

March 2, 2026

To: Ballot Simplification Committee  
Re: Comments on Draft Digest for “Decreases to Business Taxes”

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To ensure voters understand the measure, and to ensure that the operation of the measure is accurately described, the following changes must be made to the Digest for the measure tentatively provided the working title “Decreases to Business Taxes”:

**Revise the first bullet point under “The Proposal” to delete the final phrase, “~~and Top Executive Pay Tax.~~”**

- Small businesses are already exempt from the Top Executive Pay Tax. The Initiative does not create a new exemption to the Top Executive Pay Tax.
- To the extent that this language is to remain in the Digest, it must be revised to clearly clarify that small businesses are already exempted from the Top Executive Pay Tax. For example:
  - Exempt most small businesses with up to \$7.5 million in San Francisco gross receipts from the Gross Receipts Tax. Small Businesses would continue to be exempt from the ~~and~~ Top Executive Pay Tax.

**Revise the second bullet point under “The Proposal” to delete the final clause, “~~and moving forward, with no scheduled increases for subsequent years.~~”**

- This language suggests that the Initiative eliminates further scheduled increases of the Top Executive Pay Tax rate. It does not. As accurately noted in the first portion of this bullet, the Initiative accelerates the scheduled 2028 increase.
- Current law does not impose any scheduled increases beyond 2028, and the initiative does not change that. It simply accelerates and reaffirms the ultimate scheduled increase already approved by San Francisco voters in 2028.