

Central Market/Tenderloin Payroll Tax Exclusion

Payroll Tax Exclusion Area



Office Market Within Exclusion Area

- 3.3 million square feet contained within 73 office buildings
- 1.3 million square feet (40%) available as of April 2011
- Select large buildings included in the Area: 1355 Market, 875 Stevenson, 25 Taylor, 1035 Market, 995 Market, 979-989 Market, 982-998 Market (Warfield)
- Large buildings excluded from the Area: 1455 Market (BOA), 1275 Market (State Comp), 1145 & 1155 Market (PUC), 10 UN Plaza

Summary of Current Payroll Tax

- 1.5% tax on total payroll for work and services performed in San Francisco.
- Exemptions include:
 - » Businesses with total payroll less than \$250,000
 - » Certain biotechnology and cleantech firms
 - » Qualifying film productions
 - » Nonprofit organizations
 - » Central Market/Tenderloin Payroll Tax Exclusion area

Central Market/Tenderloin Payroll Tax Exclusion

- The effective date of the Central Market/Tenderloin Payroll Tax Exclusion is April 20, 2011 and is available for a period of 8 years. Individual businesses may claim the exclusion for a maximum of 6 years.
- Any business subject to payroll tax and located within the Central Market/Tenderloin Payroll Tax Exclusion area (see map) is eligible.
- Payroll tax exclusion is limited to that amount above the business's tax "Base Year". Base year means:
 - » For businesses already located in the tax exclusion area on the effective date, the Base Year is 2010.
 - » For businesses located elsewhere in San Francisco that move into the tax exclusion area after the effective date, the Base Year is the full tax year for the year prior to entering into a lease agreement or buying real property in the area.
 - » For businesses located outside of San Francisco that subsequently relocate to the tax exclusion area, the Base Year is their first full tax year in the area.
- Any business with payroll expenses over \$1 million must negotiate a community benefits agreement with the City in order to claim the payroll expense tax exclusion.

For more information visit OEWD web site: http://www.owd.org/Central_Market.aspx

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