

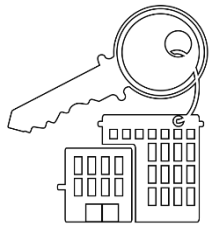
# San Francisco Considers the Controversial Homeless and Housing Impact Technology Tax

## Details of the Tax and Who It Would Affect



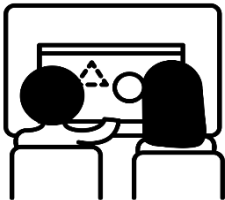
### The Homeless and Housing Impact Technology Tax

- Introduced by Supervisor Eric Mar and co-sponsored by Supervisors Aaron Peskin and David Campos, the Homeless and Housing Impact Technology Tax, referred to as the Tech Tax, would impose a **1.5% payroll tax to workers in tech companies**
- The tax is estimated to amount to **\$120 million in annual revenue**, and would be used to aid the city's **homelessness problem** and the housing **"affordability crisis"**
- In order for the measure to appear on the ballot, it will need the approval of at least **six of the eleven** San Francisco supervisors, who could vote on the initiative as early as August



### Why is the Tax Being Proposed?

- The rising housing costs in San Francisco that have left some locals in difficult situations have been attributed in part to the **influx of employees in the tech industry**
- Five years ago, some tech companies accepted what was labeled the **"Twitter tax break,"** where they were offered a **break from payroll taxes** to move to a part of Market Street in an effort to revitalize the area
- TIME reports that as these new shops moved into the area, nonprofits and poorer residents were **"pushed out"**



### Who Will Be Affected By the Tax?

- Tech companies located in San Francisco with gross receipts of \$1 million or greater will be susceptible to the tax, including **Twitter, Salesforce, and Zendesk**
- Employees working in **Silicon Valley** would not be affected
- UC Hastings College of the Law Professor Leo Martinez has noted that **drawing the line on what would be considered a "tech" company** under this tax would be a complicated process

Terry Collins, "Twitter Among SF Tech Companies That May Face New Payroll Tax," CNET, June 29, 2016; San Francisco Business Times, 2016; Emily Green, "3 SF Supervisors Move to Put Tech Tax on November Ballot," SFGate, June 29, 2016; Thomas Fuller, "San Francisco Considers Tax on Tech Companies to Pay for Boom's Downside," New York Times, July 4, 2016; Ted Goldberg, "Mayor, Business Groups Line Up to Fight S.F. Tax Proposal," KQED News, June 29, 2016; Katy Steinmetz, "San Francisco 'Tech Tax' Proposal Shows 'Deep Divide In the City,'" TIME, June 29, 2016; Noun Project, 2016.

# Tech Tax Debate Has Strong Voices on Both Sides

## What Community Leaders Have to Say About the Tech Tax

Pro-Tech Tax	Who	What They're Saying	Anti-Tech Tax	Who	What They're Saying
	San Francisco District 1 Supervisor Eric Mar	"It is time San Francisco's big tech companies are paying their fair share to address the impacts of housing and homelessness in our city... It's merely asking then to address the issues that they are a part of causing."		San Francisco Citizens Initiative for Technology and Innovation	"Extorting more money from an industry who has helped ensure that we have the lowest unemployment rate in the country is ludicrous. We need engagement and innovative partnerships, not finger-pointing and divisiveness." – Alex Tourk, Spokesman
	Causa Justa, a nonprofit helping SF residents threatened with eviction	"Billions of dollars of venture capital have poured into the city and pushed our people out." – Maria Poblet, Executive Director		San Francisco Chamber of Commerce	"Singling out one industry and punishing its success is not the way to create and maintain a thriving economy." – Juliana Bunim, Spokeswoman
	Jobs with Justice, a union rights organization	"All of our folks are facing displacement, and this is due in large part to the tech boom." – Kung Feng, Lead Organizer		San Francisco District 2 Supervisor Mark Farrell	"During a time when it's looking increasingly like we're heading towards a recession, to put a job-killing tax on the ballot is the worst idea I can think of."

Thomas Fuller, "San Francisco Considers Tax on Tech Companies to Pay for Boom's Downside," New York Times, July 4, 2016; Ted Goldberg, "Mayor, Business Groups Line Up to Fight S.F. Tax Proposal," KQED News, June 29, 2016; Katy Steinmetz, "San Francisco 'Tech Tax' Proposal Shows 'Deep Divide In the City,'" TIME, June 29, 2016.