

# 2016 Gross Receipts Tax & Payroll Expense Tax Mail/In Person Annual Return Instructions

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This document provides instructions for the 2016 Gross Receipts Tax and Payroll Expense Tax Paper Filing (the “Return”). These instructions provide a summary of the applicable rules to assist you with completing your Return. The San Francisco Business and Tax Regulations Code (referred to throughout these instructions as the “Code”) provides the law for the computation of the Gross Receipts Tax and Payroll Expense Tax, as well as the rules for filing the Return.

## What’s New for Tax Year 2016

### Small Business Enterprise Exemption Threshold Increases

The small business enterprise exemption thresholds for the Gross Receipts Tax and Payroll Expense Tax have been increased in accordance with Business and Tax Regulations Code sections 954.1 and 905-A, respectively. The small business enterprise exemption threshold for the Gross Receipts Tax is \$1,060,000 in San Francisco Gross Receipts for all businesses except lessors of residential real estate. The small business enterprise exemption threshold for the Payroll Expense Tax is \$280,000.

### Combined Groups of Related Entities

Most combined groups of related entities may file online. In addition, the procedure for declaring that you are filing on behalf of a combined group of related entities has changed, and can be completed with the Annual Return, whether online or on paper.

### Applying Overpayments to Future Obligations

Taxpayers reporting overpayment of taxes will now be able to request on the Form BTAX that the overpayment apply to future tax periods rather than being refunded. This election to apply the overpayment to a future obligation cannot be changed at a later date. Taxpayers may still request a refund of their overpayment if they choose.

## Who Must File

### Persons Exempt From the Gross Receipts Tax and/or Payroll Expense Tax

If you are completely exempt from both the Gross Receipts Tax and Payroll Expense Tax under Code sections 906 and 954, respectively (summarized below), you do not need to file a Return. If you are exempt from only one of the Payroll Expense Tax or the Gross Receipts Tax, complete the Return and enter zeros for the tax from which you are exempt.

Code section 906 provides a detailed list of persons that are exempt from the Payroll Expense Tax. Such persons include:

- An organization having a formally recognized exemption from income tax pursuant to sections 501(c), 501(d), or 401(a) of the Internal Revenue Code (the “IRC”), as qualified by sections 502, 503, and 504 of the IRC. However, organizations (other than organizations described under section 501(c)(3) of the IRC) directly engaged within the City in an unrelated trade or business within the meaning of section 513(a) of the IRC that have, from their own operations, unrelated business taxable income within the meaning of section 512(a)(1) of the IRC, do not qualify for this complete exemption.
- Skilled nursing facilities licensed under the provisions of Title 22, California Administrative Code, Division 5, Chapter 3.
- Banks and financial corporations exempt from local taxation under Article XIII, Section 27 of the California Constitution and Revenue and Taxation Code section 23182.
- Insurance companies exempt from local taxation under Article XIII, Section 28 of the California Constitution.

- Persons engaging in business as a for-hire motor carrier of property under Revenue and Taxation Code section 7233.
- Persons engaging in intercity transportation as a household goods carrier under Public Utilities Code section 5327.
- Charter-party carriers operating limousines that are neither domiciled nor maintain a business office with the City under Public Utilities Code Section 5371.4.
- Any other person upon whom the City is prohibited under the Constitution or statute of the United States or under the Constitution or statute of the State of California from imposing the Payroll Expense Tax.

Code section 954 provides a detailed list of persons that are exempt from the Gross Receipts Tax. Such persons include:

- An organization exempt from income taxation by Chapter 4 (commencing with section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code, or Subchapter F (commencing with section 501) of Chapter 1 of Subtitle A of the IRC, as qualified by sections 502, 503, 504, and 508 of the IRC. However, organizations directly engaged within the City in an unrelated trade or business within the meaning of section 513(a) of the IRC that have, from their own operations, unrelated business taxable income within the meaning of section 512(a)(1) of the IRC, do not qualify for this complete exemption.
- Banks and financial corporations exempt from local taxation under Article XIII, Section 27 of the California Constitution

and Revenue and Taxation Code section 23182.

- Insurance companies exempt from local taxation under Article XIII, Section 28 of the California Constitution.
- Persons engaging in business as a for-hire motor carrier of property under Revenue and Taxation Code section 7233.
- Persons engaging in intercity transportation as a household goods carrier under Public Utilities Code section 5327.
- Charter-party carriers operating limousines that are neither domiciled nor maintain a business office with the City under Public Utilities Code Section 5371.4.
- Any other person upon whom the City is prohibited under the Constitution or laws of the United States or under the Constitution or laws of the State of California from imposing the Gross Receipts Tax.

### Non-Exempt Persons Other Than Lessors of Residential Real Estate

Persons other than lessors of residential real estate must file a Return if they were engaged in business in San Francisco in 2016 (as defined in Code section 6.2-12, qualified by Code sections 952.3(f) and (g)) and are not otherwise exempt under Code sections 906 and 954, unless both of the following are true:

- Their combined taxable payroll expense in the City, computed without regard to the small business tax exemption in Code section 905-A, is less than \$150,000; and
- Their combined taxable gross receipts in the City, computed without regard to the small business exemption in Code section 954.1, is less than \$500,000.

Due to the extensive features offered in the online filing, taxpayers are encouraged to use the online form if they are eligible to do so.

### Non-Exempt Persons That May Not File Online and Must File By Mail or In Person

You may not file your Return online and must file this paper Return if:

- You plan on taking the Stock-Based Compensation Exclusion with respect to your Payroll Expense Tax;
- You plan on taking the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion with respect to your Payroll Expense Tax; or
- You plan on taking the Central Market Street Limit in Code section 961.
- You are a lessor of residential estate claiming a tax credit, exclusion, or limit.
- You are filing on behalf of a combined group where one related entity in the combined group is filing for a tax credit (such as the Enterprise Zone Tax Credit) and 100% of San Francisco gross receipts are NOT attributable to the filing entity. Under this scenario the online return may incorrectly grant too great a tax credit.
- You are filing on behalf of a combined group where at least one of the related entities in the combined group: was only partially in the combined group or only was included in the combined group for part of the year; AND you are reporting payroll expense greater than zero but less than or equal to \$280,000 for that entity; AND the entity's payroll expense for portion of the entity or tax year you are filing for is not proportionally representative of the entire tax year. Under this scenario the online return may incorrectly apply the small business enterprise exemption.

### Non-Exempt Lessors of Residential Real Estate

For purposes of this Return, a lessor of residential real estate is treated as a separate person (with a separate Business Account Number) with respect to each individual building in which it leases residential real estate units, and must file a separate Return for each individual building and for its other business activities combined. A lessor of residential real estate must therefore allocate its gross receipts and payroll expense to each individual building in which it leases residential real estate units and to its other business activities combined. "Residential real estate" means real property where the primary use of or right to use the property is for the purpose of dwelling, sleeping or lodging other than as part of the business activity of accommodations.

Lessors of residential real estate in San Francisco must file a return for each building in San Francisco under a separate Business Account Number to correctly report their tax liability. If the lessor of residential real estate is not claiming a tax credit or exclusion, they may file the simplified Form L-2016. For more information about completing a Form L-2016 filing, please see the instructions for that form. Lessors of residential real estate in San Francisco that are claiming a tax credit or exclusion must file this Form BTAX-2016 separately for each building in San Francisco under a separate Business Account Number and may not use Form L-2016.

In addition to completing the necessary Form(s) L-2016 (or Form(s) BTAX-2016, if claiming a tax credit or exclusion), lessors of residential real estate that engage in any business other than leasing residential real estate (e.g., leasing commercial real estate, retailing, etc.) must complete this Return under a separate Business Account Number for the portion of their

business that is not leasing residential real estate.

Lessors of residential real estate in San Francisco must file a Return if they are not otherwise exempt under Code sections 906 and 954, unless both of the following are true:

- Their taxable payroll expense in the City, computed without regard to the small business tax exemption in Code section 905-A, is less than \$150,000; and
- They lease fewer than 4 units in any individual building.

#### Example 1: Lessor of Residential Real Estate Registration and Filing Requirements

*Assume Corporation A leases 30 residential units and 5 commercial units in Building A, leases 3 residential units and 4 commercial units in Building B, and generates \$3,000,000 of gross receipts while incurring \$300,000 of payroll expense from these activities in tax year 2015.*

*Based on rules analogous to those in Code section 904 or another appropriate cost accounting methodology, Corporation A allocates \$200,000 of its payroll expense to the lease of its 9 commercial units, \$100,000 to the lease of its 30 residential units in Building A, and \$0 to the lease of its 3 residential units in Building B.*

*Based on its books and records, Corporation A determines that \$2,000,000 of its gross receipts are from the lease of the 9 commercial units, \$900,000 are from the lease of the 30 residential units in Building A, and \$100,000 are from the lease of the 3 residential units in Building B.*

*Corporation A would have to file one return (using Form BTAX-2015) reflecting the \$200,000 payroll expense and \$2,000,000 gross receipts of the 9 commercial units because its payroll expense and gross receipts were not less than \$150,000 and \$500,000, respectively (see the general instructions the gross receipts tax and payroll expense tax annual returns for more information).*

*Corporation A would also have to register as a separate person and file one return (using Form L-2015 if not claiming any credits or exclusions) reflecting the \$100,000 payroll expense and \$900,000 gross receipts for the 30 residential units in Building A because Corporation A leases more than 3 residential units in Building A. Corporation A would not need to file a return for the 3 residential units in Building B because Corporation A leases fewer than 4 residential units in Building B. Corporation A would not have to register as a separate person nor report gross receipts for the 3 residential units in Building B because Corporation A only receives rental income in connection with the operation of a residential structure consisting of fewer than four units in the case of the residential units of Building B.*

## Combined Groups

All persons and their related entities (defined below) must file Gross Receipts Tax and Payroll Expense Tax returns on a combined basis, reflecting the gross receipts, payroll expense, and other tax attributes (e.g., credits and exclusions, payroll for apportionment, etc.) of all related entities. For purposes of these instructions, the terms “you” and “your” will refer to the filer and any related entities if a combined group, unless otherwise noted.

For purposes of this Return, the term “combined group” refers to a taxpayer and all of its related entities. A person is a related entity to a taxpayer if: (1) that person and the taxpayer are permitted or required to have their income reflected on the same combined report for California Franchise or Income Tax purposes; or (2) that person and one or more other persons (including the taxpayer) derive gross receipts solely from sources within California and their business activities are such that, if conducted both within and outside California, a combined report would be required for California Franchise or Income Tax purposes.

If an entity was a member of your combined group for only a portion of 2016, include that entity in your combined group’s Return for the portion of 2016 that it was a member. For the portion of 2016 that the entity was not a part of your combined group, that entity will have to file separately or as part of another combined group.

If you are currently a non-filing member of a combined group but were a separate entity for a portion of the year, you must file as a separate entity for that portion of 2016 that you were a separate entity engaged in business in San Francisco.

If your combined group for California Franchise or Income Tax purposes includes an entity that is exempt from the Payroll Expense Tax and/or

Gross Receipts Tax (e.g., banks or financial corporations exempt from local taxation under Article XIII, Section 27 of the California Constitution and Revenue and Taxation Code section 23182), you should exclude the gross receipts, payroll expense, and other tax attributes of this exempt entity from your combined Return.

To file a Return on behalf of a combined group, you must have authorization to file on behalf of each taxpayer in the combined group. A form for this purpose, Authorization To Be Included In Combined Filings (Power of Attorney) – Form POA-2, is available on the website of the Treasurer and Tax Collector at <http://sftreasurer.org/business-form-central>. You do not need to submit this form with your Return.

NOTE: Pursuant to Tax Collector Regulation 2014-2, 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.

## When You Must File

Returns and payments must be received by February 28, 2017, or May 1, 2017 if granted an extension. A valid postmark by the due date is considered timely.

Paper filings may be mailed via U.S. Postal Service to:

Office of the Treasurer & Tax Collector  
PO Box 7425  
San Francisco, CA 94120

Paper filings may also be delivered in person to:

Office of the Treasurer & Tax Collector  
1 Dr. Carlton B. Goodlett Pl, City Hall Room 140  
San Francisco, CA 94102

### Extension Requests

The Tax Collector may extend for a period not to exceed 60 days the time for filing a Return. As a condition of such extension, the person seeking the extension shall make a payment of not less than 90 percent of such person's tax liability for such period. Failure to make the required 90% payment will result in the automatic denial of the person's extension and the person being subject to the standard due dates in this Article 6, including any penalties, interest, fees, and other consequences of failing to file and pay by those due dates.

Taxpayers may access an extension request at [www.sftreasurer.org/extensionrequest](http://www.sftreasurer.org/extensionrequest). The form and any required payment must be submitted by February 28, 2017. Taxpayers qualifying for the extension must file their Return and make any required payment by May 1, 2017.

## Preparing Your Return For Submission

Your Return will consist of a number of component pieces that must all be submitted in order for your filing to be considered complete. Incomplete Returns are not considered to have been submitted and will be subject to applicable penalties, interest, and fees.

