



AFFIDAVIT CLAIMING PAYROLL EXPENSE TAX EXCLUSION FOR STOCK-BASED COMPENSATION FOR TAX YEAR 2017

This affidavit must be submitted as fully executed to the Office of the Treasurer & Tax Collector no later than January 31, 2018. In order to claim this Stock-Based Compensation Exclusion, you must also timely file an annual Gross Receipts and Payroll Expense Tax Return regardless of the amount of tax liability due.

Section 1. Business Information

Business Owner:		Business Account Number.:	
Doing Business As:	Primary Location in San Francisco (Street Address, City, Zip)		
Contact Name:	Mailing Address (if different than above)		
Email Address:	Telephone No.:	()	

Section 2. Eligibility Information

For the business listed above, during the year 2017:

- A. Did the employees receive stock-based compensation, as defined in section 906.4(a)(2) of the Business and Tax Regulations Code? Yes No
- B. Did your business undertake an initial public offering on a public stock exchange on or after July 3, 2011? Yes No
- C. Did your business experience a change in control on or after July 3, 2011? Yes No
- A change in control occurs when more than 50% of the business' ownership interest is transferred to another person or entity.*
- D. Is your business claiming any other payroll expense tax exclusion for the year 2017? Yes No

Section 3. Calculation of Exclusion

A. Amount of payroll expense tax attributable to stock-based compensation in 2010:

A	\$
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i. Does this tax amount exceed \$750,000?

Yes No

- If yes, go to B and C, then skip to Sections 4 and 5.
- If no, go to B and D, skip C, and go to Sections 4 and 5.

B. Amount of payroll expense attributable to stock-based compensation in 2017:

B	\$
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C. Payroll expense attributable to stock-based compensation in 2010:

C1	\$
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B minus C1:

C2	\$
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i. Is C2 greater than zero?

Yes No

- If yes, this is the amount of payroll expense you may exclude on your 2017 Payroll Expense Tax Return. Skip to Section 4 (Documentation).
- If no, then you are not eligible to claim this exclusion for the year 2017.

D. Amount of B minus \$105,485,232.07 ¹:

D	\$
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i. Is this amount greater than zero?

Yes No

- If yes, this is the amount of payroll expense you may exclude on your 2017 Payroll Expense Tax Return. Go to Section 4 (Documentation).
- If no, then you are not eligible to claim this exclusion for the year 2017.

Section 4. Documentation – required to take this Stock-Based Compensation Exclusion.

Attach to this affidavit documentary proof of either:

- An Initial Public Offering (i.e. Page I of the Securities and Exchange Commission Form S-1, as filed); or
- A change in control (i.e. IRS Form 8806, Information Return for Acquisition of Control or Substantial Change in Capital, as filed)

¹ \$105,485,232.07 is the amount of payroll expense needed to equal \$750,000 in payroll expense tax at the 2017 payroll expense tax rate of 0.711%.

Mail all documents to: Office of the Treasurer & Tax Collector, P.O. Box 7425, San Francisco, CA 94120.

Section 5. Verification

I hereby certify under penalty of perjury under the laws of the State of California that I am the authorized representative of this taxpayer and I have examined the foregoing affidavit, including any accompanying documents, and the information thereon is to the best of my knowledge and belief, true and correct, and fully compliant with all the requirements provided in the San Francisco Business and Tax Regulations Code. I acknowledge that I am providing information in response to a request for financial information pursuant to Section 6.5-1 of the San Francisco Business and Tax Regulations Code. I am required by law to complete this form in its entirety and understand this statement is subject to audit.

Signature

Date

Print Name & Title

(_____) _____
Telephone No.