



Annual Report

DATE: October 31, 2025
TO: Board of Supervisors
RE: Gross Receipts Tax Credit for Opening a Physical Location in Designated Areas in the City

This report is submitted in accordance with Section 960.1(h)(1) of Article 12-A-1 of the Business and Tax Regulations Code, which requires the Tax Collector to report to the Board of Supervisors aggregate information on the dollar amount of the Gross Receipts Tax credit taken each year and the number of businesses taking the credit.

The tax credit applies to qualifying businesses that open a physical location in Designated Areas on or after January 1, 2023. Qualifying businesses may claim the credit in the tax year immediately following the year in which the location was opened.

Based on returns filed for the 2024 tax year, no businesses claimed the credit. Accordingly, we report the following:

Number of businesses taking the credit: 0
Dollar amount of credits taken: \$0

New Deadline for Future Reports

The Office of the Treasurer & Tax Collector will continue to monitor participation in this program and report updates to the Board of Supervisors. In accordance with changes made with the passage of Proposition M in November 2024, including Section 960.1(h)(2) of Article 12-A-1 of the Business and Tax Regulations Code, future reports covering tax years 2025 through 2028 will be submitted by March 31 of the calendar year two years following each tax year. Accordingly, the next report covering the 2025 tax year will be submitted by March 31, 2027.