



**OFFICE OF THE CONTROLLER**  
CITY AND COUNTY OF SAN FRANCISCO

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Controller  
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Mr. John Arntz  
Department of Elections  
City Hall 1 Dr. Carlton B. Goodlett Place Room 48  
San Francisco, CA 94102-4689

August 12, 2024

RE: Proposition L – Additional Business Tax on Transportation Network Companies and Autonomous Vehicle Businesses to Fund Public Transportation

Dear Mr. Arntz,

Should the proposed ordinance be approved by the voters, in my opinion, it could result in additional revenue of approximately \$25 million annually, based on the historical performance of the existing Traffic Congestion Mitigation Tax (TCMT). This new tax would take effect in tax year 2025.

The proposed initiative would create a new gross receipts tax on transportation network companies (TNCs) and autonomous vehicle businesses. This new tax would be additive on top of existing gross receipts taxes and the TCMT, which applies to commercial ride-share companies and certain rides provided by autonomous vehicles or private transit service vehicles. This initiative would impose graduated taxes on the San Francisco passenger transportation service gross receipts of TNCs and autonomous vehicle businesses at the following levels:

- 1% on taxable gross receipts between \$500,000.01 and \$1 million
- 2.5% on taxable gross receipts between \$1,000,000.01 and \$2.5 million
- 3.5% on taxable gross receipts between \$2,500,000.01 million and \$25 million
- 4.5% on taxable gross receipts over \$25 million

Companies with \$500,000 or less in taxable gross receipts would not be subject to the proposed tax. Taxable gross receipts for the proposed tax would only include services and rides where the benefit is received in the City.

The revenues from the proposed tax will be used to support Muni transportation services and fare discount programs. Up to 2% of the proceeds may be used for the administration of the tax. The proposed tax would begin on January 1, 2025.

The tax would remain in effect until the voters repeal it. The Board of Supervisors may amend the tax by a two-thirds majority vote if the amendment furthers the purpose of imposing a tax on TNCs and autonomous vehicle businesses to raise funding for Muni service, without a vote of the City's electorate. Finally, this initiative raises the City's spending limit for four years by the increase in tax revenue generated by the new measure.

## 2 | Proposition L – Additional Business Tax on Transportation Network Companies and Autonomous Vehicle Businesses to Fund Public Transportation

The estimated annual revenue collection would be approximately \$25 million. The exact amount of revenue collected by the City will depend on the business performance of the TNCs and autonomous vehicle businesses, and demand for these services.

Sincerely,



Greg Wagner  
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.