

Overview



- Voter-approved Prop M allows for \$10 million in license fee eliminations.
- 49 license fees waived.
- Primarily benefits restaurants and nightlife businesses.
- Effective in 2026.

\$10 Million

49 Licenses

Effective 2026



Impact: Direct Small Business Relief



Restaurants

- 91% will no longer receive a license bill.
- At least \$1,400 in annual license fees savings for a mid-size restaurant.
- \$5.1 million in annual savings for industry.

Nightlife

- 87% will no longer receive a license bill.
- At least \$850 in annual license fee savings for a typical business.
- \$675,000 in annual savings for industry.

Reduced Fees for Many Other Small Businesses

• Retailers, supermarkets, food vendors, and more.



Additional Benefits: Beyond Fee Waivers



• Increases the Small Business Exemption (SBE) for Shared Spaces from \$2.5 million to \$5 million.

 Indefinitely extends the waiver of business location and device fees and suspends registration for San Francisco taxi and rideshare businesses.

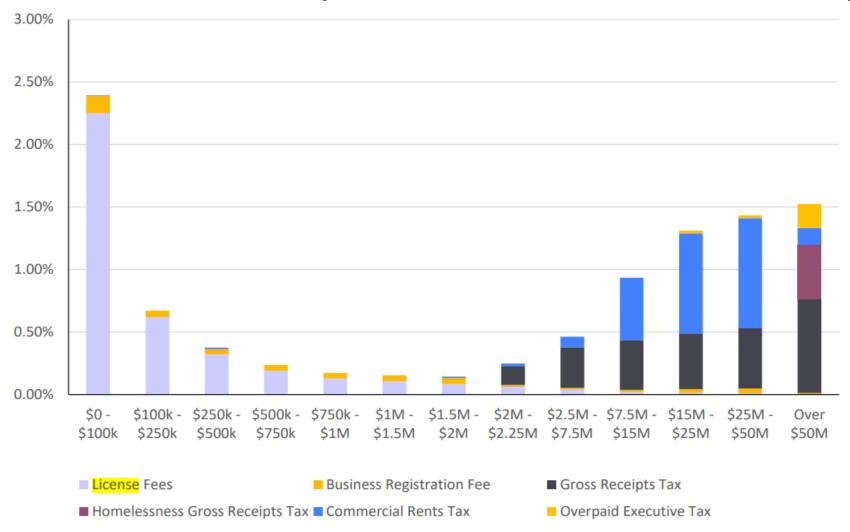
• Amends delinquency date, penalty and interest provisions for license fees.



Why Waive License Fees?



Cumulative Tax and Fee Burden by Size of Business (San Francisco Gross Receipts, 2022-23)



Process



Proposed Tax Reform

- Submitted reform recommendations to the Mayor, President Peskin, and Supervisor Mandelman
- Focused on supporting SF's long-term economy
- Proposition M

ldentified Fee <u>Burdens</u>

- Met with regulatory departments
- Pinpointed fees impacting small businesses

Targeted Fee Reductions

- Annual license fees for brick-and-mortar businesses
- Fees from the Unified License Bill
- Merchandise Display and Tables & Chairs fees
- Continued collaboration with departments to offset revenue losses through General Fund allocations
- Effective in 2026



Thank you!

Questions can also be emailed to: amanda.fried@sfgov.org