

I hereby request reconsideration of the Approved Digest for this ballot measure. 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. Thanks. DP

**The Way It Is Now:** The City collects taxes on gross receipts from businesses operating in San Francisco. Gross receipts are the revenues a business receives from any source. Some businesses, including certain nonprofit organizations, banks and insurance companies, are exempt from these taxes.

The City has several gross receipts taxes, including:

- a primary gross receipts tax that the City ~~uses~~ can use for ~~the General Fund~~ any general governmental use; and
- a homelessness gross receipts tax that the City uses to provide services to ~~homeless people~~ persons experiencing homelessness and to prevent homelessness.

The ~~City's~~ primary gross receipts tax has different tax rates based on the type of business and activities, ~~depending on~~ the amount of ~~its~~ gross receipts ~~of the business~~. The homelessness gross receipts tax applies to businesses with gross receipts in San Francisco over \$50 million in a calendar year.

In 2023, the primary gross receipts tax rate for retail and wholesale ~~businesses~~ business activities will range from 0.079% to -0.224%.

The homelessness gross receipts tax rate for these ~~businesses~~ business activities is 0.175%.

The City has programs ~~to that~~ assist ~~its~~ small businesses, including. ~~For example, the Office of Small Business provides resources, and referrals to small businesses and the Office of Economic Workforce and Development provides them with~~ access to grants and loans.

The City also has pilot programs that provide guaranteed income to certain residents, including low-income pregnant and postpartum Black American and Pacific Islander mothers, local artists and the transgender community.

State law limits the amount of revenue, including tax revenue, that the City can spend each year. State law authorizes San Francisco voters to approve increases to this limit for up to four years.

**The Proposal:** Proposition is an ordinance that would increase the City's gross receipts tax rates to provide additional funding for small ~~business~~ assistance, guaranteed income programs and homeless services.

~~Beginning on January 1, 2023,~~ Proposition is an ordinance that would, starting January 1, 2023, change the primary gross receipts tax and homelessness gross receipts tax that apply to retail and wholesale business activities involving transportation, delivery or shipment of goods to a San Francisco address:

- the primary gross receipts tax rate for these business activities would increase to 0.665%; and
- the homelessness gross receipts tax rate for these business activities would increase to 0.5%.

These new ~~higher~~ tax rates would not apply to ~~any~~ orders placed in person at a business, ~~and~~. ~~These higher tax rates~~ would also not apply to revenues from the transportation, delivery, or shipment of food, health, cannabis or medical products.

The new ~~higher~~ tax rates ~~would will affect~~ only ~~apply to those~~ businesses with over \$2.5 million in total gross receipts ~~and~~. ~~The new rates~~ would not have an expiration date.

Under Proposition \_\_, the ~~The~~ City ~~would may~~ use ~~the~~ revenues from the ~~increased new~~ primary gross receipts tax ~~rate rates~~ as follows:

- 15% for the ~~General Fund~~ ~~general fund~~;
- 15% to support locally owned small businesses; and
- 70% to fund a guaranteed income program for City residents to be established by future legislation.

The City ~~would may~~ use the revenues from the ~~increased new~~ homelessness gross receipts tax rate for:

- permanent housing and short-term shelter for homeless people;
- mental health services for homeless people with severe behavioral health issues;
- services for people who have recently become homeless or are at risk of becoming homeless; and
- access to hygiene programs for homeless people.

Proposition \_\_ would increase the City's spending limit, set by state law, for four years.

**A "YES" Vote Means:** If you vote "yes," you want to increase gross receipts tax rates on retail and wholesale business activities involving ~~the~~ transportation, delivery or shipment of goods to a San Francisco address, ~~with the increased revenues being used~~. ~~Revenues from these taxes would provide funding~~ for ~~the General Fund~~, small-business assistance, ~~a future~~ guaranteed income programs and services for ~~homeless~~ people, ~~and increase the City's spending limit for four years~~ ~~experiencing homelessness~~.

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