

1 [Additional Penalty for Underreporting Tax by Twenty-Five Percent or More.]

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3 Ordinance amending Section 6.17-2 of the Business and Tax Regulations Code by
4 ~~adding an additional "substantial underreporting" penalty equal to fifty percent of the~~
5 ~~unreported tax for underreporting a tax liability by twenty-five percent or more.~~

6 Note: Additions are single-underline italics Times New Roman;
7 deletions are ~~strikethrough italics Times New Roman~~.
8 Board amendment additions are double underlined.
9 Board amendment deletions are ~~strikethrough-normal~~.

9 Be it ordained by the People of the City and County of San Francisco:

10 Section 1. The San Francisco Business and Tax Regulations Code is hereby amended
11 by amending Section 6.17-2, to read as follows:

12 SEC. 6.17-2. PENALTIES FOR UNDERREPORTING OF TAX.

13 (a) Penalties for taxpayer negligence. If the Tax Collector determines that all or part of
14 any tax required to be reported on any return was underreported and that such underreporting
15 was attributable to negligence or intentional disregard of rules and regulations, the Tax
16 Collector may impose a penalty upon the taxpayer in the amount of 5 percent of the amount of
17 the underreported tax, in addition to the tax or amount of tax, if the negligence or intentional
18 disregard of rules and regulations is for not more than one month, with an additional 5 percent
19 for each month or fraction of a month during which such negligence or intentional disregard of
20 rules and regulations continues, up to 20 percent in the aggregate.

21 (b) Penalties for intentional disregard of rules, fraud, or intent to evade tax. When it is
22 determined by the Tax Collector that all or part of any tax required to be reported on any
23 return was underreported and such underreporting was attributable to fraud or an intent to
24 evade the Business and Tax Regulations Code, the Tax Collector may impose a penalty upon
25

1 the taxpayer in the amount of 50 percent of the amount of the underreported tax. The
2 taxpayer or other person determined to be liable for penalties pursuant to this Section are
3 entitled to a notice of such determination to be issued in accordance with the provisions of
4 Section 6.11-1 et seq. and to the appeal rights set forth in Sections 6.13-1 et seq.

5 (c) Additional penalty for substantial underreporting.

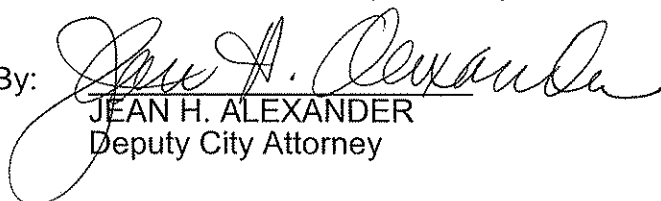
6 (1) For purposes of this section, "substantial underreporting of tax" means the tax finally
7 determined by the Tax Collector under Articles 7, 9, 10, 10B, 11, or 12-A, of this Business and Tax
8 Regulations Code exceeds the amount of tax reported on a taxpayer's original or amended return for a
9 taxable period by 25 percent or more.

10 (2) If the Tax Collector determines that a taxpayer has made a substantial underreporting of
11 tax for any taxable period, the Tax Collector may impose an additional penalty in an amount equal to
12 50 percent of the tax attributable to the substantially underreported amount. The penalty for
13 substantial underreporting is in addition to any other penalty imposed under this Article 6.

14 (3) The additional penalty for substantial underreporting applies to all taxable periods ending
15 on or after the effective date of this Ordinance.

16 (4) ~~The City shall use no less than 50% of the penalties collected pursuant to this~~
17 ~~subsection (c) for technology costs in the Office of the Treasurer—Tax Collector related to~~
18 ~~collection of business taxes, fees and licenses.~~

19
20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: 
23 JEAN H. ALEXANDER
24 Deputy City Attorney
25



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 100247

Date Passed: May 11, 2010

Ordinance amending Section 6.17-2 of the Business and Tax Regulations Code by adding an additional "substantial underreporting" penalty equal to fifty percent of the unreported tax for underreporting a tax liability by twenty-five percent or more.

May 04, 2010 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

May 11, 2010 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 100247

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 5/11/2010 by the Board of Supervisors of the City and County of San Francisco.



Mayor Gavin Newsom



Angela Calvillo
Clerk of the Board

5/21/2010

Date Approved