

Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

Archive: <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

San Francisco voters approve changes to City's business taxes

On November 5, 2024, the City of San Francisco voters approved Proposition M, the "Local Small Business Tax Cut Ordinance." Effective January 1, 2025, Proposition M makes several changes to San Francisco's business tax regime, including:

1. Increasing the Gross Receipts Tax rate and altering the apportionment method and weighting for many taxpayers;
2. Lowering the threshold to be subject to Homelessness Gross Receipts Tax from \$50 million to \$25 million for most taxpayers; and
3. Lowering the Overpaid Executive Gross Receipts Tax rates.

Further, the San Francisco Tax Collector has announced that it is drafting new regulations to provide clarity around three topics:

1. Market sourcing;
2. Taxpayer requests for binding Advanced Determinations; and
3. A new Voluntary Disclosure program.

This Multistate Tax Alert provides a brief overview of the ballot measure and provides some taxpayer considerations.

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URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/multistate-tax-alert-san-francisco-voters-approve-changes-to-city-business-taxes.pdf>

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