

San Francisco's 2011 Clean Technology Payroll Tax Exclusion

Payroll 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



SFEnvironment

Our home. Our city. Our planet.
A Department of the City and County of San Francisco

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 tax return.

- Payroll 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 28, 2012. For more information visit the Treasurer & Tax Collector's website: <http://www.sftreasurer.org/index.aspx?page=23>
- When filing your payroll 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 payroll tax exclusion, you need only submit an annual renewal form to confirming that the eligibility criteria are continuing to be met.
- Annual Renewal forms to claim payroll 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:
Natasha Safo, Office of Economic & Workforce Development
Natasha.Safo@sfgov.org, (415) 554-6425

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

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

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



Edwin M. Lee, Mayor
Melanie Nutter, Director

SFEnvironment.org/cleantechnology
(415) 355-3700



SFEnvironment
Our home. Our city. Our planet.
A Department of the City and County of San Francisco



SF Environment

Our home. Our city. Our planet.

Certificate of Eligibility

Clean Tech for Payroll Tax Exclusion

NAME OF BUSINESS:

STREET ADDRESS:

ZIP CODE:

We have verified that **[business name]** qualifies as a Clean Energy Technology business and that it meets the payroll tax exclusion eligibility criteria as defined in Business and Tax Regulation Code section 906.2 for the tax year **[year]**.

DATE:

SIGNATURE:

NAME:

TITLE:



SF Environment
Our home. Our city. Our planet.

Annual Renewal Affidavit for Payroll Tax Exclusion
for qualified Clean Energy Technology businesses

SF Business & Tax Regulation Code §906.2

Tax Year:

(Deadline: January 31 to claim payroll exclusion for the preceding tax year)

NAME OF THE BUSINESS: _____

I, [person's full name], declare:

1. I am [person's position in the business]. I can be reached at [phone number].

2. I have personal knowledge of the following facts. As to those facts, I believe them to be true. If called upon to testify, I could and would testify competently to the contents of this affidavit.

3. All the information stated in my original Application Form for Payroll Tax Exclusion (submitted in [year of original submission]) is still valid, including the following:

- The business employs between 10 and 100 employees.
- Over 75 % of the business's activities during the tax year directly relate to clean energy technology as defined in Business and Tax Regulation Code section 906.2.
- The business was a recognized San Francisco Green Business that met the San Francisco green business standards during the tax year for which the payroll tax exemption is requested.
- The business is in possession of a current registration certificate pursuant to Article 12 Section 853 of the Business and Tax Regulation Code and has all necessary permits and approvals to operate in San Francisco.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: _____

PRINTED NAME

SIGNATURE