Most businesses will need to submit the following packet:

- 1) Form BTAX-2016;
- 2) The applicable Attachments GR-A-2016 for each business activity in which the person engaged during the tax year; and
- 3) Form GR-2016, San Francisco Gross Receipts Summary.

In addition to the documents above, businesses claiming most credits, exclusions, or the Central Market Street Limit must submit the applicable Form(s) CEL-2016 to substantiate their credit, exclusion, or limit. Businesses wishing to claim the Stock-Based Compensation exclusion do not have a Form CEL-2016 and must instead submit an Affidavit Claiming Payroll Expense Tax Exclusion for Stock-Based Compensation for Tax Year 2016 by January 31, 2017 to provide sufficient time for review prior to the February 28, 2017 tax filing deadline.

Persons filing on behalf of a combined group of related entities must submit a Form CG-2016, Payroll Expense Tax For Combined Groups and Certain Separate Filers for each related entity in the combined group doing business in San Francisco. Persons that were part of a combined group for any portion of the tax year (even if filing separately with this Return) must also submit Form CG-2016.

Finally, businesses that qualified for the Administrative Office Tax in lieu of the Gross Receipts Tax and Payroll Expense Tax must



submit only Form BTAX-2016 and Form AOT-2016, 2016 Administrative Office Tax Statement, and (unless the filer is a combined group) do not need to submit any of the other documents, as they are not applicable to the filing. Combined groups subject to the Administrative Office Tax must attach a list of all related entities engaged in business in San Francisco, including for each entity the Business Account Number (BAN), business name(s), and a percentage to indicate what percent the entity was in the combined group for the filing period (100% if the entity was fully included in the combined group for the entire year).

**Tax Return Packet Checklist (Everyone Other than Administrative Office Tax Payers)**

- Form BTAX-2016
- Form GR-2016
- Attachment GR-A-2016 for each business activity

If claiming a credit or exclusion (other than the Stock-based Compensation Exclusion) include:

- Form(s) CEL-2016

If filing on behalf of a Combined Group or if part of a combined group for any portion of the tax year (even if not filing as a combined group) include:

- Form CG-2016

## Form BTAX-2016

This form provides our office with important tax information and confirms whether you are subject to the Administrative Office Tax. You must answer all questions on this form unless otherwise noted. If you do not answer all required questions, your filing will be considered incomplete and will be subject to applicable penalties, interest, and fees.

**Remember: Combined groups must respond to all questions on a combined basis, including all related entities.**

### Section A. Business Information

#### A1. Business Personal Property

Mark “Yes” if you had any taxable business personal property in the City during the tax year. Otherwise mark “No.”

Business Personal Property includes items like machinery, equipment, fixtures, and leasehold improvements held or used in connection with a trade or business. Business property owners must file a property statement each year with the Business Personal Property Division (BPP) of the Office of the Assessor-Recorder detailing the acquisition cost of all supplies, equipment, fixtures, and improvements owned at each location within the City and County of San Francisco.

For more information, visit:

<http://sfasr.org/property-information/business-owners/about-business-property-assessments>

#### A2. Average Weekly Employees

Write your average number of weekly employees for your entire business (not just San Francisco). This is a survey question that does not affect your Gross Receipts Tax or Payroll Expense Tax liability.

### A3. Tax Credit, Exclusion, or Limit

Mark “Yes” if you qualify for a tax credit, payroll expense exclusion, or limit. Attach the corresponding Form CEL-2016 for each credit, exclusion, or limit, if required to do so. Otherwise mark “No.”

### Section B. Administrative Office Tax Qualification

This section contains three questions that will determine whether you are subject to the Administrative Office Tax, or whether you are subject to the Gross Receipts Tax and Payroll Expense Tax. If you are the Filer of a combined group, answer these questions on a combined basis. However, for purposes of these three questions only, a person is a “related entity” if they could be included in the same combined report for California Franchise or Income Tax purposes but for the existence of a water’s edge election (i.e., you should ignore any water’s edge election for purposes of these three questions).

If you answer “Yes” to all three questions, you are subject to the Administrative Office Tax and should file only Form BTAX-2016, Form AOT-2016, and attach a list of related entities, if filing on behalf of a combined group. The list must include all related entities doing business in San Francisco, and must include for each entity the Business Account Number, business name(s), and a percentage to indicate what percent the entity was in the combined group for the filing period. If you answer “No” to any one of the questions, you do not qualify for the Administrative Office Tax and should file all necessary Gross Receipts Tax and Payroll Expense Tax forms. If you file Form AOT-2016 when you do not qualify, your filing will not be accepted and you will be subject to applicable penalties, interest, and fees.

### **B1. Employees**

Mark “Yes” if the total combined number of full-time and part-time employees within the United States of your business and any related entities exceeded 1,000 as of the most recent December 31st. Otherwise, mark “No.”

### **B2. Gross Receipts**

Mark “Yes” if the total combined gross receipts of your business and any related entities reported on United States federal income tax return(s) for your most recently completed federal income tax year exceeded one billion dollars (\$1,000,000,000). Otherwise, mark “No.” If you and/or any of your related entities have not yet filed United States federal income tax return(s) for your most recently completed federal income tax year, use the gross receipts that will be reported on such return(s) when filed.

### **B3. Payroll Expense Attributable to Administrative or Management Services**

Mark “Yes” if over 50 percent of the total combined payroll expense in the City of your business and any related entities in 2016 was associated with providing administrative or management services exclusively to you and any of your related entities. Otherwise, mark “No.” For purposes of this question only, payroll expense in the City is determined in the same way as for the Payroll Expense Tax (in Code section 901 *et seq.*), except that grants of rights to acquire an ownership interest in an employer (e.g., stock options) are not included as payroll expense. Also for purposes of this question, “administrative or management services” comprises internal support services provided on an enterprise-wide basis, such as executive office oversight, company business strategy, recordkeeping, risk management, personnel administration, legal, accounting, market research and analysis, and training services.

“Administrative or management services” does not include, for example, sales personnel or personnel actively engaged in marketing, research and development, direct customer service, and product support services.

NOTE: If you answered “Yes” to all three of the questions in Section B, you may proceed to Form AOT-2016 without completing Sections C through G. However, you must submit Form BTAX-2016 with your signed Form AOT-2016.

### **Section C. Payroll Expense Tax**

Section C is for calculating your Payroll Expense Tax obligation. Most businesses will input information directly onto this page to calculate their Payroll Expense Tax liability. However, if you are a combined group, or if you (or any portion of your business) were part of a combined group for any portion of the tax year, even if not filing as part of a combined group with this Return, you must complete a Form CG-2016 with tax information for each entity doing business in San Francisco on whose behalf this Return is being filed. If you complete Form CG-2016 you must transfer entries from Form CG-2016 to Section C.

#### **C. Combined Group**

Mark “Yes” if you are filing on behalf of a combined group of related entities (as defined above), or if you (or any portion of your business) were part of a combined group for any portion of the tax year, even if not filing as part of a combined group with this Return. Otherwise mark “No.” If you mark “Yes” you must complete Form CG-2016 and transfer totals on that form to the corresponding cells in Section C of this form.

**C1. Number of San Francisco Employees at Year End**

Enter the number of your San Francisco employees (full- and part-time) at the end of the period for which you are filing this Return.

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

**C2a. San Francisco Payroll Expense**

Enter your San Francisco payroll expense for 2016. Article 12-A of the Code provides detailed rules for determining San Francisco payroll expense.

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

**C2b. Excluded Payroll Expense**

If you qualify to exclude payroll expense from your tax base, enter the amount of your exclusion in line C2b as described in the paragraphs that follow related to each exclusion. There are currently four payroll expense exclusions available to taxpayers: Biotechnology; Clean Technology; Central Market Street and Tenderloin Area; and Stock-Based Compensation. The following paragraphs will guide you on how to include each exclusion in your Payroll Expense Tax filing. You may only take these exclusions if you are timely filing your Return.

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

**Biotechnology Exclusion**

If applicable, enter the excluded payroll expense from Form CEL-2016 BIOTECH line A1 for this person on this line.

**Clean Technology Business Exclusion**

If applicable, enter the excluded payroll expense from Form CEL-2016 CLEAN TECH line A1 for this person on this line.

**Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion**

If applicable, enter the excluded payroll expense from Form CEL-2016 CMTE line A2 for this person on this line.

**Stock-Based Compensation Exclusion**

The Stock-Based Compensation Exclusion permits an exclusion of certain stock-based compensation from taxable payroll expense for persons meeting the requirements of Code section 906.4, in an amount to be determined under that Code section.

Complete and submit your Affidavit Claiming the Payroll Expense Tax Exclusion for Stock-Based Compensation for Tax Year 2016 by January 31, 2017. Input on this line the amount of payroll expense you may exclude on your 2016 Payroll Expense Tax statement. There is no Form CEL-2016 for the Stock-Based Compensation Exclusion.

**C2. Taxable San Francisco Payroll Expense**

Subtract line C2b from line C2a. This is your taxable San Francisco payroll expense after any exclusion(s).

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

**C3. Payroll Expense Tax @ 0.829%**

If line C2 is less than or equal to \$280,000, you are exempt from paying the Payroll Expense Tax as a small business, and should enter zero. Otherwise, multiply line C2 by 0.829% (0.00829). This is your Payroll Expense Tax before credits for the entire 2016 tax year.

If you are filing for the Central Market Street Limit, see Form CEL-2016 CMTE for instructions.

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

#### **C4. Tax Credits**

Enter the Payroll Expense Tax credits from the applicable Form(s) CEL-2016.

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

#### **C5. Payroll Expense Tax After Credits and Exclusions**

Subtract line C4 from line C3 and enter the result. If less than zero, enter zero. This is your Payroll Expense Tax after credits and exclusions. This number will be transferred to line G1 on the next page.

If you are filing a Form CG-2016, input the corresponding total from Form CG-2016.

### **Section D. Business Activity Selection**

Check the box for each business activity in which you engaged in 2016, regardless of the amount of gross receipts that the business activity generated. Most activities are categorized by their 2012 North American Industry Classification System (“NAICS”) code. For more information on the 2012 NAICS codes, please go to [www.census.gov/eos/www/naics](http://www.census.gov/eos/www/naics). The Biotechnology and Clean Technology businesses are described in Code sections 906.1 and 906.2, respectively. If you are engaged in any business activities not listed, check the box listed next to line 20, and input the name of the activity or activities in the blank space.

### **Section E. Gross Receipts Payroll Apportionment**

#### **E1. Total Payroll**

Total payroll is the total worldwide compensation paid by you and any related entities, unless you made a valid water’s edge election for California Franchise Tax purposes, in

which case your total payroll is determined in accordance with that election. If you had employees, “compensation” means wages, salaries, commissions, and any other form of remuneration paid to those employees for services. If you had no employees, compensation includes all taxable income for federal income tax purposes of your owners or proprietors who are individuals. If you had no payroll during 2016, enter zero.

#### **E2. San Francisco Payroll**

San Francisco payroll is determined by apportioning total payroll under Code section 904 (the rules applicable for determining your taxable San Francisco payroll expense for Payroll Expense Tax purposes). If you had no San Francisco payroll during 2016, enter zero.

#### **E3. Apportionment Percentage**

Divide line E2 (San Francisco payroll) by line E1 (total payroll) and enter the result. This is your payroll apportionment and should be input on line D1 of each Attachment GR-A-2016, if applicable.

### **Section F. Gross Receipts Tax**

#### **F1. Taxable San Francisco Gross Receipts**

Transfer the number from Form GR-2016 line 28 to this line.

#### **F2. Gross Receipts Tax**

If line F1 is \$1,060,000 or less for the entire tax year and you are not a lessor of residential real estate, you are exempt from the Gross Receipts Tax in 2016, do not need to complete the Gross Receipts Tax Computation Worksheet attached as Appendix A, and should enter “\$0” on this line. Note that you must still file this Return if line F1 is \$500,000 or more for the entire tax year or if you had combined taxable payroll expense of \$150,000 or more.

Similarly, if you are a lessor of residential real estate and you lease fewer than four units in an individual building, you are exempt from the Gross Receipts Tax in 2016 with respect to that building, do not need to complete the tax calculation on the Gross Receipts Tax Computation Worksheet, and should enter \$0 on this line. Note that you must still file this Return if you had taxable payroll expense of \$150,000 or more.

If line F1 is more than \$1,060,000 and you are not a lessor of residential real estate, or if you are a lessor of residential real estate and you leased out four or more units in an individual building, complete the Gross Receipts Tax Computation Worksheet attached as Appendix A and input the result on this line. Form GR-2016 provides additional guidance as to how to complete the Gross Receipts Tax Computation Worksheet.

If you are filing for the Central Market Street Limit, see Form CEL-2016 CMTE for instructions.

### F3. Tax Credits

Enter the Gross Receipts Tax credits from the applicable Form(s) CEL-2016.

