June 20, 2014

Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Re: Annual Report to the Board of Supervisors
2013 Payroll Expense Tax Exclusion — Stock-Based Compensation

Dear Ms. Calvillo:

The Tax Collector, pursuant to the provisions of the San Francisco Business and Tax Regulations Code, herewith submits the annual report of businesses that were approved for the Stock-Based Compensation Exclusion from the Payroll Expense Tax for the 2013 calendar year.

Schedule A of the report summarizes the number of businesses approved for the exclusion, the amount of Stock-Based Compensation Exclusion claimed, and the total Payroll Expense Tax forgone due to the exclusion for calendar year 2013. One (1) business was approved for the Stock-Based Compensation Exclusion, and it excluded a total of $37,922,531.00 in payroll expense, which represents $568,837.97 in forgone Payroll Expense Tax.

Schedule B of the report summarizes the Stock-Based Compensation Exclusion for calendar years 2011 through 2013. Compared to the preceding calendar year 2012, results indicate a decrease of 1 business approved for the Stock-Based Compensation Exclusion in San Francisco.

If you have any questions regarding this report, please contact me at (415) 554-7601.

Very truly yours,

David Augustine
Tax Collector

cc: José Cisneros
San Francisco Public Library

Attachment
### TAX COLLECTOR'S ANNUAL REPORT
**STOCK BASED COMPENSATION PAYROLL EXPENSE TAX EXCLUSION**
**CALENDAR YEAR 2013**

**Schedule A**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Businesses Approved</th>
<th>Total SF Employees</th>
<th>Stock Based Compensation Exclusion</th>
<th>Payroll Expense Tax Forgone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1</td>
<td>1336</td>
<td>$37,922,531.00</td>
<td>$568,837.97</td>
</tr>
</tbody>
</table>

### TAX COLLECTOR'S ANNUAL REPORT
**STOCK BASED COMPENSATION PAYROLL EXPENSE TAX EXCLUSION**
**CALENDAR YEARS 2011 THROUGH 2013**

**Schedule B**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Businesses Approved</th>
<th>Total SF Employees</th>
<th>Stock Based Compensation Exclusion</th>
<th>Payroll Expense Tax Forgone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
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<td>1975</td>
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<td>2012</td>
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<td>2134</td>
<td>$223,527,383.00</td>
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<tr>
<td>2013</td>
<td>1</td>
<td>1336</td>
<td>$37,922,531.00</td>
<td>$568,837.97</td>
</tr>
<tr>
<td></td>
<td>Change from 2012 to 2013</td>
<td>(1)</td>
<td>($185,604,852.00)</td>
<td>($2,784,072.78)</td>
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</tbody>
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