

Real Estate Transfer Tax*

Digest by the Ballot Simplification Committee

Status: Draft for Consideration
On: Wednesday, July 22, 2020
Members: Packard, Anderson, Girardin, Patterson

Deadline to Request Reconsideration: TBD

The Way It Is Now: The City collects a transfer tax on most sales of residential and commercial real estate in San Francisco. The tax also applies to leases with terms of 35 years or more. The tax rate usually depends on the real estate's sale price. The current transfer tax rates for the sale of properties with a minimum sales price of at least \$10 million are:

Sale Price of Real Estate	Tax Rate
At least \$10,000,000 and less than \$25,000,000	2.75%
At least \$25,000,000 and above	3.00%

The money collected from this tax goes into the City's General Fund.



The Proposal: Proposition ____ would permanently increase the transfer tax rate for the sale of most real estate with a price of at least \$10 million, including leases of 35 years or more. For property with a sale price of less than \$10 million, the current tax rate would not change. The proposed new tax rates are:

Sale Price of Real Estate	Proposed Tax Rate
At least \$10,000,000 and less than \$25,000,000	5.50%
At least \$25,000,000 and above	6.00%

A "YES" Vote Means: If you vote "yes," you want to permanently increase the transfer tax rate for most sales of residential and commercial properties, including leases with terms of 35 years or more, with a minimum sales or lease price of \$10 million.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*