### F4. Gross Receipts Tax After Credits

Subtract line F3 from line F2, and enter the result. If less than zero, enter zero. This is your Gross Receipts Tax after credits and exclusions. This number will be transferred to line G2.

## Section G. Obligation Summary

This section summarizes your Gross Receipts Tax and Payroll Expense Tax amounts, credits installment payments, and adds applicable penalties, interest, and fees.

### G1. Payroll Expense Tax After Credits

Transfer the amount from line C5.

### G2. Gross Receipts Tax After Credits

Transfer the amount from line F4.

### G3. Total Tax Obligation

Sum lines G1 and G2. This is your total tax obligation after credits for both taxes.

### G4. Total Payroll Expense Tax Installments Paid

Input your total Payroll Expense Tax installment payments (including all Payroll Expense Tax quarterly installment payments made by you or any member of your combined group for periods during which they were a member of your combined group) made during the tax year.

### G5. Total Gross Receipts Tax Installments Paid

Input your total Gross Receipts Tax installment payments (including all Gross Receipts Tax quarterly installment payments made by you or any member of your combined group for periods during which they were a member of your combined group) made during the year.

### G6. Net Tax Obligation After Credits and Installments

Subtract lines G4 and G5 from line G3. This is your total obligation prior to penalties, interest, and fees.

### G7. Penalties, Interest, and Fees

If you are filing after February 28, 2017, or after May 1, 2017 if granted an extension, you need to calculate your penalties, interest, and fees to input on this line.

Penalty, Interest, and Fee Calculator Table

Late Filing Penalty	
Late Payment Penalty	
Interest	
Administrative Fee	
Total for Line G7	

**Late Filing Penalty**

If the Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, write \$200 (\$100 penalty per tax) on the line above, provided you exceeded the minimum filing amount for both taxes. If you only exceeded the minimum filing amount for one tax, enter \$100. Otherwise, enter zero (\$0).

**Late Payment Penalty**

If the payment associated with this Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, enter a late payment penalty consisting of line G6 (net tax obligation after credits and installments) multiplied by 5 percent for each month that the amount is delinquent for the first three months, or 40 percent if the amount is delinquent for four or more months. This instruction is your notification that the tax is delinquent and is subject to the penalties under Code section 6.17-1. If the Tax Collector has not granted an extension, you can use the applicable rate from the table below using the dates in the table below as a guide:

Payment Received After	Payment Received By	Penalty Percentage
2/28/2017	3/31/2017	5% (0.05)
3/31/2017	4/30/2017	10% (0.10)
4/30/2017	5/31/2017	15% (0.15)
5/31/2017		40% (0.40)

Otherwise, enter \$0.

**Interest**

If the payment associated with this Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, interest consisting of the amount from line G6 multiplied by one percent (1%) per month must be added on this line. Otherwise, enter zero (\$0).

**Administrative Fee**

If this Return or the payment associated with this Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, an administrative fee of \$110 (\$55 fee per tax) must be added on this line, provided you exceeded the minimum filing amount for both taxes. If you only exceeded the minimum filing amount for one tax, enter \$55. Otherwise, enter zero (\$0).

**G8. Total Obligation Due / (Overpayment)**

Sum lines G6 and G7 to calculate the total obligation due, net of installment payments and with applicable penalties, interest, and fees (if applicable). A positive number reflects a net balance due. A negative amount reflects a net overpayment.

**Community Challenge Grant**

If you would like to designate a portion of your tax liability on line G3 to the Neighborhood Beautification and Graffiti Clean-up Fund (also known as the "Community Challenge Grant Program") you may:

1. Check the box at left to designate 3.0 percent (0.030) of your tax liability; or
2. Enter an amount in the box at right up to 3.0 percent of your total tax liability.

These designations will not increase your tax liability, but will designate a portion of the tax you pay to go to the Community Challenge Grant Program.

**Election to Apply Overpayment to Future Periods or Refund Request**

If your Total Obligation Due/Overpayment in line G8 is negative, you may request to apply the overpayment to a future tax obligations or request a refund from the Office of the Treasurer & Tax Collector. Check the box for applying the overpayment to a future obligation to apply your

overpayment to your future tax obligations. You may check the box to request a refund.

If you do not check a box, you must file a request to apply the overpayment to a future obligation or a refund form and/or claim for refund form within the time period mandated by law or you will forfeit the amount of your overpayment. If you checked the box requesting a refund and do not receive a check from the Tax Collector, you must file a claim for refund form within the time period mandated by law to obtain your refund.

### Taxpayer Statement

Enter the information requested at the bottom of the page and sign the form. If you are an agent of the taxpayer authorized to sign this Return on the taxpayer's behalf, you must have a validly executed Power of Attorney. A Power of Attorney Declaration (Form POA-1), along with instructions as to how to use the form to grant an individual authority to file a Return on behalf of a taxpayer, is available on the website of the Treasurer and Tax Collector at <http://sftreasurer.org/business-form-central>.

By signing the form you are certifying under penalty of perjury that you are the taxpayer (including an officer, general partner, member manager, executor, trustee, fiduciary, or other individual with the authority to bind the taxpayer), or an agent of the taxpayer authorized to sign this Return on behalf of the taxpayer pursuant to a validly executed Power of Attorney, and that you have examined the Return and all accompanying schedules or worksheets and have determined that, to the best of your knowledge and belief, all of the information is true, correct, and compliant with all the requirements in Articles 6, 12, 12-A, and 12-A-1 of the Code. You are also acknowledging that you are providing information in response to a request for financial information pursuant to Code section 6.5-1, and that you are required by

law to complete this Return in its entirety and that the Return is subject to audit.



## Form GR-2016

This form organizes your San Francisco gross receipts across business activities so you may enter them into the Gross Receipts Tax Computation Worksheet, attached as Appendix A to the Return, to calculate your Gross Receipts Tax for entry into Form BTAX-2016. If you or your combined group are engaged in multiple business activities, this form will assist you in applying the rules specified in Code section 953.9. These rules include:

- If more than 80% of your San Francisco gross receipts are derived from business activities in one tax rate category, then that tax rate category applies to all of your gross receipts derived from all business activities.
- The small business exemption provided in Section 954.1 only applies if the sum of your San Francisco gross receipts from all business activities does not exceed \$1,060,000 in total.
- The progressive tax rates apply on an aggregate basis for businesses with multiple sets of activities.
- The applicable rate for each set of business activities is determined in numbered order of the Code sections describing each set of business activities; i.e., activities described in Code section 953.1 are determined first, Code section 953.2 second, and so on.
- The tax rate(s) applicable to any set of activities after the first shall be determined by adding together the San Francisco gross receipts for all previous sets of activities and applying the rate scale commencing with the next dollar. For instance, if you are engaged in a Retail Trade and Food Services and you have \$1 million of gross receipts from your Retail Trade, your Gross Receipts

Tax attributable to Food Services is calculated starting with the second tier tax rate for gross receipts from \$1,000,001 to \$2,500,000.

- Your Gross Receipts Tax liability is the sum of your liabilities for each set of business activities.

Enter the amount from line E1 on Attachment GR-A-2016 for each business activity in the appropriate line. Note: Business activities are listed in the order they appear in the Code.

Lines 4, 11, 15, 19, 21, 25 and 27 are the subtotals for each Code section. Line 28 is your total San Francisco gross receipts summed across all business activities.

If line 28 is \$1,060,000 or less for the entire tax year, and you are not a lessor of residential real estate, you are exempt from the Gross Receipts Tax in 2016, do not need to complete the tax calculation on the Gross Receipts Tax Computation Worksheet, and should enter \$0 on line F2 of Form BTAX-2016. However, you must still file your Return with our office if line 28 is \$500,000 or more for the entire tax year or if you had combined taxable payroll expense of \$150,000 or more. Penalties, interest, and fees will apply if you fail to file timely.

Similarly, if you are a lessor of residential real estate and you leased fewer than four units in an individual building, you are exempt from the Gross Receipts Tax in 2016, do not need to complete the tax calculation on the Gross Receipts Tax Computation Worksheet, and should enter \$0 on line F2 of Form BTAX-2016. However, you must still file your Form BTAX-2016 with our office if you had taxable payroll expense of \$150,000 or more. Penalties, interest, and fees will apply if you fail to file timely.

If line 28 is more than \$1,060,000 and you are not a lessor of residential real estate, of if you are

a lessor of residential real estate and you lease four or more units in an individual building, transfer amounts to the Gross Receipts Tax Computation Worksheet, Column A “Gross Receipts” as follows:

- If any of lines 4, 11, 15, 19, 21, 25, or 27 constitutes more than 80 percent of the total San Francisco gross receipts listed on line 28, transfer line 28 to the row in the Gross Receipts Tax Computation Worksheet, Column A “Gross Receipts,” that corresponds to the Code section that generated more than 80 percent of the gross receipts.
- If none of lines 4, 11, 15, 19, 21, 25, or 27 constitutes more than 80 percent of the total San Francisco gross receipts listed on line 28, transfer each of lines 4, 11, 15, 19, 21, 25, and 27 to the corresponding row in the Gross Receipts Tax Computation Worksheet, Column A “Gross Receipts.”

Once you have completed the Gross Receipts Tax Computation Worksheet, enter the result into line F2 of Form BTAX-2016.

## Attachment GR-A-2016

Prepare a Form GR-A-2016 for each business activity in which you engaged in 2016, regardless of the amount of gross receipts that the business activity generated. Most activities are categorized by their 2012 North American Industry Classification System (“NAICS”) code. For more information on the 2012 NAICS codes, go to [www.census.gov/eos/www/naics](http://www.census.gov/eos/www/naics). The “Biotechnology” and “Clean Technology” businesses are described in Code sections 906.1 and 906.2, respectively. If you are engaged in any business activities that do not have a corresponding Attachment GR-A-2016, submit an Attachment GR-A-2016 Miscellaneous Business Activities for those business activities only.

Note: Interest earned on savings accounts and other passive investment receipts may be reported in your primary business activity. You do not need to submit a separate Attachment GR-A-2016 for these amounts.

If you are a combined group, provide this information on a water’s edge or worldwide basis, depending on the election you made that governs your California Franchise Tax Board filing for 2016. To determine the gross receipts to include in the “San Francisco” column (if applicable), use the rules in Code section 956.1, including the gross receipts of all related entities, regardless of the entities’ individual connections to San Francisco.

If the San Francisco gross receipts for a particular business activity are determined wholly by allocating receipts according to Code section 956.1, then only the “San Francisco” column will show on that form. Similarly, if the San Francisco gross receipts are determined wholly by apportioning based on payroll according to Code section 956.2, then only the “Total” column will show on that form. For business activities that

use both allocation and payroll apportionment, both columns will display on that form.

### **General Instructions for Entering Gross Receipts**

In general, “gross receipts” includes all amounts received or accrued from whatever source derived, including, but not limited to, amounts derived from sales, services, dealings in property, interest, rent, royalties, dividends, licensing fees, other fees, commissions, and distributed amounts from other business entities. Gross receipts generally include, but are not limited to, all amounts that constitute gross income for federal income tax purposes.

## GR-A-2016 – Accommodations

Use this form for gross receipts in the business activity of Accommodations described in Code section 953.3, which falls in 2012 NAICS Code 721.

This form only displays a “San Francisco” column, as only gross receipts derived from San Francisco properties are included in San Francisco gross receipts.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Accommodations in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Accommodations, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Accommodations, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Accommodations, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any

business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Accommodations, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Accommodations, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Accommodations, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Accommodations, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Accommodations, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Accommodations, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Accommodations, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Accommodations, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Accommodations, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Accommodations, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Accommodations, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Accommodations, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

**B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Allocated Gross Receipts**

Subtract line B8 from line A10.

**E1. San Francisco Gross Receipts**

Transfer line **C1** to this line. These are your San Francisco gross receipts for the business activity of Accommodations and will be transferred to your Form GR-2016 line **12**.

## GR-A-2016 – Administrative and Support Services

Use this form for gross receipts in the business activity of Administrative and Support Services described in Code section 953.4, which falls in 2012 NAICS Code 56.

This form only displays a “Total” column, as San Francisco gross receipts for Administrative and Support Services are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Administrative and Support Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Administrative and Support Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Administrative and Support Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Administrative and Support Services, enter the sum of all interest,

dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Administrative and Support Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Administrative and Support Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Administrative and Support Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Administrative and Support Services, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Administrative and Support Services, enter the sum of any other amounts received or accrued in 2016, but not

included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

#### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

#### **B1. Related Entities**

For the business activity of Administrative and Support Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

#### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Administrative and Support Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

#### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Administrative and Support Services, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any

other property sold to, or services provided to, such entity.

#### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Administrative and Support Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

#### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Administrative and Support Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

#### **B6. Excludable Taxes**

For the business activity of Administrative and Support Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s



customers and remits to the appropriate governmental entity imposing such tax.

of Administrative and Support Services and will be transferred to your Form GR-2016 line **17**.

