

Gross Receipts:

California: San Francisco Tax Collector Launches VDA Program and Advance Written Determination Program

Pursuant to voters in the City and County of San Francisco (San Francisco) approving “Proposition M” in 2024 – 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 (November 13, 2024) for more details about the tax law changes in Proposition M, and previously issued Multistate Tax Alert (March 19, 2025) and previously issued Multistate Tax Alert (March 21, 2025), for more details about subsequently proposed rules on the same] – the Tax Collector has launched a related voluntary disclosure agreement and compliance program (VDCP) and an advance written determination (AWD) program. According to the Tax Collector, the VDCP offers unregistered San Francisco businesses and other persons with the opportunity to come forward and voluntarily disclose and pay unpaid taxes and other charges. The Tax Collector also explains that the VDCP is “designed to help businesses get into compliance with certain San Francisco taxes and other charges and avoid legal consequences,” and is “available for a three-year period through December 31, 2027.” According to the Tax Collector, the AWD program is intended to provide clarity and predictability on issues related to tax apportionment and business activity classification for businesses in San Francisco. Moreover, for 2025, AWD program applications will be accepted through October 31, 2025, and the AWD program is “available for a three-year pilot period through 2027.” Please contact us with any questions.

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

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>

URL: <https://sftreasurer.org/voluntary-disclosure-compliance-program>

URL: <https://sftreasurer.org/advance-written-determination-program>

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