



CITY of SAN FRANCISCO

MANAGING THE TAX COMPLEXITIES FOR YOUR DISTRIBUTED WORKFORCE

The COVID-19 pandemic has had profound implications in terms of where employees work, and the ensuing tax, legal, and liability considerations companies must factor into their operating model.

According to a June 2020 PwC study, 54% of CFOs would make remote work a permanent option for their employees. The tax implications for distributed workforces in the San Francisco and adjacent counties can be significant, and so could be the savings. With Topia's tax & compliance application, - Compass - you have the potential to avoid significant tax overpayments and penalties, and avoid lengthy and costly audits by providing high-accuracy and audit-proof data.

San Francisco City applies a number of taxes (up to 2.2% of gross receipts) based on where your employees are working - and with more people working from home outside of the city limits - you may be unintentionally overpaying taxes.

San Francisco City Tax Facts

(Related to employee working location)

Proposition L (Executive Salary) Tax – in effect 1/1/22
0.6% (up to) of gross receipts when CEO salary exceeds 100x median employee salary

Gross Receipts Tax
0.91% (up to) of gross receipts over applicable thresholds

Homelessness Tax
0.69% (up to) applicable to revenue thresholds

How Topia Can Help

- Provide you with the best-in-class business traveler and distributed workforce compliance technology
- Integration with a broad portfolio of leading local legal and tax firms (tax filing & payment services available)
- Quickly provide reports so you can assess city tax exposure based on historical & current data
- Reliable and high-accuracy record-keeping for your workforce location (travel & expense, VPN, calendar, GPS)
- Advanced audit-proof reporting capabilities, available instantly (workforce-wide & employee-specific)
- Intuitive, consumer-grade interface that doesn't require advanced tax/finance or legal expertise



Key Benefits



Stop Overpaying Gross Receipts & Payroll Taxes



Adapt Rapidly to the New "Distributed Workforce" Normal



Become Operational in 30 Days or Less

Case Study: Professional Services Firm, San Francisco, CA

- Revenue: \$60M/Year
- Gross Receipts Tax (0.78%): \$468,000
- Homelessness Tax (0.69%): \$414,000
- **Revenue \$50M or higher**
- Employees Living Outside SF: 50%

Outcomes Post Topia

- Tax Overpayment Avoided: \$441,000
- Audit-Ready
- Productivity Gains
- Money Saved

"Tax-savvy companies with business activity in the City of San Francisco should consider the extent compensation drives the gross receipts taxes. Taxpayers can realize substantial tax savings by identifying work performed outside of the city limits. We have seen millions in overpaid tax related to over-reporting San Francisco compensation. A technology platform that can identify work location with a high degree of accuracy is a useful tool to substantiate tax reductions."

-Eric M. Anderson, Managing Director, Andersen Tax

Connect with us

We are ready to conduct a 30-minute analysis of your specific situation, demonstrate the immediate returns you can achieve on business tax returns, and have you operational within weeks.

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