### **B7. Other Amounts**

For the business activity of Administrative and Support Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

### **C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

## **Section D – Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Administrative and Support Services uses only apportionment, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

### **E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity

## GR-A-2016 – Arts, Entertainment, and Recreation

Use this form for gross receipts in the business activity of Arts, Entertainment, and Recreation described in Code section 953.3, which falls in 2012 NAICS Code 71.

This form only displays a “Total” column, as San Francisco gross receipts for Arts, Entertainment, and Recreation are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Arts, Entertainment, and Recreation in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Arts, Entertainment, and Recreation, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all interest, dividends, and other amounts received or

accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited

to, amounts that constitute gross income for federal income tax purposes.

#### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

#### **B1. Related Entities**

For the business activity of Arts, Entertainment, and Recreation, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

#### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

#### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

#### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

#### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

#### **B6. Excludable Taxes**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

#### **B7. Other Amounts**

For the business activity of Arts, Entertainment, and Recreation, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

**B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

**Section D – Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Arts, Entertainment, and Recreation uses only apportionment, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

**D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

**D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

**E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity of Arts, Entertainment, and Recreation and will be transferred to your Form GR-2016 line **14**.

## GR-A-2016 – Biotechnology

Use this form for gross receipts in the business activity of Biotechnology described in Code section 953.2, which is further described in Code section 906.1.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Biotechnology are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Biotechnology in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Biotechnology, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Biotechnology, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Biotechnology, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks

or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Biotechnology, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Biotechnology, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Biotechnology, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Biotechnology, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Biotechnology, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

## **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Biotechnology, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Biotechnology, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Biotechnology, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Biotechnology, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Biotechnology, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Biotechnology, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Biotechnology, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

#### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

#### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

#### **Section D – Allocated/Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Biotechnology uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

#### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

#### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

#### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for the business activity of Biotechnology. These are your San Francisco gross receipts for the business activity of Biotechnology.

#### **E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Biotechnology and will be transferred to your Form GR-2016 line **9**.

## GR-A-2016 – Certain Services

Use this form for gross receipts in the business activity of Certain Services described in Code section 953.1, which falls in 2012 NAICS Codes 811, 812, and 813.

This form only displays a “Total” column, as San Francisco gross receipts for Certain Services are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Certain Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Certain Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Certain Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Certain Services, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any

business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Certain Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Certain Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Certain Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Certain Services, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Certain Services, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.



### **B1. Related Entities**

For the business activity of Certain Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Certain Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Certain Services, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Certain Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Certain Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Certain Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Certain Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

**B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

**Section D – Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Certain Services uses only apportionment, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

**D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

**D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

**E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity of Certain Services and will be transferred to your Form GR-2016 line **3**.

## GR-A-2016 – Clean Technology

Use this form for gross receipts in the business activity of Clean Technology described in Code section 953.2, which is further described in Code section 906.2.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Clean Technology are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Clean Technology in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Clean Technology, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Clean Technology, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Clean Technology, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks

or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Clean Technology, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Clean Technology, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Clean Technology, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Clean Technology, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Clean Technology, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

## **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Clean Technology, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Clean Technology, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Clean Technology, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Clean Technology, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Clean Technology, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Clean Technology, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Clean Technology, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

#### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

#### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

#### **Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Clean Technology uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

#### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

#### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

#### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business activity. These are your San Francisco gross receipts for this business activity.

#### **E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Clean Technology and will be transferred to your Form GR-2016 line **10**.

## GR-A-2016 – Construction

Use this form for gross receipts in the business activity of Construction described in Code section 953.5, which falls in 2012 NAICS Code 23.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Construction are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### A1. Sales

Enter your gross receipts or sales for the business activity of Construction in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### A2. Rent

For the business activity of Construction, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### A3. Royalties

For the business activity of Construction, enter all royalties received or accrued in 2016.

### A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments

For the business activity of Construction, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing

a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### A5. Distributed Amounts from Business Entities

For the business activity of Construction, enter the sum of all distributions from business entities received or accrued in 2016.

### A6. Licensing Fees

For the business activity of Construction, enter the sum of all licensing and related fees received or accrued in 2016.

### A7. Commissions

For the business activity of Construction, enter the sum of all commissions received or accrued in 2016.

### A8. All Taxes and Other Governmentally Imposed Fees

For the business activity of Construction, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### A9. Other Amounts

For the business activity of Construction, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### A10. Subtotal Gross Receipts

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Construction, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Construction, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Construction, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Construction, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Construction, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Construction, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Construction, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6 or line D7. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

### **Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Construction uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business activity.

### **D6. Amounts Paid to Subcontractors**

Your San Francisco gross receipts for the business activity of Construction may be reduced by amounts paid in 2016 to a subcontractor possessing a valid business registration certificate with the City during the tax year to the extent that those amounts were included in line C1 of the “San Francisco” column. Do not subtract any other costs, including, without limitation, costs for materials, fees, equipment, or other services. In order to claim the reduction for payments to subcontractors, you must maintain an itemized schedule of payments to subcontractors and information sufficient to enable the Tax Collector to verify that the subcontractor possessed a valid business registration certificate with the City.

Per Tax Collector Regulation 2016-2, after allocating and apportioning its gross receipts under Section 953.5(c), a construction contractor may reduce its San Francisco gross



receipts for the business activity of construction by any amounts paid to a subcontractor for work performed with respect to property in the City if the subcontractor possesses a valid business registration certificate with the City during the tax year. No reduction is permitted for any other costs, such as materials, fees, equipment or other services, and the reduction may not reduce the construction contractor's taxable gross receipts for the business activity of construction below \$0. To support the reduction, the contractor must provide to the Tax Collector upon request an itemized schedule of payments to the subcontractors and information sufficient to enable the Tax Collector to verify that the subcontractors possessed valid business registration certificates with the City during the tax year.

#### **E1. San Francisco Gross Receipts**

Subtract line **D6** from line **D5** and input in this line. These are your San Francisco gross receipts for the business activity of Construction and will be transferred to your Form GR-2016 line **20**.

## GR-A-2016 – Private Education and Health Services

Use this form for gross receipts in the business activity of Private Education and Health Services described in Code section 953.4, which falls in 2012 NAICS Codes 61 and 62.

This form only displays a “Total” column, as San Francisco gross receipts for Private Education and Health Services are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Private Education and Health Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Private Education and Health Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Private Education and Health Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Private Education and Health Services, enter the sum of all interest,

dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Private Education and Health Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Private Education and Health Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Private Education and Health Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Private Education and Health Services, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Private Education and Health Services, enter the sum of any other amounts received or accrued in 2016, but not

included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

#### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

#### **B1. Related Entities**

For the business activity of Private Education and Health Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

#### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Private Education and Health Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

#### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Private Education and Health Services, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any

other property sold to, or services provided to, such entity.

#### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Private Education and Health Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

#### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Private Education and Health Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

#### **B6. Excludable Taxes**

For the business activity of Private Education and Health Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s

customers and remits to the appropriate governmental entity imposing such tax.

of Private Education and Health Services and will be transferred to your Form GR-2016 line **16**.

### **B7. Other Amounts**

For the business activity of Private Education and Health Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

### **C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

## **Section D – Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Private Education and Health Services uses only apportionment, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

### **E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity

## GR-A-2016 – Financial Services

Use this form for gross receipts in the business activity of Financial Services described in Code section 953.6, which falls in 2012 NAICS Codes 521, 522, and 523.

This form only displays a “Total” column, as San Francisco gross receipts for Financial Services are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Financial Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Financial Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Financial Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Financial Services, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any

business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Financial Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Financial Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Financial Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Financial Services, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Financial Services, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Financial Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Financial Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Financial Services, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Financial Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Financial Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Financial Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Financial Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

## **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

## **C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

## **Section D – Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Financial Services uses only apportionment, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

### **E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity of Financial Services and will be transferred to your Form GR-2016 line **22**.

## GR-A-2016 – Food Services

Use this form for gross receipts in the business activity of Food Services described in Code section 953.2, which falls in 2012 NAICS Code 722.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Food Services are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Food Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Food Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Food Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Food Services, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks

or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Food Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Food Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Food Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Food Services, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Food Services, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.



## **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Food Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Food Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Food Services, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Food Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Food Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Food Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Food Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

**B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

**Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Food Services uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

**D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

**D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

**D3. Apportionment Adjustment**

Multiply line D2 by 50%.

**D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

**D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business activity. These are your San Francisco gross receipts for this business activity.

**E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Food Services and will be transferred to your Form GR-2016 line **8**.

## GR-A-2016 – Information

Use this form for gross receipts in the business activity of Information described in Code section 953.2, which falls in 2012 NAICS Code family 51.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Information are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Information in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Information, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Information, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Information, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing

a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Information, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Information, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Information, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Information, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Information, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Information, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Information, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Information, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Information, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Information, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Information, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Information, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

### **Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Information uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

#### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

#### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

#### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business

activity. These are your San Francisco gross receipts for this business activity.

### **E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Information and will be transferred to your Form GR-2016 line **7**.

## GR-A-2016 – Insurance

Use this form for gross receipts in the business activity of Insurance described in Code section 953.6, which falls in 2012 NAICS Code 524.

This form only displays a “Total” column, as San Francisco gross receipts for Insurance are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Insurance in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Insurance, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Insurance, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Insurance, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness;

and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Insurance, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Insurance, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Insurance, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Insurance, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Insurance, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Insurance, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Insurance, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Insurance, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Insurance, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Insurance, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Insurance, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Insurance, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

**Section D – Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Insurance uses only apportionment, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

**D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

**D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

**E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity of Insurance and will be transferred to your Form GR-2016 line **23**.



## GR-A-2016 – Manufacturing

Use this form for gross receipts in the business activity of Manufacturing described in Code section 953.2, which falls in 2012 NAICS Codes 31, 32, and 33.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Manufacturing are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Manufacturing in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Manufacturing, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Manufacturing, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Manufacturing, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks

or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Manufacturing, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Manufacturing, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Manufacturing, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Manufacturing, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Manufacturing, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

## **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Manufacturing, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Manufacturing, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Manufacturing, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Manufacturing, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Manufacturing, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Manufacturing, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Manufacturing, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

#### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

#### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

#### **Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Manufacturing uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

#### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

#### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

#### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business activity. These are your San Francisco gross receipts for this business activity.

#### **E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Manufacturing and will be transferred to your Form GR-2016 line **5**.

## GR-A-2016 – Professional, Scientific, and Technical Services

Use this form for gross receipts in the business activity of Professional, Scientific, and Technical Services described in Code section 953.6, which falls in 2012 NAICS Code 54.

This form only displays a “Total” column, as San Francisco gross receipts for Professional, Scientific, and Technical Services are determined by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Professional, Scientific, and Technical Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Professional, Scientific, and Technical Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Professional, Scientific, and Technical Services, enter the sum

of all taxes and governmentally imposed fees received or accrued in 2016.

#### **A9. Other Amounts**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

#### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

#### **B1. Related Entities**

For the business activity of Professional, Scientific, and Technical Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

#### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

#### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Professional, Scientific, and Technical Services, enter the sum

of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

#### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

#### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

#### **B6. Excludable Taxes**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;

- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer's customers and remits to the appropriate governmental entity imposing such tax.

#### **B7. Other Amounts**

For the business activity of Professional, Scientific, and Technical Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

#### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

#### **C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

#### **Section D – Apportioned Gross Receipts**

This section applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Professional, Scientific and Technical Services uses only apportionment, the calculation is: Line C1 of your "Total" column multiplied by your apportionment percentage in line D1, which will be input in line D2.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the "Total" column, line C1, by the entry in line D1.

#### **E1. San Francisco Gross Receipts**

Transfer line **D2** to this line. These are your San Francisco gross receipts for the business activity of Professional, Scientific and Technical Services and will be transferred to your Form GR-2016 line **24**.

## GR-A-2016 – Real Estate and Rental and Leasing Services

Use this form for gross receipts in the business activity of Real Estate and Rental and Leasing Services described in Code section 953.7, which falls in 2012 NAICS Code 53.

Do not use this form to file as a lessor of residential real estate (landlord) unless you are taking tax credits or exclusions.

This form only displays a “San Francisco” column, as only gross receipts derived from San Francisco properties are included in San Francisco gross receipts.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Real Estate and Rental and Leasing Services in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Real Estate and Rental and Leasing Services, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all

taxes and governmentally imposed fees received or accrued in 2016.

#### **A9. Other Amounts**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

#### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

#### **B1. Related Entities**

For the business activity of Real Estate and Rental and Leasing Services, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

#### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

#### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all

allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

#### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

#### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

#### **B6. Excludable Taxes**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;



- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer's customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Real Estate and Rental and Leasing Services, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

#### Rent Controlled Unit Deduction

Note: If you are a lessor of residential real estate, you may exclude from total gross receipts in any tax year 50 percent of the total amount received from the rental of real property to tenants in occupancy at any location in San Francisco that is subject to limits on rent increases pursuant to the Residential Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code, Chapter 37, Section 37.1 *et seq.* You may enter the excluded amount in line B7.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

### **C1. Total Allocated Gross Receipts**

Subtract line B8 from line A10.

### **E1. San Francisco Gross Receipts**

Transfer line **C1** to this line. These are your San Francisco gross receipts for the business activity of Real Estate and Rental and Leasing Services and will be transferred to your Form GR-2016 line **26**.

