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[Supporting H.R. 1487, Tax Relief for High Tech Workers.]

Resolution supporting H.R. 1487, which would amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax treatment of incentive stock options, thereby changing the taxable event from the exercise of stock to the sale of stock.

WHEREAS, The high technology industry has long compensated its employees with stock options; and

WHEREAS, These options are taxed under the alternative minimum tax; and,

WHEREAS, Options are normally included in the income of the employee and deductible by the employer when options are granted, if a value can be assessed, or when they are exercised if it is difficult to value the option; and,

WHEREAS, The income is the difference between the option price and the market value; and,

WHEREAS, Stockholders do not receive any money when they exercise the option, but are liable for taxes at that value; and,

WHEREAS, Large tax liabilities can result even though stock price has fallen, and the capital loss deduction is limited to just \$3,000 annually; and,

WHEREAS, Removing stock option exercise from the alternative minimum tax ensures that high technology workers are not hit unfairly with a tax liability; and,

WHEREAS, H.R. 1487, on file with the Clerk of the Board of Supervisors in File No. 010693, is hereby declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

RESOLVED, That the San Francisco Board of Supervisors supports H.R. 1487 in the United States Congress, 107th Session; and, be it

SUPERVISOR CHRIS DALY, LENO

BOARD OF SUPERVISORS

1 FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
2 to transmit copies to the City's Washington lobbyists, Senators Barbara Boxer and Dianne
3 Feinstein, Representatives Nancy Pelosi and Zoe Lofgren, the InfoTech Coalition and the
4 Digital Workers Alliance, with a request that they take all action necessary to achieve the
5 objectives of this resolution.

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City and County of San Francisco

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

Tails
Resolution

File Number: 010693

Date Passed:

Resolution supporting H.R. 1487, which would amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax treatment of incentive stock options, thereby changing the taxable event from the exercise of stock to the sale of stock.

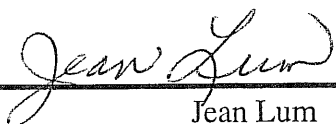
April 23, 2001 Board of Supervisors — ADOPTED

Ayes: 6 - Daly, Gonzalez, Hall, Maxwell, McGoldrick, Peskin

Absent: 5 - Ammiano, Leno, Newsom, Sandoval, Yee

File No. 010693

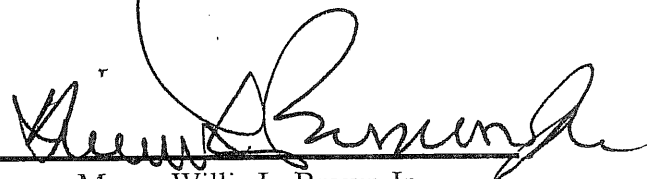
I hereby certify that the foregoing Resolution was ADOPTED on April 23, 2001 by the Board of Supervisors of the City and County of San Francisco.



Jean Lum
Acting Clerk of the Board

MAY 04 2001

Date Approved



Mayor Willie L. Brown Jr.