

Parking Tax

Definition and Examples

An increase in the tax on privately-owned parking lots.

The City currently imposes a 25% tax on total parking charges for all off-street parking throughout the City, generating \$84 million per year. This tax would assume an increase to the current rate.

Establishment and Administration

This tax can be proposed as either a general tax or a dedicated tax increase. Upon majority approval by the Board of Supervisors, a general tax version of this proposal would require a 50% majority of San Francisco voters, while a dedicated version of this proposal would require a 2/3rds majority of San Francisco voters.

Parking lot owners or their operators collect the tax and it is remitted to the Treasurer Tax Collector. Changes to the rate would not impose any additional administrative burden to the City.

Expenditures

In November 2006, voters approved Proposition A, which stipulates that 80% of parking tax revenues would be apportioned to the San Francisco Municipal Transportation Agency (SFMTA). Revenue generated by a general tax increase could be used for any City purposes. The tax increase could also be dedicated for specific City transportation purposes.

Revenues

Revenue estimates are based on current parking tax collections. An increase in the parking tax rate by 0.5% - 1% would generate approximately:

- First year (2018/19): \$1.5 - \$3 million annually
- 25-year total (in \$2017): \$37.5 - \$75 million

In recent years, this has been a declining revenue source. A combination of factors are contributing to the decline in the tax base including the reduction of surface lots and the increased use of ride sharing leading to lower demand for parking spaces.

Policy and Equity Considerations

The City's parking tax is the highest of any California city. The next highest rate is Oakland at 18.5%. Currently, 80% of all parking tax revenue goes to the SFMTA, while the rest goes to the General Fund.

Increase the tax on parking can impact the demand for parking, and potentially encourage the use of alternative modes of transportation. Ride-sharing and autonomous vehicles may impact future demand for parking in San Francisco, and have an impact on future revenues as well.

User fees are typically considered regressive, because they take a larger percentage of income from low-income groups than high-income groups. In San Francisco, however, lower income groups own disproportionately fewer automobiles than the population as a whole, and as such may bear a smaller burden of these fees. Further, there are typically other options available for parking beyond privately-owned parking lots.