## GR-A-2016 – Retail Trade

Use this form for gross receipts in the business activity of Retail Trade described in Code section 953.1, which falls in 2012 NAICS Codes 44 and 45.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Retail Trade are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Retail Trade in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Retail Trade, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Retail Trade, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Retail Trade, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks

or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Retail Trade, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Retail Trade, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Retail Trade, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Retail Trade, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Retail Trade, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

## **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Retail Trade, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Retail Trade, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Retail Trade, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Retail Trade, enter the sum of all gross receipts received in 2016

from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Retail Trade, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Retail Trade, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Retail Trade, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a

result of any credits, as these will be taken into account after calculating your gross tax liability.

**B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

**Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Retail Trade uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

**D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

**D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

**D3. Apportionment Adjustment**

Multiply line D2 by 50%.

**D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

**D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business activity. These are your San Francisco gross receipts for this business activity.

**E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Retail Trade and will be transferred to your Form GR-2016 line **1**.

## GR-A-2016 – Transportation and Warehousing

Use this form for gross receipts in the business activity of Transportation and Warehousing described in Code section 953.2, which falls in 2012 NAICS Codes 48 and 49. This includes gross receipts from driving a taxi and from driving for a transportation network company. A “transportation network company” is an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Transportation and Warehousing are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### A1. Sales

Enter your gross receipts or sales for the business activity of Transportation and Warehousing in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### A2. Rent

For the business activity of Transportation and Warehousing, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### A3. Royalties

For the business activity of Transportation and Warehousing, enter all royalties received or accrued in 2016.

### A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments

For the business activity of Transportation and Warehousing, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### A5. Distributed Amounts from Business Entities

For the business activity of Transportation and Warehousing, enter the sum of all distributions from business entities received or accrued in 2016.

### A6. Licensing Fees

For the business activity of Transportation and Warehousing, enter the sum of all licensing and related fees received or accrued in 2016.

### A7. Commissions

For the business activity of Transportation and Warehousing, enter the sum of all commissions received or accrued in 2016.

**A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Transportation and Warehousing, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

**A9. Other Amounts**

For the business activity of Transportation and Warehousing, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

**A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

**B1. Related Entities**

For the business activity of Transportation and Warehousing, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

**B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Transportation and Warehousing, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

**B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Transportation and Warehousing, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

**B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Transportation and Warehousing, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

**B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Transportation and Warehousing, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

**B6. Excludable Taxes**

For the business activity of Transportation and Warehousing, enter the sum of all excludable

taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer's customers and remits to the appropriate governmental entity imposing such tax.

#### **B7. Other Amounts**

For the business activity of Transportation and Warehousing, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

#### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

#### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

#### **Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Transportation and Warehousing uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your "Total" column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line

D3, plus (2) Line C1 of your "San Francisco" column multiplied by 50% in line D4.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the "Total" column, line C1, by the entry in line D1.

#### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

#### **D4. Allocation Adjustment**

Multiply the entry in the "San Francisco" column, line C1, by 50%.

#### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business activity. These are your San Francisco gross receipts for this business activity.

#### **E1. San Francisco Gross Receipts**

Transfer line D5 to this line. These are your San Francisco gross receipts for the business activity of Transportation and Warehousing and will be transferred to your Form GR-2016 line 6.

## GR-A-2016 – Utilities

Use this form for gross receipts in the business activity of Utilities described in Code section 953.3, which falls in 2012 NAICS Code 22, and which excludes establishments primarily engaged in waste management services.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Utilities are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### A1. Sales

Enter your gross receipts or sales for the business activity of Utilities in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### A2. Rent

For the business activity of Utilities, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### A3. Royalties

For the business activity of Utilities, enter all royalties received or accrued in 2016.

### A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments

For the business activity of Utilities, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial

instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### A5. Distributed Amounts from Business Entities

For the business activity of Utilities, enter the sum of all distributions from business entities received or accrued in 2016.

### A6. Licensing Fees

For the business activity of Utilities, enter the sum of all licensing and related fees received or accrued in 2016.

### A7. Commissions

For the business activity of Utilities, enter the sum of all commissions received or accrued in 2016.

### A8. All Taxes and Other Governmentally Imposed Fees

For the business activity of Utilities, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### A9. Other Amounts

For the business activity of Utilities, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### A10. Subtotal Gross Receipts

Sum lines A1 through A9.



### **B1. Related Entities**

For the business activity of Utilities, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Utilities, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Utilities, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Utilities, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Utilities, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Utilities, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Utilities, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

### **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

### **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

### **Section D – Allocated/Apportioned Gross Receipts**

This line applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Utilities uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

#### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

#### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

#### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

#### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

#### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business

activity. These are your San Francisco gross receipts for this business activity.

### **E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Utilities and will be transferred to your Form GR-2016 line **13**.

## GR-A-2016 – Wholesale Trade

Use this form for gross receipts in the business activity of Wholesale Trade described in Code section 953.1, which falls in 2012 NAICS Code 42.

This form displays both a “Total” and a “San Francisco” column, as San Francisco gross receipts for Wholesale Trade are determined 50% by allocating gross receipts per Code section 956.1, and 50% by apportioning based on payroll per Code section 956.2.

### **A1. Sales**

Enter your gross receipts or sales for the business activity of Wholesale Trade in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For the business activity of Wholesale Trade, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For the business activity of Wholesale Trade, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For the business activity of Wholesale Trade, enter the sum of all interest, dividends, and other amounts received or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing

a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For the business activity of Wholesale Trade, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For the business activity of Wholesale Trade, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For the business activity of Wholesale Trade, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For the business activity of Wholesale Trade, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For the business activity of Wholesale Trade, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

### **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For the business activity of Wholesale Trade, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For the business activity of Wholesale Trade, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For the business activity of Wholesale Trade, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For the business activity of Wholesale Trade, enter the sum of all gross receipts received in 2016 from a pass-through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For the business activity of Wholesale Trade, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For the business activity of Wholesale Trade, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For the business activity of Wholesale Trade, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these will be taken into account after calculating your gross tax liability.

## **B8. Subtotal Exclusions**

This line sums lines B1 through B7.

## **C1. Total Gross Receipts Before Allocation/Apportionment**

Subtract line B8 from line A10.

## **Section D – Allocated/Apportioned Gross Receipts**

This section applies the appropriate allocation and apportionment methodology to your gross receipts.

Because the business activity of Wholesale Trade uses 50% apportionment and 50% allocation, the calculation is: (1) Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2 and multiplied by 50% in line D3, *plus* (2) Line C1 of your “San Francisco” column multiplied by 50% in line D4.

### **D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

### **D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

### **D3. Apportionment Adjustment**

Multiply line D2 by 50%.

### **D4. Allocation Adjustment**

Multiply the entry in the “San Francisco” column, line C1, by 50%.

### **D5. Allocation and Apportionment Calculation**

Sum line D3 and line D4. This is your allocated and apportioned gross receipts for this business

activity. These are your San Francisco gross receipts for this business activity.

## **E1. San Francisco Gross Receipts**

Transfer line **D5** to this line. These are your San Francisco gross receipts for the business activity of Wholesale Trade and will be transferred to your Form GR-2016 line **2**.

## GR-A-2016 – Miscellaneous Business Activities / Activity Not Listed

Use this form for gross receipts in a business activity not described in any other tax rate category. This situation is described in Code section 953.4.

This form only displays a “Total” column, as San Francisco gross receipts for these miscellaneous business activities are determined by apportioning based on payroll per Code section 956.2.

Write in the activities in the space provided after Activity Not Listed.

### **A1. Sales**

Enter your gross receipts or sales for this business activity in 2016, except for amounts listed on lines A2 through A9. Include gross receipts in the year that they are recognized as gross income for federal income tax reporting purposes. Do not include as gross receipts cash discounts allowed or taken on sales, or cash and credit refunds made to customers for returned merchandise.

### **A2. Rent**

For this business activity, enter the sum of all rental receipts (i.e., rent payments to you), whether received in cash or otherwise, for the lease or rental of real property in 2016, including any payments for services that are part of the lease or rental.

### **A3. Royalties**

For this business activity, enter all royalties received or accrued in 2016.

### **A4. Interest, Dividends, and Other Amounts From the Ownership or Sale of Financial Instruments**

For this business activity, enter the sum of all interest, dividends, and other amounts received

or accrued from the ownership or sale of financial instruments in 2016. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities. To the extent that any loss on the sale or exchange of financial instruments in 2016 reduces your gross income for federal income tax purposes in 2016, you can reduce your gross receipts from the sale or exchange of other financial instruments in 2016 by the amount of that loss, but in no event shall those receipts be less than zero.

### **A5. Distributed Amounts from Business Entities**

For this business activity, enter the sum of all distributions from business entities received or accrued in 2016.

### **A6. Licensing Fees**

For this business activity, enter the sum of all licensing and related fees received or accrued in 2016.

### **A7. Commissions**

For this business activity, enter the sum of all commissions received or accrued in 2016.

### **A8. All Taxes and Other Governmentally Imposed Fees**

For this business activity, enter the sum of all taxes and governmentally imposed fees received or accrued in 2016.

### **A9. Other Amounts**

For this business activity, enter the sum of any other amounts received or accrued in 2016, but not included in lines A1-A8, including, but not limited to, amounts that constitute gross income for federal income tax purposes.

## **A10. Subtotal Gross Receipts**

Sum lines A1 through A9.

### **B1. Related Entities**

For this business activity, enter all amounts received from or charged to any related entity (as defined in Code section 952.5) in 2016.

### **B2. Investment receipts—Interest, Dividends, and Other Amounts**

For this business activity, enter the sum of all interest, dividends, and other amounts received from the ownership or sale of financial instruments and distributions from business entities in 2016, provided such items are directly derived exclusively from the investment of capital and not from the sale of property other than financial instruments or from the provision of services to any person. “Financial instruments” include: (1) stocks or other similar written instruments evidencing a right to participate in the assets of any business; (2) bonds or other evidence of indebtedness; and (3) any other marketable securities.

### **B3. Allocations of Income, Gain, and Distributions From an Investment In a Pass-through Entity**

For this business activity, enter the sum of all allocations of income or gains, or distributions (including returns on capital) in 2016 from an entity treated as a pass-through entity for federal income tax purposes, provided such allocations or distributions are derived exclusively from your investment in such entity, and not from any other property sold to, or services provided to, such entity.

### **B4. Distributed Share of Gross Receipts From a Pass-through Entity Subject to the Gross Receipts Tax**

For this business activity, enter the sum of all gross receipts received in 2016 from a pass-

through entity that is subject to the Gross Receipts Tax.

### **B5. Receipts From the Sale of Real Property Subject to the Real Property Transfer Tax**

For this business activity, enter the sum of all receipts received from the sale of real property in 2016 with respect to which the Real Property Transfer Tax imposed by Article 12-C of the Code has been paid to the City. Per Tax Collector Regulation 2016-1, a person may only exclude from gross receipts those receipts from the sale of real property where the Real Property Transfer Tax imposed by Article 12-C of the Business and Tax Regulations Code was paid with respect to that particular sale by December 31 of the tax year in which the gross receipts at issue would otherwise be subject to the gross receipts tax in Article 12-A-1.

### **B6. Excludable Taxes**

For this business activity, enter the sum of all excludable taxes in 2016. Taxes excluded from gross receipts include only:

- Taxes imposed on or with respect to retail sales;
- Taxes imposed upon a person for which that person is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or customer; and
- Third-party taxes that a taxpayer collects from or on behalf of the taxpayer’s customers and remits to the appropriate governmental entity imposing such tax.

### **B7. Other Amounts**

For this business activity, enter the sum of any other amounts excludable by law if included in lines A1-A9 and not otherwise included in lines B1-B6. Include only amounts excluded as gross receipts, and not any reductions from the Gross Receipts Tax as a result of any credits, as these

will be taken into account after calculating your gross tax liability.

**B8. Subtotal Exclusions**

This line sums lines B1 through B7.

**C1. Total Gross Receipts Before Apportionment**

Subtract line B8 from line A10.

**Section D – Apportioned Gross Receipts**

This section of the form applies the appropriate allocation and apportionment methodology to your gross receipts.

Because this business activity uses only apportionment to determine San Francisco gross receipts, the calculation is: Line C1 of your “Total” column multiplied by your apportionment percentage in line D1, which will be input in line D2.

**D1 – Payroll Apportionment**

Enter the percentage from line E3 of Form BTAX-2016. This is the percentage of your payroll in San Francisco.

**D2. Apportionment Calculation**

Multiply the entry in the “Total” column, line C1, by the entry in line D1.

**E1. San Francisco Gross Receipts**

Transfer line D2 to this line. These are your San Francisco gross receipts for this business activity and will be transferred to your Form GR-2016 line 18.



## Tax Credits, Exclusions, and Limit

San Francisco offers a number of tax credits, exclusions, and a limit on tax liability for qualifying businesses. To file for these credits, exclusions, and limit taxpayers must file the appropriate form with their annual filing.

