

San Francisco's 2011 Clean Technology Payroll Expense Tax Exclusion

Payroll expense tax exclusions are available for Clean Technology (CT) businesses that meet the City's eligibility criteria.

"CLEAN TECHNOLOGY BUSINESS"

A business in which at least seventy-five percent of all business activities carried on during the tax year are directly related to one or more of the following activities:

- Research and development and/or associated manufacturing applying scientific advances to the production, distribution or storage of clean energy; or
- Research and development and/or associated manufacturing applying scientific advances to prototype or commercially viable materials and products powered by clean energy, including but not limited to single passenger vehicles and fueling infrastructure; or
- Research and development and/or associated manufacturing applying scientific advances to prototype or commercially viable techniques, materials and products that materially improve energy efficiency, water conservation or air quality; or
- Research and development, manufacture and/or installation of solar panels.

"CLEAN ENERGY"

Energy produced by wind, solar energy, landfill gas, geothermal resources, ocean thermal energy conversion, quantifiable energy conservation measures, tidal energy, wave energy, biomass, biofuels, or hydrogen fuels derived from renewable sources. Clean Energy does not include:

- Any fossilfuel-based energy production, including but not limited to clean coal, clean diesel, natural gas and hydrogen from natural gas;
- Any nuclear based energy production;
- Waste to energy via combustion or incineration; or/and
- Other technologies that are detrimental to human health.

"SAN FRANCISCO GREEN BUSINESS"

A business recognized by the City and County of San Francisco upon meeting stringent pollution prevention and resource conservation standards established by the City. Visit www.sfgreenbusiness.org.

ELIGIBILITY CRITERIA

In order to qualify for payroll exclusion, businesses must:

1. Meet the above definition of a CT business
2. Employ a full-time staff of not more than one hundred employees
3. Become a recognized San Francisco Green Business
4. Submit all the application materials by the deadline

San Francisco Ordinance Number 249-05



Edwin M. Lee, Mayor
Melanie Nutter, Director

SFEnvironment.org/cleantechnology
(415) 355-3700



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APPLICATION PROCESS

STEP 1

Meet the eligibility criteria (above) including obtaining the Green Business Program recognition. The process of becoming a recognized Green Business could take up to 6 months to complete.

STEP 2

Submit the application by the deadline.

- If you are a first time applicant submit the following:
 1. Application Form for Payroll Tax Exclusion (attached and available at http://bit.ly/payroll_tax_application);
 2. A letter stating why your business qualifies;
 3. A company brochure/document that describes your CT product or service.

Submit completed materials electronically to Sushma.bhatia@sfgov.org by 12/31 for eligibility in the current calendar year (ie: deadline for 2012 exclusion is 12/31/2011)

- Businesses Renewing their CT payroll exclusion need only submit the annual renewal form. See Step 4.

Once your application is approved, you will receive a "Certificate of Eligibility".

STEP 3

File your payroll expense tax return.

- Payroll Expense Tax Returns must be filed each year, by the end of February, for the preceding tax year (ie: your tax return for 2011 is due February 29, 2012. For more information visit the Treasurer & Tax Collector's website: <http://www.sftreasurer.org/index.aspx?page=23>
- When filing your payroll expense tax return electronically, please indicate that your business is a CT business when prompted.

STEP 4

Renew your application annually.

- If your business has previously qualified for this payroll tax exclusion, you need only submit an annual renewal form to confirming that the eligibility criteria continue to be met.
- Annual Renewal forms to claim the payroll expense tax exclusion must be submitted by January 31 of the following year. For instance, if your business wishes to claim payroll tax exemption for year 2011 (based on a previous qualification as an eligible business), you must submit the Renewal Form by January 31, 2012.

Submit all materials electronically Sushma.Bhatia@sfgov.org

RESOURCES

Program Overview and Cleantech Industry Liaison:
Natosha Safo, Office of Economic & Workforce Development
Natosha.Safo@sfgov.org, (415) 554-6425

Questions about the Green Business Program:
Anna Frankel, Department of the Environment
Anna.Frankel@sfgov.org, (415) 355-3778

Questions about the review and determination process:
Sushma Bhatia, Department of the Environment
Sushma.Bhatia@sfgov.org, (415) 355-3758

Questions about payroll expense tax filing:
Loretta Lieberman, Office of the Treasurer & Tax Collector
Loretta.Lieberman@sfgov.org, (415) 554-7339



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