

Gross Receipts:

California: San Francisco Voters Back Measure Revising Business Gross Receipts Taxes & Fees

Measure M, unofficially approved by voters 11/5/24. In California's recent election held on November 5, 2024, voters in the City and County of San Francisco approved "Measure M" that, once certified, will include the following changes to San Francisco business taxes and fees effective January 1, 2025:

URL: <https://sfelections.org/results/20241105w/index.html>

- Increase Gross Receipts Tax rates and alter the apportionment method and weighting for many of these taxpayers;
- Lower the threshold for being subject to the Homelessness Gross Receipts Tax from \$50 million to \$25 million for many taxpayers;
- Change the Overpaid Executive Gross Receipts Tax calculation and lower the rates;
- Streamline the rules applicable to taxpayers engaged in multiple business activities;
- Increase the existing small business exemption to \$5 million; and
- Make various other administrative and procedural changes, including a new nine-month filing extension to November 30 so long as at least 110% of the tax based on current rates applied to the prior year's receipts is paid in by the original filing due date, which remains the last day of February.

Final official election results have yet to be posted. See forthcoming Multistate Tax Alert for more details on Measure M, and please contact us with any questions in the meantime.

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