### Business in a Combined Group Claiming a “Payroll Expense Tax Exclusion” Credit or the Central Market Street Limit

The “Payroll Expense Tax Exclusion” Credit and Central Market Street Limit may be claimed against the Gross Receipts Tax and Payroll Expense Tax liability only of the person who qualified for the underlying Payroll Expense Tax exclusion or credit and not against any liability of related entities or other members of that person's combined group. Therefore, a person in a combined group must establish its Gross Receipts Tax as a single entity.

A business in a combined group may determine its Gross Receipts Tax as a single entity for the purpose of the “Payroll Expense Tax Exclusion” Credit and/or the Central Market Street Limit by following these steps:

- 1) Divide its payroll in the City as a single entity by the combined payroll in the City of its combined group (as the term “payroll” is used in Code section 956.2) to arrive at a percentage. If either the payroll in the City as a single entity or the combined payroll in the City of its combined group is zero, then the percentage is zero.
- 2) Multiply the percentage from step one by the combined group’s calculated Gross Receipts Tax from line 9 of the Gross Receipts Tax Computation Worksheet.

For example, business A is in combined group B. Business A’s payroll in the City is \$1,000,000. Combined group B’s combined payroll in the City

is \$2,000,000. The calculated Gross Receipts Tax for the combined group is \$300,000. Following the steps above, the \$1,000,000 is divided by \$2,000,000 to arrive at 50 percent. The 50 percent is multiplied by \$300,000 to arrive at \$150,000 in Gross Receipts Tax for business A for the purpose of the “Payroll Expense Tax Exclusion” Credit and/or the Central Market Street Limit.

If it is impracticable, unreasonable or improper to determine Gross Receipts Tax as aforesaid because of the particular nature of the business activities of the related entities in the combined group, the Gross Receipts Tax shall be determined based on the relevant facts and circumstances of the particular case, in accordance with any rulings or regulations issued by the Tax Collector for the purpose.

## Form CEL-2016 BIOTECH - Biotechnology Exclusion and Related “Payroll Expense Tax Exclusion” Credit

The Biotechnology Exclusion permits an exclusion from payroll expense for persons meeting the requirements of Code section 906.1, in an amount determined under that Code section. The “Payroll Expense Tax Exclusion” Credit permits a credit against the Payroll Expense Tax and Gross Receipts Tax of the entity generating the Biotechnology Exclusion in an amount equal to the additional Payroll Expense Tax reduction to which the eligible person would have been entitled as a result of the Biotechnology Exclusion if the Payroll Expense Tax had remained in effect at 1.5 percent. You must timely file your Return to take the credit and exclusion.

To file for the Biotechnology Exclusion and related “Payroll Expense Tax Exclusion” Credit, complete and submit your Form CEL-2016 BIOTECH with your Return. Submit a separate Form CEL-2016 BIOTECH for each entity in your combined group that qualifies for the Biotechnology Exclusion, writing the seven (7) digit Business Account Number of the eligible person in the area at the top of the page.

### Section A. Biotechnology Exclusion and Related “Payroll Expense Tax Exclusion” Credit Calculation

**A1.** Input the amount of payroll expense to be excluded from the eligible person’s San Francisco payroll expense due to the Biotechnology Exclusion in Code section 906.1.

This is the Payroll Expense Tax exclusion for the eligible person, and will be input on line C2b of Form BTAX-2016 or Form CG-2016, whichever is applicable, for this person only.

**A2.** Multiply the amount in line A1 by 0.671% (0.00671). This product is the eligible person’s

“Payroll Expense Tax Exclusion” Credit. If this product in line A2 is greater than line B3 below, input line B3 on this line instead.

### Section B. Combined Business Tax Liability Before Credits Calculation

**B1.** Input the eligible person’s Payroll Expense Tax before applying credits (line C3 of Form BTAX-2016 or Form CG-2016, whichever is applicable, for the eligible person).

**B2.** Input the eligible person’s Gross Receipts Tax before applying credits (line 9 of the Gross Receipts Tax Computation Worksheet, or \$0 if you were exempt from the Gross Receipts Tax as a small business). If the eligible person is in a combined group with other related entities doing business in San Francisco, see the instructions above to determine the eligible person’s Gross Receipts Tax as single entity for the purposes of this calculation.

**B3.** Sum the eligible person’s Payroll Expense Tax and Gross Receipts Tax before applying credits (lines B1 and B2).

### Section C. “Payroll Expense Tax Exclusion” Credit – Payroll Expense Tax

**C1.** Divide line B1 by line B3 (i.e., B1/B3). This is the percentage to apply to determine your Payroll Expense Tax credit.

**C2.** Multiply line A2 by line C1. The product is your “Payroll Expense Tax Exclusion” Credit to be applied to the Payroll Expense Tax. It will be summed with other applicable tax credits and input on line C4 of Form BTAX-2016 or Form CG-2016, whichever is applicable. Note: This credit can only be used against the Payroll Expense Tax liability of the eligible person (line B1), and not against the liability of any other members of a combined group. However, any excess credit may be used against any remaining Gross Receipts Tax liability of the eligible person (line B2) after applying the credit in line D2.

**Section D. “Payroll Expense Tax Exclusion”  
Credit – Gross Receipts Tax**

**D1.** Divide line B2 by line B3 (i.e., B2/B3). This is the percentage to apply to determine your Gross Receipts Tax credit.

**D2.** Multiply line A2 by line D1. The product is your “Payroll Expense Tax Exclusion” Credit to be applied to the Gross Receipts Tax. It will be summed with other applicable tax credits and input on Form BTAX-2016, line F3. Note: This credit can only be used against the Gross Receipts Tax liability of the eligible person (line B2), and not against the liability of any other members of a combined group. However, any excess credit may be used against any remaining Payroll Expense Tax liability of the eligible person (Line B1) after applying the credit in line C2.

## Form CEL-2016 CLEAN TECH - Clean Technology Business Exclusion and Related “Payroll Expense Tax Exclusion” Credit

The Clean Technology Business Exclusion permits an exclusion from payroll expense for persons meeting the requirements of Code section 906.2, in an amount determined under that Code section. The “Payroll Expense Tax Exclusion” Credit permits a credit against the Payroll Expense Tax and Gross Receipts Tax of the entity generating the Clean Technology Business Exclusion in an amount equal to the additional Payroll Expense Tax reduction to which the eligible person would have been entitled as a result of the Clean Technology Business Exclusion if the Payroll Expense Tax had remained in effect at 1.5 percent. You must timely file your Return to take the credit and exclusion.

To file for the Clean Technology Business Exclusion and related “Payroll Expense Tax Exclusion” Credit, complete and submit your Form CEL-2016 CLEAN TECH with your Return. Submit a separate Form CEL-2016 CLEAN TECH for each entity in your combined group that qualified for the Clean Technology Business Exclusion, writing the seven (7) digit Business Account Number of the eligible person in the area at the top of the page.

### **Section A. Clean Technology Business Exclusion and Related “Payroll Expense Tax Exclusion” Credit Calculation**

**A1.** Input the amount of payroll expense to be excluded from the eligible person’s San Francisco payroll expense due to the Clean Technology Business Exclusion in Code section 906.2.

This is the Payroll Expense Tax exclusion for the eligible person, and will be input on line C2b of

Form BTAX-2016 or Form CG-2016, whichever is applicable, for this person only.

**A2.** Multiply the amount in line A1 by 0.671% (0.00671). This product is the eligible person’s “Payroll Expense Tax Exclusion” Credit. If this product in line A2 is greater than line B3 below, input line B3 on this line instead.

### **Section B. Combined Business Tax Liability Before Credits Calculation**

**B1.** Input the eligible person’s Payroll Expense Tax before applying credits (line C3 of Form BTAX-2016 or Form CG-2016, whichever is applicable, for the eligible person).

**B2.** Input the eligible person’s Gross Receipts Tax before applying credits (line 9 of the Gross Receipts Tax Computation Worksheet, or \$0 if you were exempt from the Gross Receipts Tax as a small business). If the eligible person is in a combined group with other related entities doing business in San Francisco, see the instruction above to determine the eligible person’s Gross Receipts Tax as a single entity for the purposes of this calculation.

**B3.** Sum the eligible person’s Payroll Expense Tax and Gross Receipts Tax before applying credits (lines B1 and B2).

### **Section C. “Payroll Expense Tax Exclusion” Credit – Payroll Expense Tax**

**C1.** Divide line B1 by line B3 (i.e., B1/B3). This is the percentage to apply to determine your Payroll Expense Tax credit.

**C2.** Multiply line A2 by line C1. The product is your “Payroll Expense Tax Exclusion” Credit to be applied to the Payroll Expense Tax. It will be summed with other applicable tax credits and input on line C4 of Form BTAX-2016 or Form CG-2016, whichever is applicable. Note: This credit can only be used against the Payroll Expense Tax liability of the eligible person (line B1), and not

against the liability of any other members of a combined group. However, any excess credit may be used against any remaining Gross Receipts Tax liability of the eligible person (line B2) after applying the credit in line D2.

**Section D. “Payroll Expense Tax Exclusion”  
Credit – Gross Receipts Tax**

**D1.** Divide line B2 by line B3 (i.e., B2/B3). This is the percentage to apply to determine your Gross Receipts Tax credit.

**D2.** Multiply line A2 by line D1. The product is your “Payroll Expense Tax Exclusion” Credit to be applied to the Gross Receipts Tax. It will be summed with other applicable tax credits and input on Form BTAX -2016, line F3. Note: This credit can only be used against the Gross Receipts Tax liability of the eligible person (line B2), and not against the liability of any other members of a combined group. However, any excess credit may be used against any remaining Payroll Expense Tax liability of the eligible person (Line B1) after applying the credit in line C2.

## Form CEL-2016 EZTC - Enterprise Zone Tax Credit and Related “Payroll Expense Tax Exclusion” Credit

The Enterprise Zone Tax Credit permits a credit against the Payroll Expense Tax for persons meeting the requirements of Code section 906A, in an amount determined under that Code section. The “Payroll Expense Tax Exclusion” Credit permits a credit against the Payroll Expense Tax and Gross Receipts Tax of the entity generating the Enterprise Zone Tax Credit in an amount equal to the additional Payroll Expense Tax reduction to which the eligible person would have been entitled as a result of the Enterprise Zone Tax Credit if the Payroll Expense Tax had remained in effect at 1.5 percent. However, the Enterprise Zone Tax Credit and related “Payroll Expense Tax Exclusion” Credit are no longer available for employees hired on or after January 1, 2014, or for employees hired before January 1, 2014, who were not vouchered on or before December 31, 2014.

The Office of the Treasurer & Tax Collector has sent an Enterprise Zone Tax Credit Calculation Table by email to businesses that have previously filed for the tax credit. Businesses that are eligible for the Enterprise Zone Tax Credit and have not received an Enterprise Zone Tax Credit Calculation Table must go to [http://sftreasurer.org/EZTC\\_2016](http://sftreasurer.org/EZTC_2016) to download and complete the Enterprise Zone Tax Credit Calculation Table for submission with your Annual Return.

To file for the Enterprise Zone Tax Credit and related “Payroll Expense Tax Exclusion” Credit, submit Form CEL-2016 EZTC with your Return. Submit a separate Form CEL-2016 EZTC for each entity in your combined group that qualifies for the Enterprise Zone Tax Credit, writing the seven (7) digit Business Account Number of the eligible person in the area at the top of the page.

## Section A. Enterprise Zone Tax Credit and Related “Payroll Expense Tax Exclusion” Credit Calculation

**A1.** Input the eligible person’s total Enterprise Zone Tax Credit and “Payroll Expense Tax Exclusion” Credit (sum of Column F in the person’s Enterprise Zone Tax Credit Worksheet provided by the Office of the Treasurer & Tax Collector). If this amount in line A1 is greater than line B3, input line B3 instead.

**A2.** Multiply the amount in line A1 by 55.27% (0.5527). This product is the Enterprise Zone Tax Credit for this eligible person, and will be summed with other applicable tax credits and input on line C4 of Form BTAX-2016 or Form CG-2016, whichever is applicable.

**A3.** Multiply the amount in line A1 by 44.73% (0.4473). This product is the “Payroll Expense Tax Exclusion” Credit for this eligible person.

## Section B. Combined Business Tax Liability Before Credits Calculation

**B1.** Input the eligible person’s Payroll Expense Tax before applying credits (line C3 of Form BTAX-2016 or Form CG-2016, whichever is applicable, for the eligible person).

**B2.** Input the eligible person’s Gross Receipts Tax before applying credits (line 9 of the Gross Receipt Tax Computation Worksheet, or \$0 if you were exempt from the Gross Receipts Tax as a small business). If the eligible person is in a combined group with other related entities doing business in San Francisco, see the instructions above to determine the eligible person’s Gross Receipts Tax as single entity for the purposes of this calculation.

**B3.** Sum the eligible person’s Payroll Expense Tax and Gross Receipts Tax before applying credits (lines B1 and B2).

**Section C. “Payroll Expense Tax Exclusion”  
Credit – Payroll Expense Tax**

**C1.** Divide line B1 by line B3 (i.e., B1/B3). This is the percentage to apply to determine your Payroll Expense Tax credit.

