2026 MUNI PARCEL TAX

BACKGROUND

The Bay Area's largest transit agencies—BART, Muni, Caltrain, and AC Transit—face a combined **annual operating deficit of more than $800 million,** driven by pandemic-era commuting shifts and the loss of federal and state emergency aid.

Despite agencies' aggressive cost-cutting measures, unless new funding is created, public transit will face historic service reductions, including up to **one-third fewer Muni trips, the elimination of late-night and weekend BART service, and the potential closure of 15 BART stations.**

SF'S PROPOSED SOLUTION

1. **Regional Sales Tax:** A five-county regional sales tax supporting all Bay Area transit agencies (1-cent in San Francisco; 0.5-cent in other counties), projected to raise $1 billion annually for 14 years, including about $170 million per year for Muni.
2. **San Francisco Parcel Tax:** A San Francisco–only parcel tax on all parcel types, including residential, expected to generate about $183 million annually for 15 years for Muni.

Both measures must pass in November 2026 to close Muni's projected operating deficit.

BOMA SF ENGAGEMENT

BOMA San Francisco was heavily engaged with city officials and **secured three major victories**:

1. Maintained $400k cap.
2. 15-year sunset date.
3. Progressive structure and fair distribution.

NEXT STEPS FOR MEMBERS

Members should begin planning now in the event the parcel tax passes in November 2026 by:

- Coordinating with legal counsel and tax professionals to assess property impacts and potential tenant pass-through options.
- Engaging ownership and asset management teams early to understand portfolio-wide impacts and budget considerations.

COMMERCIAL BUILDING RATE*

Building Size	Annual Parcel Tax
< 5,000 SF	$799 flat
5,000 – 50,000 SF	$799 + $0.76 per SF
50,000 – 250,000	$799 + $0.84 per SF
> 250,000 SF	$799 + $0.99 per SF
Cap	$400,000

*Full parcel tax proposal on page two

BOMA SF SUPPORT

In February 2026, the BOMA SF Government Affairs Committee and Board of Directors **voted to endorse both the regional sales tax measure and the local parcel tax.** While the proposals require meaningful contributions from our members during a challenging market, the cost of inaction—deep service cuts, stalled recovery, and further pressure on building values—would be far greater. **Preserving San Francisco's competitiveness and sustaining downtown recovery requires stable, long-term investment in high-quality public transit.**

2026 MUNI PARCEL TAX

OVERVIEW

Ballot: November 2026
Duration: 15-year sunset
Structure: Tiered, progressive system based on square footage
Applies to: Commercial, residential, and mixed-use properties (separate formulas)
Total Funding Goal: $183 million in annual parcel tax revenue

COMMERCIAL BUILDINGS

Building Size	Annual Parcel Tax
< 5,000 SF	$799 flat
5,000 – 50,000 SF	$799 + $0.76 per SF
50,000 – 250,000	$799 + $0.84 per SF
> 250,000 SF	$799 + $0.99 per SF
Cap	$400,000

MULTIFAMILY BUILDINGS

Building Size	Annual Parcel Tax
< 5,000 SF	$249 flat
> 5,000 SF	$249 + $0.195 per SF
Cap	$50,000

Details:

- Up to 50% tenant pass-through, capped at $65 per unit.

SINGLE-FAMILY HOMES

Home Size	Annual Parcel Tax
< 3,000 SF	$129 flat
3,000 – 5,000 SF	$129 + $0.42 per SF
> 5,000 SF	+ $1.99 per SF

Key Impact:
96% of single-family homes pay $129

MIXED-USE PARCELS*

Parcel Type	Annual Parcel Tax
< 5,000 SF	$799 flat
> 5,000 SF	Residential + Commercial formulas

Calculation Method (for parcels >5,000 SF):

- Apply residential rates to the residential portion and commercial rates to the non-residential portion.
- Deduct the residential base rate so the parcel pays only one introductory fee.

*This calculation applies only to true mixed-use parcels (single Assessor's parcel). Mixed-use buildings structured as multiple parcels are taxed separately by parcel, with each parcel subject to its own base fee and rate schedule.

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BOMA San Francisco

This page provides an illustrative example of how the proposed parcel tax would apply to a **500,000 square-foot building**. In this scenario, the **tax cap is triggered**, which significantly **lowers the effective tax rate** per square foot compared to what would otherwise be owed. The example also demonstrates how the **progressive rate structure** applies across different square-footage tiers, clarifying how the tax is calculated and **how the cap limits the overall financial impact on larger properties.**

COMMERCIAL BUILDING RATE

Building Size	Annual Parcel Tax
< 5,000 SF	$799 flat
5,000 – 50,000 SF	$799 + $0.76 per SF
50,000 – 250,000 SF	$799 + $0.84 per SF
> 250,000 SF	$799 + $0.99 per SF
Cap	$400,000

EXAMPLE: 500,000 SQ. FT. COMMERCIAL BUILDING

Tier	Calculation	Amount
First 5,000 SF	Flat rate	$799
Next 45,000 SF (5,001–50,000)	45,000 × $0.76	$34,200
Next 200,000 SF (50,001–250,000)	200,000 × $0.84	$168,000
Remaining 250,000 SF (250,001–500,000)	250,000 × $0.99	$247,500
Total (before cap)		**$450,499**
Final Tax (with $400k cap)		**$400,000**

Effective Rate: $400,000/500,000 sq. ft. = $0.80 per sq. ft.

HAVE QUESTIONS?

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