

RESOLUTION CALLING FOR ACCOUNTABILITY AND BUDGET RESPONSIBILITY IN CORPORATE TAX DISPUTES

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WHEREAS, San Francisco is facing a projected \$817.5 million General Fund shortfall over the next two fiscal years, with structural deficits expected to grow to \$1.3 billion by FY 2029–30, according to the City’s March 2025 Joint Report; and

WHEREAS, this shortfall threatens critical public services, including mental health care, homelessness programs, public hospitals, and transit—services that are already strained and in urgent need of staffing and investment; and

WHEREAS, Airbnb, a San Francisco-based corporation with 2024 revenues exceeding \$11 billion, has sued the City repeatedly since 2019, seeking to claw back \$120 million in business taxes—over half of which would be stripped directly from funding for mental health and homeless services¹; and

WHEREAS, as a result of Airbnb’s lawsuits, the City is currently holding 75% of the potential judgment amount in litigation reserves—\$90 million withheld from the General Fund and unavailable for services—down from a prior practice of reserving 100%, with total business tax litigation reserves across corporations now reaching \$311 million; and

WHEREAS, this attack on the City’s fiscal health comes despite Airbnb benefiting from recent corporate tax relief under Proposition M, to which the company contributed over half a million dollars, and while its co-founder and Board member Joe Gebbia promotes austerity at the federal level through affiliations with projects aiming to dismantle public services;

THEREFORE BE IT RESOLVED, that the San Francisco Democratic County Central Committee (DCCC) calls on Mayor Daniel Lurie to publicly oppose Airbnb’s and other corporations’ lawsuits against the City’s business taxes, and to advocate that such companies withdraw their claims in the interest of public good and fiscal stability; and

BE IT FURTHER RESOLVED, that the San Francisco DCCC urges the Mayor, the President and Members of the Board of Supervisors, the City Attorney, the Controller, and the Mayor’s Budget Director to prioritize immediate recovery of withheld tax revenues and avoid budget cuts to core public services by rejecting litigation strategies that benefit wealthy corporate actors at the expense of San Francisco’s working families and communities in need.

¹ Rodriguez, J. F. (2025, April 1). *Lawsuits are blowing a hole in San Francisco’s fiscal recovery*. The San Francisco Standard.

<https://sfstandard.com/2025/03/31/san-francisco-budget-deficit-lawsuits-business-taxes/>

PROPOUNDED BY: Mar

ADOPTED:

RESOLUTION NO. 2025-04-Tax Disputes