**C2.** Multiply line A3 by line C1. The product is your “Payroll Expense Tax Exclusion” Credit to be applied to the Payroll Expense Tax. It will be summed with other applicable tax credits and input on line C4 of Form BTAX-2016 or Form CG-2016, whichever is applicable. Note: This credit can only be used against the Payroll Expense Tax liability of the eligible person (line B1), and not against the liability of any other members of a combined group. However, any excess credit may be used against any remaining Gross Receipts Tax liability of the eligible person (line B2) after applying the credit in line D2.

**D. “Payroll Expense Tax Exclusion” Credit –  
Gross Receipts Tax**

**D1.** Divide line B2 by line B3 (i.e., B2/B3). This is the percentage to apply to determine your Gross Receipts Tax credit.

**D2.** Multiply line A3 by line D1. The product is your “Payroll Expense Tax Exclusion” Credit to be applied to the Gross Receipts Tax. It will be summed with other applicable tax credits and input on Form BTAX-2016, line F3. Note: This credit can only be used against the Gross Receipts Tax liability of the eligible person (line B2), and not against the liability of any other members of a combined group. However, any excess credit may be used against any remaining Payroll Expense Tax liability of the eligible person (Line B1) after applying the credit in line C2.

## Form CEL-2016 CMTE - Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion / Central Market Street Limit

The Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion permits an exclusion from payroll expense for persons meeting the requirements of Code section 906.3, in an amount determined under that Code section. The Central Market Street Limit limits the Payroll Expense Tax and Gross Receipts Tax of the entity generating the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion to what their Payroll Expense Tax liability would have been if the Payroll Expense Tax had remained in effect at 1.5 percent and the Gross Receipts Tax had not been passed. You must timely file your Return to take the exclusion and the limit.

To file for the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion and Central Market Street Limit, submit Form CEL-2016 CMTE with your Return. Submit a separate Form CEL-2016 CMTE for each entity in your combined group that qualifies for the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion, writing the seven (7) digit Business Account Number of the eligible person in the area at the top of the page.

### Section A. Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion and Central Market Street Limit Calculation

**A1.** Input the total San Francisco payroll expense for the eligible person.

**A2.** Input the amount of payroll expense to be excluded from the eligible person's San Francisco payroll expense due to the Central Market Street & Tenderloin Area Payroll Expense Tax Exclusion in Business and Tax Regulations Code section 906.3.

This amount is the Payroll Expense Tax exclusion for the eligible person, and will be applied on line C2b of Form BTAX-2016 or Form CG-2016, whichever is applicable, for this person only.

**A3.** Subtract line A2 from line A1.

**A4.** If line A3 is more than \$280,000, multiply line A3 by 1.5% (0.015) and enter the result. If line A3 is \$280,000 or less, enter \$0. This is the Central Market Street Limit for the eligible person.

### Section B. Combined Business Tax Liability Before Credits Calculation

**B1.** Input the eligible person's Payroll Expense Tax before applying credits (line C3 of Form BTAX-2016 or Form CG-2016, whichever is applicable, for the eligible person).

**B2.** Input the eligible person's Gross Receipts Tax before applying credits (line 9 of the Gross Receipts Tax Computation Worksheet, or \$0 if you were exempt from the Gross Receipts Tax as a small business). If the eligible person is in a combined group with other related entities doing business in San Francisco, see the instructions above to determine the eligible person's Gross Receipts Tax as a single entity for the purposes of this calculation.

**B3.** Sum the eligible person's Payroll Expense Tax and Gross Receipts Tax before applying credits (lines B1 and B2).

### Section C. Central Market Street Limit – Payroll Expense Tax Component

**C1.** Divide line B1 by line B3 (i.e., B1/B3). This is your percentage to determine the portion of the Central Market Street Limit applicable to the Payroll Expense Tax.

**C2.** If line B3 is greater than line A4, multiply line A4 by line C1 and enter the result. Otherwise, enter the amount from line B1. This amount will replace the eligible person's Payroll Expense Tax



before credits on line C3 of Form BTAX-2016 or Form CG-2016, whichever is applicable, to account for the Central Market Street Limit.

**Section D. Central Market Street Limit – Gross Receipts Tax Component**

D1. Divide line B2 by line B3 (i.e., B2/B3). This is your percentage to determine the portion of the Central Market Street Limit applicable to the Gross Receipts Tax.

D2 If Line B3 is greater than line A4, multiply line A4 by line D1 and enter the result. Otherwise, enter the amount from line B2. This amount will replace the eligible person's Gross Receipts Tax before credits on line F2 of Form BTAX-2016 to account for the Central Market Street Limit. If the eligible person is in a combined group with other related entities doing business in San Francisco, this amount must be added to the Gross Receipts Tax before credits of the other related entities that are not the eligible person before being written into line F2 of Form BTAX-2016. See the Tax Credits, Exclusions, and Limit section of this instruction booklet to determine this amount.

## Form AOT-2016

As discussed above, Form AOT-2016 is only used by those businesses that qualify for the Administrative Office Tax in lieu of the Gross Receipts Tax and Payroll Expense Tax. Use this form only if you answered “Yes” to all three questions in Section B of Form BTAX-2016. If you are a combined group, you must attach a list of all related entities engaged in business in San Francisco, including for each entity the Business Account Number (BAN), business name(s), and a percentage to indicate what percent the entity was in the combined group for the filing period (100% if the entity was fully included in the combined group for the entire year).

### Administrative Office Tax Calculation

#### A1. San Francisco Payroll Expense

Write your San Francisco payroll expense.

#### A2. Administrative Office Tax @ 1.4%

Multiply line A1 by 1.4% (0.014) and write the result on this line.

#### A3. Quarterly Installment Payments Made

Input the sum of your San Francisco Payroll Expense Tax and Gross Receipts Tax quarterly installment payments (including all Payroll Expense Tax and Gross Receipts Tax quarterly installment payments made by you or any member of your combined group for periods during which they were a member of your combined group) for tax year 2016.

#### A4. Net Due Prior to Penalties, Interest, or Fees

Subtract line A3 from line A2.

#### A5. Penalties, Interest, and Fees

If the Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, you need to calculate your penalties, interest, and fees to input on this line.

### Penalty, Interest and Fee Calculator Table

Late Filing Penalty	
Late Payment Penalty	
Interest	
Administrative Fee	
Total for Line A5	

#### Late Filing Penalty

If the Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, write \$100 on the line above. Otherwise, enter zero (\$0).

#### Late Payment Penalty

If the payment associated with this Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, enter a late payment penalty consisting of line A4 (net due prior to penalties, interest, or fees) multiplied by 5 percent for each month that the amount is delinquent for the first three months, or 40 percent if the amount is delinquent for four or more months. This instruction is your notification that the tax is delinquent and is subject to the penalties under Code section 6.17-1. If the Tax Collector has not granted an extension, you can use the applicable rate from the table below:

Payment Received After	Payment Received By	Penalty Percentage
2/28/2017	3/31/2017	5% (0.05)
3/31/2017	4/30/2017	10% (0.10)
4/30/2017	5/31/2017	15% (0.15)
5/31/2017		40% (0.40)

Otherwise, enter \$0.

#### Interest

If the payment associated with this Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, interest consisting of the amount from line A4

multiplied by one percent (1%) per month must be added on this line. Otherwise, enter zero (\$0).

#### **Administrative Fee**

If this Return or the payment associated with this Return will not be postmarked or received by February 28, 2017, or May 1, 2017 if granted an extension, an administrative fee of \$55 must be added on this line. Otherwise, enter zero (\$0).

#### **A6. Total Obligation Due / (Overpayment)**

Sum lines A4 and A5 to calculate the total obligation due, net of quarterly installment payments and with penalties, interest, and fees (if applicable). A positive number reflects a balance due. A negative amount reflects an overpayment.

#### **Community Challenge Grant**

If you would like to designate a portion of your tax liability on line A2 to the Neighborhood Beautification and Graffiti Clean-up Fund (also known as the "Community Challenge Grant Program"), you may:

1. Check the box at the left to designate 3.0 percent (0.030) of your tax liability; or
2. Enter an amount in the box at the right up to 3.0 percent of the amount on line A2.

These designations will not increase your tax liability, but will designate a portion of the tax you pay to go to the Community Challenge Grant Program.

#### **Election to Apply Overpayment to Future Periods or Refund Request**

If line A6 reflects an overpayment, you may request to apply the overpayment to a future tax obligations or request a refund from the Office of the Treasurer & Tax Collector. Check the box for applying the overpayment to a future obligation to apply

your overpayment to your future tax obligations. You may check the box to request a refund.

If you do not check a box, you must file a request to apply the overpayment to a future obligation or a refund form and/or claim for refund form within the time period mandated by law or you will forfeit the amount of your overpayment. If you checked the box requesting a refund and do not receive a check from the Tax Collector, you must file a claim for refund form within the time period mandated by law to obtain your refund.

#### **Taxpayer Statement**

Enter the information requested at the bottom of the page and sign the form. If you are an agent of the taxpayer authorized to sign this Return on the taxpayer's behalf, you must have a validly executed Power of Attorney. A Power of Attorney Declaration (Form POA-1), along with instructions as to how to use the form to grant an individual authority to file a Return on behalf of a taxpayer, is available on the website of the Treasurer and Tax Collector at <http://sftreasurer.org/business-form-central>.

By signing the form you are certifying under penalty of perjury that you are the taxpayer (including an officer, general partner, member manager, executor, trustee, fiduciary, or other individual with the authority to bind the taxpayer), or an agent of the taxpayer authorized to sign this Return on behalf of the taxpayer pursuant to a validly executed Power of Attorney, and that you have examined the Return and all accompanying schedules or worksheets and have determined that, to the best of your knowledge and belief, all of the information is true, correct, and compliant with all the requirements in Articles 6, 12, 12-A, and

12-A-1 of the Code. You are also acknowledging that you are providing information in response to a request for financial information pursuant to Code section 6.5-1, and that you are required by law to complete this Return in its entirety and that the Return is subject to audit.

## Form CG-2016

You should only use this form if you are a combined group, or if you (or any portion of your business) were part of a combined group for any portion of the tax year, even if not filing as part of a combined group with this Return. Complete a separate row of this form for each entity engaged in business in San Francisco on whose behalf you are filing this Return. Attach additional sheets if necessary.

By submitting a Form CG-2016 for an entity, you are agreeing to file both Payroll Expense Taxes and Gross Receipts Taxes on behalf of that entity for the portion of tax year 2016 that the entity was a member of your combined group.

This form allows you to enter information to calculate your Payroll Expense Tax liability across multiple members, or if only a portion of an entity is included in this Return.

**Note:** Lessors of residential real estate are treated as separate persons for purposes of the Payroll Expense Tax for each individual building in which they lease residential real estate, and must file separate Returns for each individual building and for their other business activities combined. Lessors of residential real estate may not file as combined groups of related entities, and may use the simplified Form L-2016 instead of Form BTAX-2016 if they are not claiming any tax credits or exclusions.

### **A1. Seven (7) digit Business Account Number**

Enter the entity's seven (7) digit Business Account Number provided by the Office of the

Treasurer & Tax Collector. This number can be found on the entity's Business Registration Certificate.

### **A2. Business Name**

Enter the entity's name. A "doing business as" or DBA name is acceptable.

### **B1. Percent in Combined Group**

Enter the percentage of the entity or portion of the entity's year that is included in this Return. If the entity was fully included in your combined group for the entire year, enter 100%. For lines C2a through C5, enter only the amounts attributable to the portion of the entity or portion of the entity's year that is includable in this Return (see example below).

### **B2. Date Entered Group**

If you are filing this Return on behalf of a combined group, enter the date the entity joined the combined group. If you are not filing this Return on behalf of a combined group, leave this question blank.

### **B3. Date Exited Group**

If you are filing this Return on behalf of a combined group, enter the date the entity exited the combined group. Write "N/A" if the entity had not left your combined group as of December 31, 2016, or is still a member of your combined group. If you are not filing this Return on behalf of a combined group, leave this question blank.

**Example: Partial Member**

Corporation A and Corporation B are unitary with Partnership C, and each owns 30 percent of Partnership C. Partnership C had \$300,000 of San Francisco payroll expense. Under California Franchise Tax rules, Partnership C would be included in Corporation A and B's unitary group to the extent of their combined 60 percent ownership.

In this case, the combined group with Corporation A, Corporation B, and 60 percent of Partnership C should enter 60 percent as the percentage of Partnership C that is included in the Return in column B1. The combined group would enter \$180,000 ( $\$300,000 \times 60\%$ ) of Partnership C's San Francisco Payroll Expense in column C2a. The combined group would have \$180,000 of taxable payroll expense after exclusions with respect to Partnership C (line C2), and would not be subject to the small business tax exemption with respect to Partnership C because Partnership C, as a whole, had over \$280,000 in taxable payroll expense (i.e., the \$180,000 is greater than  $\$280,000 \times 60\%$ ). The combined group would therefore owe \$1,492.20 of Payroll Expense Tax before credits with respect to Partnership C ( $\$180,000 \times 0.829\%$ ) (line C3), and would ultimately owe \$1,492.20 in Payroll Expense Tax after credits and exclusions in column C5 because Partnership C had no credits to include in column C4.

