

Gross Receipts:

California: San Francisco Tax Collector Proposes Market Sourcing Rules for Revised Business Tax

Proposed Sourcing Regulations and Tax Collector Hearing, City and County of San Francisco Treasurer & Tax Collector (2/28/25). Pursuant to voters in the City and County of San Francisco (San Francisco) recently approving “Proposition M” – which includes various changes to San Francisco business taxes and requiring the San Francisco Tax Collector (Tax Collector) to promulgate regulations interpreting how businesses must now allocate their receipts to San Francisco [see previously issued Multistate Tax Alert for more details about the tax law changes in Proposition M] – the Tax Collector released proposed market sourcing regulations applicable to gross receipts from services, intangible property, and financial instruments. Much like the proposed regulations issued by the California Franchise Tax Board (FTB) earlier this year [see *State Tax Matters*, Issue 2025-1, for details on the FTB’s latest proposed market-based sourcing rule changes], the Tax Collector’s proposed regulations use a cascading series of rules to assign receipts to where the benefit is ultimately received. The Tax Collector has scheduled an online public hearing on April 8, 2025, to discuss the proposed market sourcing rules and is accepting comments on or before April 8, 2025.

[URL: https://sftreasurer.org/proposed-sourcing-regulations-and-tax-collector-hearing](https://sftreasurer.org/proposed-sourcing-regulations-and-tax-collector-hearing)

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

[URL: https://dhub.deloitte.com/Newsletters/Tax/2025/STM/250110_3.html](https://dhub.deloitte.com/Newsletters/Tax/2025/STM/250110_3.html)

See recently issued Multistate Tax Alert for additional details on and some related implications of these proposed market sourcing rules, and please contact us with any questions.

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