

Community Accountability Program

San Francisco's Fair Share
Millionaire tax incentives
program

What will the Community Accountability Program do ?

This tax incentive program is **only for residents that earn over 2 million in total earning after taxes and residents who have bank accounts totaling over 2 million from the past tax season.** This will provide incentives for the more affluent residents of San Francisco to donate into their community, and provide them more control over where their potential tax dollars are going to. This is **not your typical Surtax millionaire proposal**, but a proposal that will give more sovereignty over where their money.

The City and County of San Francisco will be required to put out a list of **approved non-profits, city beautification projects, and other city departments.** Whom each have to submit a written and video explanation on their plans of their use of the donation money. **The money given to these programs are considered donations and can be used as a deduction on federal taxes.**

Why should we consider this?

The City of San Francisco depends heavily on the taxation of property and business, and this tax programs aim to end that dependency. **By reducing Property, Business and Realty transfer tax and replacing it with a “Millionaire tax”.** We will ease the real estate market and lower the cost of doing business. Two areas were the city is hurting the most.

Exhibit 17: Projected Citywide General Fund Tax Revenue Sources by Type, FY 2022-23

Tax Revenue Category	Projected FY 2022-3 General Fund Tax Revenue (Millions)	% Total
Property Tax	\$2,449.2	56.2%
Business Tax	848.9	19.5%
Real Property Transfer Tax	233.8	5.4%
Hotel Room Tax	264.9	6.1%
Sales Tax	201.4	4.6%
Utility Users Tax	108.2	2.5%
Parking Tax	80.2	1.8%
Executive Pay	100	2.3%
Other	74.70	1.7%
Total	\$4,361.30	100.0%

Most of San Francisco’s Tax revenue comes from taxing property and businesses. Two areas were we are seeing the most hardship. Alleviating these taxes and replacing them with a “Millionaire tax” would provide more open capital for all tax bracket to spend.

Source: San Francisco Controller, *Six-Month Budget Status Report*. February 2023.

Notes: “Other” includes Access Line Tax, Sugar Sweetened Beverage Tax and Stadium Admission Tax.

How does this all work? Let's use an example....

Yearly time limit: When you receive your tax returns until you file your taxes the next tax season.

For example, you made a total of 5.6 Million in net incomes after taxes.

Your choices:

- To use 5% (\$ 270,000) of that income to provide donations for city approved projects and organizations
- Or be charged 10% (540,000) the next tax season

Suppose we eliminate San Francisco's Property tax, we would be **under 2.5 Billion in Tax revenue.**

Reports say we have around 250,000 millionaires, and suppose all of them earn or save saved exactly 2 million. The city would get **\$25 Billion in tax revenue, almost a 900% percent increase.**

How will this be enforced?

A 10% local tax will be already be included in your yearly taxes, and you will be provided with paperwork that you must file to prove that you have used 5% of your income for city approved projects. Once filed you will be given full deduction from that 10% local tax rate.

Sources and Reading Material

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