is for not more than one month, with an additional 5 percent for each month or fraction of a month during which such failure continues, up to 20% in the aggregate, and shall also bear interest from the date of the delinquency on the amount of delinquent tax payment, at the rate of one percent per month or fraction thereof, for each month of said delinquency. Said quarterly prepayment shall be accompanied by a prepayment form prepared by the Tax Collector, but failure of the Tax Collector to furnish the taxpayer with a prepayment form shall not relieve the taxpayer of the tax prepayment obligation set forth herein. If the taxpayer can establish by clear and cogent evidence that any quarterly prepayment will make the sum of all prepayment made in an annual filing period exceed the total tax liability for the annual filing period in which the tax prepayment becomes due, the Tax Collector may, in writing, adjust the amount of the tax prepayment.

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: GEORGE W. PUTRIS
Deputy City Attorney

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BOARD OF SUPERVISORS
Ordinance amending Municipal Code, Part III, Article 12-B, by amending Section 1009 providing that taxes shall be due and payable on the first day of January each year, providing that taxes shall become delinquent if not paid on or before the last day of February of such year; requiring installment payments of taxes in excess of $2,500; and imposing a monthly penalty of 5 percent on delinquent taxes, up to 20 percent in the aggregate.

April 12, 1999 Board of Supervisors — PASSED, ON FIRST READING
Ayes: 10 - Ammiano, Becerril, Bierman, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee
Absent: 1 - Brown

April 19, 1999 Board of Supervisors — FINALLY PASSED
Ayes: 8 - Ammiano, Becerril, Brown, Katz, Kaufman, Leno, Yaki, Yee
Absent: 3 - Bierman, Newsom, Teng
I hereby certify that the foregoing Ordinance was FINALLY PASSED on April 19, 1999 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

APR 30 1999

Mayor Willie L. Brown Jr.