

**Ballot Simplification Committee
DRAFT for Consideration
Monday, August 4, 2008**

Real Property Transfer Tax

THE WAY IT IS NOW:

Under authority granted by state law, the City imposes a tax on the sale of real estate in

San Francisco. The tax rate ranges from 0.5% to 0.75%, depending on the value of the

real estate. The 0.75% rate applies to the sale of real estate worth \$1 million or more.

The transfer tax also applies to real estate leases with a term of more than 50 years.

The City uses the proceeds from the transfer tax to make expenditures from the

General Fund.

THE PROPOSAL:

Proposition ____ would increase the tax rate to 1.5% for the sale of real estate worth

\$5 million or more. The Board of Supervisors could exempt the sale of rent-restricted affordable housing from this increase. Proposition ____ would not increase the tax rate for the sale of real estate worth less than \$5 million.

Proposition ____ would extend the transfer tax to real estate leases of 35 years or more.

Proposition ____ would also create a new transfer tax reduction. It would reduce the transfer tax for the sale of residential property by up to 1/3 if, after January 1, 2009, the person selling the real estate:

- installed an active solar energy system,
- made seismic retrofitting improvements, or
- made improvements using earthquake hazard mitigation technologies.

A “YES” VOTE MEANS: If you vote "yes," you want to increase the tax rate to 1.5% for sales of real estate worth more than \$5 million and reduce the transfer tax by up to

1/3 for sales of residential property with certain solar energy systems or seismic safety improvements.

A “NO” VOTE MEANS: If you vote “no,” you do not want to make these changes.

word count: 270 [suggested word limit: 300]