

# City of Philadelphia



(Bill No. 060766)

## AN ORDINANCE

Amending Chapter 19-1500 of The Philadelphia Code, entitled “Wage and Net Profits Tax,” and Chapter 19-2800 of The Philadelphia Code, entitled “Pennsylvania Intergovernmental Cooperation Authority Tax on Wages and Net Profits,” by excluding certain tuition reduction benefits from the definition of taxable compensation, under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

**SECTION 1.** Title 19 of The Philadelphia Code is hereby amended to read as follows:

### **TITLE 19. FINANCE, TAXES AND COLLECTIONS.**

\* \* \*

### **CHAPTER 19-1500. WAGE AND NET PROFITS TAX.**

\* \* \*

#### **§19-1501. Definitions.**

(8) Salaries, Wages, Commissions and Other Compensation. All salaries, wages, commissions, bonuses, incentive payments, fees and tips that may accrue or be received by an individual, whether indirectly or through an agent and whether in cash or in property, for services rendered, but excluding:

\* \* \*

*(g) Certain tuition benefits, as follows:*

*(.1) Qualified tuition reduction benefits.*

*(.2) Tuition benefits that:*

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*(A) Are provided to its employees by a not-for-profit healthcare system and its not-for-profit affiliates that are wholly (100%) owned and controlled, directly or indirectly, by a not-for-profit university; and*

*(B) Would qualify as qualified tuition reduction benefits if such not-for-profit healthcare system and its not-for-profit affiliates were part of such university.*

*(.3) Reimbursements by an employer of an employee's educational expenses relating to education required by the employer to maintain the employee's employment status or compensation level, including any education required by the Commonwealth to retain a professional license or certification relating to the employee's position. The employer must certify any such requirement in such manner as the Department shall determine.*

*(.4) For purposes of this subsection (g), the following definition applies:*

*(A) Qualified tuition reduction benefits. As defined in § 117(d) of the Internal Revenue Code (26 U.S.C.A § 117(d)), as amended from time to time.*

\* \* \*

## **CHAPTER 19-2800. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX ON WAGES AND NET PROFITS**

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## § 19-2802. Definitions.

\* \* \*

(11) Salaries, Wages, Commissions and Other Compensation. All salaries, wages, commissions, bonuses, incentive payments, fees and tips that may accrue or be received by an individual, whether indirectly or through an agent and whether in cash or in property, for services rendered, but excluding:

\* \* \*

(g) *Certain tuition benefits, as follows:*

(.1) *Qualified tuition reduction benefits.*

(.2) *Tuition benefits that:*

(A) *Are provided to its employees by a not-for-profit healthcare system and its not-for-profit affiliates that are wholly (100%) owned and controlled, directly or indirectly, by a not-for-profit university; and*

(B) *Would qualify as qualified tuition reduction benefits if such not-for-profit healthcare system and its not-for-profit affiliates were part of such university.*

(.3) *Reimbursements by an employer of an employee's educational expenses relating to education required by the employer to maintain the employee's employment status or compensation level, including any education required by the Commonwealth to retain a professional license or certification relating to the employee's*

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*position. The employer must certify any such requirement in such manner as the Department shall determine.*

*(.4) For purposes of this subsection (g), the following definition applies:*

*(A) Qualified tuition reduction benefits. As defined in § 117(d) of the Internal Revenue Code (26 U.S.C.A § 117(d)), as amended from time to time.*

**SECTION 2.** Effective date. This Ordinance shall take effect immediately.

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Explanation:

*Italics indicate new matter added.*

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 14, 2006. The Bill was Signed by the Mayor on January 23, 2007.



Patricia Rafferty  
Chief Clerk of the City Council