

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 releases draft market sourcing rules for gross receipts tax

Proposition M, passed by the City of San Francisco (“City”) voters on November 5, 2024, requires the Tax Collector to promulgate regulations interpreting how businesses must allocate their receipts to the City for San Francisco Gross Receipts Tax purposes. On February 28, 2025, the City Tax Collector released proposed sourcing regulations applicable to gross receipts from services, intangible property, and financial instruments. The Tax Collector has scheduled a public hearing to discuss the draft rules and is accepting comments on or before April 8, 2025.

This Multistate Tax Alert provides a brief overview of the Tax Collector’s proposed regulations and highlights some taxpayer considerations.

[Issued March 19, 2025]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/multistate-tax-alert-san-francisco-releases-draft-market-sourcing-rules-for-gross-receipts-tax.pdf>

San Francisco GRT draft market sourcing rules impact on asset managers

As discussed in our Multistate Tax Alert dated March 19, 2025, and as provided for under Proposition M, the Tax Collector for the City of San Francisco (the “City”) released proposed market sourcing regulations on February 28, 2025, addressing how businesses must allocate their receipts to the City for purposes of the City’s Gross Receipts Tax. Before Proposition M, professional and financial service businesses allocated their gross receipts to the City based on payroll only. Effective January 1, 2025, all professional and financial service businesses, including asset management businesses, must use a two-factor apportionment formula with a 25% payroll factor and 75% market factor based on “where the benefit of the service is received.”

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/multistate-tax-alert-san-francisco-releases-draft-market-sourcing-rules-for-gross-receipts-tax.pdf>

This Multistate Tax Alert discusses the proposed market sourcing rules specific to asset management services and mutual fund service providers.

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URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/multistate-tax-alert-san-francisco-grt-draft-market-sourcing-rules-impact-on-asset-managers.pdf>

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