



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 020309
(As Amended 5/15/2002)

Introduced May 9, 2002

**Councilmembers Cohen, Nutter, Goode, Ortiz, Tasco, Miller, Blackwell,
Council President Verna, DiCicco, Mariano and Kenney**

**Referred to the
Committee of the Whole**

AN ORDINANCE

Amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," by decreasing in stages the rates of the tax imposed upon certain low income persons, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," is hereby amended to read as follows:

CHAPTER 19-1500. WAGE AND NETS PROFITS TAX

§19-1501. Definitions.

* * *

(9) *Special Tax Provisions For Poverty Under State Law. The state law provisions for refund and forgiveness of Commonwealth taxes based on poverty income set forth in Section 304 of the Tax Reform Code of 1971 (Act of March 4, 1971, P.L. 6, No. 2), as added by the Act of March 13, 1974 (P.L. 179, No. 32), 72 P.S. § 7304, and as amended from time to time.*

* * *

§19-1508. *Refunds and Forgiveness For Poverty Income.*

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(1) Notwithstanding anything in this Chapter to the contrary, the rate of tax imposed under this Chapter upon the sources of income taxable under Section 19-1502 for persons who qualify for a total refund or forgiveness of state taxes under the Special Tax Provisions for Poverty Under State Law for a particular calendar year shall be, in that same calendar year, as follows:

	<i>Residents</i>	<i>Non-residents</i>
<i>January 1, 2003 through December 31, 2003</i>	<i>2.5%</i>	<i>3.4127%</i>
<i>January 1, 2004 through December 31, 2004</i>	<i>2.0%</i>	<i>2.9127%</i>
<i>January 1, 2005 through December 31, 2005</i>	<i>1.5%</i>	<i>2.4127%</i>
<i>January 1, 2006 through December 31, 2006</i>	<i>1.0%</i>	<i>1.9127%</i>
<i>January 1, 2007 through December 31, 2007</i>	<i>.5%</i>	<i>1.4127%</i>
<i>January 1, 2008 and thereafter</i>	<i>0%</i>	<i>.9127%</i>

(2) Notwithstanding anything in this Chapter to the contrary, the rate of tax imposed upon the sources of income taxable under Section 19-1502 for persons who qualify for a partial refund or forgiveness of state taxes under the Special Tax Provisions for Poverty Under State Law for a particular calendar year shall be, in that same calendar year, as follows:

(a) *Residents.*

	90%*	80%*	70%*	60%*	50%*	40%*	30%*	20%*	10%*
<i>1/1/03-12/31/03</i>	<i>2.55%</i>	<i>2.6%</i>	<i>2.65%</i>	<i>2.7%</i>	<i>2.75%</i>	<i>2.8%</i>	<i>2.85%</i>	<i>2.9%</i>	<i>2.95%</i>
<i>1/1/04-12/31/04</i>	<i>2.1%</i>	<i>2.2%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.7%</i>	<i>2.8%</i>	<i>2.9%</i>
<i>1/1/05-12/31/05</i>	<i>1.65%</i>	<i>1.8%</i>	<i>1.95%</i>	<i>2.1%</i>	<i>2.25%</i>	<i>2.4%</i>	<i>2.55%</i>	<i>2.7%</i>	<i>2.85%</i>
<i>1/1/06-12/31/06</i>	<i>1.2%</i>	<i>1.4%</i>	<i>1.6%</i>	<i>1.8%</i>	<i>2%</i>	<i>2.2%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>2.8%</i>

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<i>1/1/07- 12/31/07</i>	<i>.75%</i>	<i>1%</i>	<i>1.25%</i>	<i>1.5%</i>	<i>1.75%</i>	<i>2%</i>	<i>2.25%</i>	<i>2.5%</i>	<i>2.75%</i>
<i>1/1/08 & thereafter</i>	<i>.3%</i>	<i>.6%</i>	<i>.9%</i>	<i>1.2%</i>	<i>1.5%</i>	<i>1.8%</i>	<i>2.1%</i>	<i>2.4%</i>	<i>2.7%</i>

** Represents the percentage refund or forgiveness of state income tax for which the taxpayer qualifies under the Special Tax Provisions For Poverty Under State Law.*

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(b) Non-residents.

	90%*	80%*	70%*	60%*	50%*	40%*	30%*	20%*	10%*
<i>1/1/03- 12/31/03</i>	3.4627%	3.5127%	3.5627%	3.6127%	3.6627%	3.7127%	3.7627%	3.8127%	3.8627%
<i>1/1/04- 12/31/04</i>	3.0127%	3.1127%	3.2127%	3.3127%	3.4127%	3.5127%	3.6127%	3.7127%	3.8127%
<i>1/1/05- 12/31/05</i>	2.5627%	2.7127%	2.8627%	3.0127%	3.1627%	3.3127%	3.4627%	3.6127%	3.7627%
<i>1/1/06- 12/31/06</i>	2.1127%	2.3127%	2.5127%	2.7127%	2.9127%	3.1127%	3.3127%	3.5127%	3.7127%
<i>1/1/07- 12/31/07</i>	1.6627%	1.9127%	2.1627%	2.4127%	2.6627%	2.9127%	3.1627%	3.4127%	3.6627%
<i>1/1/08 & thereafter</i>	1.2127%	1.5127%	1.8127%	2.1127%	2.4127%	2.7127%	3.0127%	3.3127%	3.6127%

** Represents the percentage refund or forgiveness of state income tax for which the taxpayer qualifies under the Special Tax Provisions For Poverty Under State Law.*

(c) Notwithstanding the foregoing, in no event shall the rate for any taxpayer provided in this section ever exceed the generally applicable rate set forth in section 19- 1502.

(3) Persons subject to the rates described in subsections (1) and (2) shall be entitled to a refund of any taxes paid in excess of the amounts due under such subsections.

(4) The withholding and filing requirements of this Chapter shall continue to apply to, and in connection with, persons entitled to refunds and forgiveness under this Section.

SECTION 2. The Department of Revenue shall, within thirty (30) days of the date that this Ordinance becomes law, develop procedures and forms whereby the persons entitled to refunds and forgiveness under this Section can obtain the relief specified in this Section.