

7-23-20 David Pilpel BSC Real Estate Transfer Tax Reconsideration Request

I hereby request reconsideration of the Approved Digest for the ballot measure with the working title "Real Estate Transfer Tax". I have included the text adopted by the Committee with my alternate language as tracked changes. I recommend these changes to increase accuracy and clarity.

The Way It Is Now: The City collects a transfer tax on certain sales as well as leases of 35 years or more of residential and commercial real estate in San Francisco. The tax rate usually depends on the real estate's sale price. The current transfer tax rates are:

Sale Price of Real Estate	Current Tax Rate
More than \$100 and less than or equal to \$250,000	0.50%
More than \$250,000 and less than \$1,000,000	0.68%
At least \$1,000,000 and less than \$5,000,000	0.75%
At least \$5,000,000 and less than \$10,000,000	2.25%
At least \$10,000,000 and less than \$25,000,000	2.75%
At least \$25,000,000	3.00%

State law limits the amount of money, including money from taxes, that the City can spend each year. State law allows San Francisco voters to increase the limit for a maximum of four years.

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

The Proposal: Proposition _ is an ordinance that would increase the transfer tax rate on certain sales as well as leases of 35 years or more of real estate with a sale price of at least \$10 million. For real estate with a sale price of less than \$10 million, the tax rates would not change. The proposed transfer tax rates are:

Sale Price of Real Estate	Proposed Tax Rate
More than \$100 and less than or equal to \$250,000	0.50% (no change)
More than \$250,000 and less than \$1,000,000	0.68% (no change)
At least \$1,000,000 and less than \$5,000,000	0.75% (no change)
At least \$5,000,000 and less than \$10,000,000	2.25% (no change)
At least \$10,000,000 and less than \$25,000,000	5.50%
At least \$25,000,000	6.00%

Proposition _ would increase the City's annual spending limit by the amount of additional taxes collected under the proposed tax rate increases. The increased spending limit would last for four years.

A "YES" Vote Means: If you vote "yes," you want to increase the transfer tax rate on sales as well as leases of 35 years or more of real estate with a sale price of at least \$10 million, and increase the City's annual spending limit for four years.

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

That's what I have on this one. Thanks. DP