

CITY AND COUNTY OF SAN FRANCISCO

Tax Collector Regulation 2014-2

GROSS RECEIPTS TAX, PAYROLL EXPENSE TAX, AND BUSINESS REGISTRATION –
SINGLE-MEMBER ENTITIES DISREGARDED FOR FEDERAL INCOME TAX PURPOSES

San Francisco Business and Tax Regulations Code

(a) Authority. The Tax Collector promulgates this regulation pursuant to the Tax Collector's authority to adopt rules and regulations under San Francisco Business and Tax Regulations Code section 6.16-1.

(b) Purpose. The gross receipts tax, payroll expense tax, and business registration requirements in Articles 12, 12-A, and 12-A-1 of the Business and Tax Regulations Code apply to all persons, which include individuals, firms, companies, partnerships, limited liability partnerships, joint ventures, associations, proprietorships, social clubs, fraternal organizations, joint stock companies, domestic or foreign corporations, limited liability companies, estates, trusts, business trusts, receivers, trustees, trustees in bankruptcy, administrators, executors, assignees, syndicates, and any other group or combination acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise. This regulation clarifies how single-member entities that are treated as disregarded entities for federal income tax purposes will be treated for purposes of the gross receipts tax, payroll expense tax, and business registration requirements.

(c) Definitions. For purposes of this regulation, all terms are as defined in Articles 6, 12, 12-A, and 12-A-1 of the Business and Tax Regulations Code.

(d) Single-Member Entities. A single-member entity (including a single-member limited liability company) treated as a disregarded entity for federal income tax purposes will be disregarded for purposes of the gross receipts tax, payroll expense tax, and business registration requirements. Each such entity will be treated as a sole proprietorship, branch, or division of its owner. The owner of the disregarded entity will be the registrant and taxpayer for purposes of the gross receipts tax, payroll expense tax, and business registration requirements.