

PROTECT LOCAL JOBS



March 2, 2026

To: Ballot Simplification Committee

Re: “Increases to Business Tax Based on Comparison of Top Executive’s Pay to Employees’ Pay”

To ensure voters understand the extent of the changes made by the measure tentatively provided the working title “Increases to Business Tax Based on Comparison of Top Executive’s Pay to Employees’ Pay,” the following changes should be made for the Digest for that measure:

Revise the first paragraph under “The Proposal” to clearly communicate (1) that the changes proposed by the Initiative would subject businesses with no employees in San Francisco to the Top Executive Pay Tax for the first time, and (2) use the compensation of employees outside San Francisco to determine which businesses are subject to the tax and at what rates.

- Currently, only the compensation of San Francisco employees is considered when determining whether a business is subject to the Top Executive Pay Tax.
- The Initiative , however, would require that compensation for *all employees* of a business—not just those in San Francisco—be considered. This is an extremely significant change to the formula for determining which businesses are subject to the Top Executive Pay Tax , and further explanation is needed to ensure that voters understand this change.
- As such, the first paragraph under “The Proposal” should be revised as follows:
“Beginning in 2027, the proposed measure would impose the Top Executive Pay Tax on certain large businesses when their highest-paid managerial employee earns more than 100 times the median compensation paid to their employees, using the median pay of all the businesses’ employees globally, not just their San Francisco employees—, changing the methodology for determining which businesses are subject to the tax and how much they pay.”

PROTECT LOCAL JOBS

