

CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 334

December 3, 1968

SAN FRANCISCO BUSINESS TAX

Syllabus:

The San Francisco Business Tax imposed for the privilege of engaging in business within San Francisco is deductible and, when paid by financial corporations, is an allowable offset against the franchise tax.

The San Francisco Business Tax imposed on all businesses performed or professions practiced within San Francisco is either measured by gross receipts or not measured by income or profits. Accordingly, under the provisions of Section 17204 of the Personal Income Tax Law and Section 24345 of the Bank and Corporation Tax Law, the tax is deductible. When paid by a financial corporation, the tax is an allowable offset against the franchise tax in accordance with Section 23814(c) of the Bank and Corporation Tax Law.