While filing separately for the portion of its business not combined with Corporations A and B, Partnership C should enter 40 percent as the percentage of Partnership C that is included in the Return in column B1. Partnership C would enter \$120,000 ( $\$300,000 \times 40\%$ ) of its San Francisco payroll expense in column C2a. Partnership C would have \$120,000 of taxable payroll expense after exclusions (column C2), and would not be subject to the small business tax exemption because Partnership C, as a whole, had over \$280,000 in taxable payroll expense (i.e., the \$120,000 is greater than  $\$280,000 \times 40\%$ ). Partnership C would therefore owe \$994.80 of Payroll Expense Tax before credits on its separate return ( $\$120,000 \times 0.829\%$ ) (column C3), and would ultimately owe \$994.80 in Payroll Expense Tax after credits and exclusions in column C5 because Partnership C had no credits to include on line C4.

**C1. Number of San Francisco Employees at Year End**

Enter the number of San Francisco employees (full- and part-time) at the end of the period for which you are filing this Return.

**C2a. San Francisco Payroll Expense**

Enter your San Francisco payroll expense for 2016. Article 12-A of the Code provides detailed rules for determining San Francisco payroll expense.

**C2b. Excluded Payroll Expense**

If you qualify to exclude payroll expense from your tax base, enter the amount of your exclusion in line C2b as described in the paragraphs that follow related to each exclusion. There are currently four payroll expense exclusions available to taxpayers: Biotechnology; Clean Technology; Central Market Street and

Tenderloin Area; and Stock-Based Compensation. The following paragraphs will guide you on how to include each exclusion in your Payroll Expense Tax filing. You may only take these exclusions if you are timely filing your Return. Each exclusion only applies to the person eligible for the exclusion, and no other related entities.

**Biotechnology Exclusion**

If applicable, enter the excluded payroll expense from Form CEL-2016 BIOTECH line A1 on this line for the eligible person.

**Clean Technology Business Exclusion**

If applicable, enter the excluded payroll expense from Form CEL-2016 CLEAN TECH line A1 on this line for the eligible person.

### **Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion**

If applicable, enter the excluded payroll expense from Form CEL-2016 CMTE line A2 on this line for the eligible person.

### **Stock-Based Compensation Exclusion**

The Stock-Based Compensation Exclusion permits an exclusion of certain stock-based compensation from taxable payroll expense for persons meeting the requirements of Code section 906.4, in an amount to be determined under that Code section.

Complete and submit your Affidavit Claiming the Payroll Expense Tax Exclusion for Stock-Based Compensation for Tax Year 2016 by January, January 31, 2017. Input the amount of payroll expense you may exclude on your 2016 Payroll Expense Tax statement for the eligible person. There is no Form CEL-2016 for the Stock-Based Compensation Exclusion.

### **C2. Taxable San Francisco Payroll Expense**

Subtract line C2b from line C2a. This is your taxable San Francisco payroll expense after any exclusion(s).

### **C3. Payroll Expense Tax @ 0.829%**

If line C2 is less than or equal to \$280,000, the entity is exempt from paying the Payroll Expense Tax as a small business, and you should enter zero. Otherwise, multiply line C2 by 0.829% (0.00829). This is your Payroll Expense Tax before credits. If you are filing for the Central Market Street Limit, see Form CEL-2016 CMTE for instructions.

NOTE: For related entities that are partially in your combined group, or were only part of the group for part of the year, the small business enterprise exemption of \$280,000 is for the entire entity for the entirety of the tax year. The

example above explains how to account for these situations.

### **C4. Tax Credits**

Enter the Payroll Expense Tax credits from the applicable Form(s) CEL-2016 on this line for the eligible person.

### **C5. Payroll Expense Tax After Credits and Exclusions**

Subtract line C4 from line C3 and enter the result. If less than zero, enter zero. This is the entity's Payroll Expense Tax after credits and exclusions.

Sum all rows of columns C1 through C5 at the bottom of the page and transfer the result to the corresponding cells in Section C on the first page of Form BTAX-2016.

You may complete multiple Forms CG-2016 if you have more entities than one form will allow. Remember to note how many forms you are submitting at the top of the page. Be sure to include all forms or your filing will be considered incomplete and rejected by our office.

### **Alternate Format of Submission**

Taxpayers may submit a spreadsheet in lieu of the Form CG-2016, provided it meets the following criteria:

- 1) Twelve (12) columns, with the header row of each column marked: A1, A2, B1, B2, B3, C1, C2a, C2b, C2, C3, C4, and C5.
- 2) Each row after the header row must be used for an individual member of the combined group.

Spreadsheets not meeting the above requirements will be rejected as incomplete filings. If replacement filings are not submitted by the applicable deadline, penalties and interest will apply.

## Appendix A - Gross Receipts Tax Computation Worksheet

The Gross Receipts Tax Computation Worksheet is designed to help you compute your total Gross Receipts Tax liability before any credits or the Central Market Street Limit by following a sequential, step-by-step computational process for any taxable gross receipts determined in accordance with Code sections 953.1 through 953.7.

To complete the Gross Receipts Tax Computation Worksheet, please follow the following steps:

1. Enter the appropriate amounts in column A "Gross Receipts" from Form GR-2016;
2. Fill in columns B, C, I, II, III, and IV based on the instructions in the pages immediately following the Gross Receipts Tax Computation Worksheet;
3. Multiply each cell in columns I, II, III, and IV by its corresponding tax rate in columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax, and enter the result in those columns;
4. Sum columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax in the respective Subtotal row, line 8.
5. Sum all amounts from the Subtotal row, line 8, in Gross Receipts Tax, line 9. This is your total Gross Receipts Tax before any credits or the Central Market Street Limit.

As a check to confirm that you have correctly followed the instructions above, you can complete the chart on the Gross Receipts Computation Worksheet by following these conceptual instructions:

1. Enter the appropriate amounts in column A "Gross Receipts" from Form GR-2016.
2. Distribute the San Francisco gross receipts from column A line-by-line for each tax rate category with San Francisco gross receipts as follows. Perform the distributions in the same sequence as the Code sections applicable to the tax rate categories.
  - a. For the first tax rate category with San Francisco gross receipts, distribute the San Francisco gross receipts to the indicated tax brackets (columns I through IV);
  - b. For the next tax rate category with San Francisco gross receipts, if any, distribute the taxable gross receipts to the indicated tax brackets, but start with the tax bracket last used and at the point within that tax bracket reached during the last distribution step; and
  - c. Repeat step (b), above, as needed, until you have distributed all San Francisco gross receipts to the applicable tax brackets.
3. Multiply each cell in columns I, II, III, and IV by its corresponding tax rate in columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax, and enter the result in those columns;
4. Sum columns Tier I Tax, Tier II Tax, Tier III Tax, and Tier IV Tax in the respective Subtotal row, line 8.
5. Sum all amounts from the Subtotal row, line 8, in Gross Receipts Tax, line 9. This is your total Gross Receipts Tax before any credits and the Central Market Street Limit.

As an example of the distribution described above, a taxpayer with \$600,000 of San Francisco gross receipts under Code section 953.1, \$900,000 of San Francisco gross receipts under Code section 953.2, and \$2,000,000 of San Francisco gross receipts under Code section 953.3 would distribute its gross receipts as follows:



1. The full amount in cell A1 (Code section 953.1) would be distributed to the Tier I bracket of \$0 to \$1,000,000 (cell I-1). \$400,000 of the Tier I bracket would remain available.
2. The first \$400,000 of the amount in cell A2 (Code section 953.2) would be distributed to the Tier I bracket (cell I-2). Because this fills the Tier I bracket (\$600,000 from Code section 953.1 plus \$400,000 from Code section 953.2), the remaining \$500,000 would be distributed to the Tier II bracket of \$1,000,001 to \$2,500,000 (cell II-2). \$1,000,000 of the Tier II bracket would remain available.
3. The first \$1,000,000 of the amount in cell A3 (Code section 953.3) would be distributed to the Tier II bracket (cell II-3). Because this fills the Tier II bracket (\$500,000 from Code section 953.2 plus \$1,000,000 from Code section 953.3), the remaining \$1,000,000 would be distributed to the Tier III bracket of \$2,500,001 to \$25,000,000 (cell III-3).

Once you have completed the Gross Receipts Tax Computation Worksheet, transfer the amount from line 9 to line F2 of Form BTAX-2016.

## Appendix B – Table of NAICS Codes

Taxpayers deriving gross receipts from business activities both within and outside San Francisco must allocate and/or apportion gross receipts to San Francisco using rules set forth in Business and Tax Regulations Code Sections 956.1 and 956.2. The table below indicates the applicable apportionment and/or allocation methodology for each business activity. The Code is based on the 2012 NAICS classifications.

<b>Code Section (Tax Rate Category)</b>	<b>Business Activity</b>	<b>Description</b>	<b>NAICS</b>	<b>Allocation and/or Apportionment*</b>
§953.1 (1)	Retail Trade	The activity of retailing any type of personal property, generally without significantly transforming its characteristics, and rendering services incidental to the retail sale of property.	44, 45	Allocation and apportionment
§953.1 (1)	Wholesale Trade	The activity of wholesaling property, generally without transformation, and rendering services incidental to the sale of property on a wholesale basis.	42	Allocation and apportionment
§953.1 (1)	Certain Services	Repair and maintenance services, personal and laundry services, and religious, grantmaking, civic, professional and similar organizations that are not otherwise exempt.	811, 812, 813	Apportionment
§953.2 (2)	Manufacturing	The activity of transforming materials, substances or components into new products by mechanical, physical or chemical means; it includes the activity of assembling component parts of manufactured products.	31, 32, 33	Allocation and apportionment
§953.2 (2)	Transportation and Warehousing	The activities of providing transportation of passengers and/or goods, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation.	48, 49	Allocation and apportionment
§953.2 (2)	Information	Producing and distributing information or cultural products; providing the means to transmit or distribute those products; and processing data.	51	Allocation and apportionment
§953.2 (2)	Food Services	The activity of preparing meals, snacks and/or beverages to customer order for immediate on-premises or off-premises consumption; it includes drinking places.	722	Allocation and apportionment
§953.2 (2)	Biotechnology	The activity of biotechnology business as defined in Section 906.1 of Article 12-A.		Allocation and apportionment
§953.2 (2)	Clean Technology	The activity of clean technology business as defined in Section 906.2 of Article 12-A.		Allocation and apportionment
§953.3 (3)	Accommodations	The activity of providing lodging or short-term accommodations for travelers, vacationers, or others.	721	Derived from or related to properties located in or used with the City.

§953.3 (3)	Utilities	The activities of the generation, transmission and distribution of electric power, the distribution of natural gas, the provision and distribution of steam supply, the treatment and distribution of water supply, and the removal of sewage. Excludes establishments primarily engaged in waste management services.	22	Allocation and apportionment
§953.3 (3)	Arts, Entertainment and Recreation	The activity of operating facilities or providing services to meet cultural, entertainment or recreational interests of customers or patrons.	71	Apportionment
§953.4 (4)	Private Education and Health Services	The activity by persons other than governmental agencies of providing instruction and training in any subject, or of providing health care or social assistance for individuals.	61, 62	Apportionment
§953.4 (4)	Administrative and Support Services	The activity of performing routine support activities for the day-to-day business activities of others.	56	Apportionment
§953.4 (4)	Miscellaneous Business Activities (Activity Not Listed Above)	The activities not otherwise exempt and not elsewhere subjected to a Gross Receipts Tax rate or an Administrative Office Tax by Article 12-A-1 of the Code.		Apportionment
§953.5 (5)	Construction	The activity of preparing sites for, subdividing land for, or working on, buildings or engineering projects (including highways and utility systems).	23	Allocation and apportionment
§953.6 (6)	Financial Services	The activities of engaging in or facilitating financial transactions.	521, 522, 523	Apportionment
§953.6 (6)	Insurance	The activities of facilitating or supporting the pooling of risk by underwriting insurance and annuities.	524	Apportionment
§953.6 (6)	Professional, Scientific, and Technical Services	The activity of providing for others, specialized professional, scientific, or technical services that require a high degree of expertise and training.	54	Apportionment
§953.7 (7)	Real Estate and Rental and Leasing Services	The activities of renting, leasing, or otherwise allowing the use of tangible or intangible assets, and the activity of providing related services.	53	Derived from or related to properties located or used in the City.

\* Allocation is used as shorthand for Code section 956.1, "Allocation of Receipts From Real, Personal, Tangible and Intangible Property. Apportionment is used as shorthand for Code section 956.2, "Apportionment of Receipts Based on Payroll."