



City of Philadelphia

Philadelphia, PA 19107

**BILL NO. 060014
(As Amended, 5/4/06)**

Introduced January 24, 2006

Councilmembers Reynolds Brown and O'Neill

**Referred to the
Committee of the Whole**

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by adding a new exception from the definition of "Receipts" under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HERBY ORDAINS:

SECTION 1. Chapter 19-2600 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-2600. BUSINESS PRIVILEGE TAXES.

* * *

§19-2601 Definitions.

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Receipts. Cash, credits, property of any kind or nature, received from conducting any business or by reason of any sale made, including resales of goods, wares or merchandise taken by a dealer as a trade-in or as part payment for other goods, wares or merchandise or services rendered or commercial or business transactions, without deduction there from on account of the cost of property sold, materials used, labor, service or other cost, interest or discount paid or any other expense. For the purpose of determining receipts from the business of insurance, such receipts shall mean those from premiums received from risks within the city of the first class, whether by mutual or stock companies, domestic or foreign, without any deductions there from for any cost or expenses whatsoever; except, premiums shall not include return premiums, dividends paid or credited to policyholders, if such dividends are in the nature of an adjustment of the premiums charged, and premiums received for reinsurance. Receipts from a person engaged in the business of insurance shall also include receipts from rental real estate situated in cities of the first class, but shall not include interest, dividend and capital gain receipts. Nothing in this

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definition shall preclude the taxation of other nonpremium business receipts of persons engaged in the business of insurance. Receipts of any business shall exclude:

* * *

(12) Beginning with the tax year 2006 and thereafter, receipts, or portion of receipts, attributable to the bona fide delivery of goods, wares or merchandise by persons engaged in bookbinding, which shall mean any business categorized as tradebinding (NAIC 323121) under the North American Industry Classification System, 2002 ("NAIC") codes established by the Office of Management and Budget, Executive Office of the President, to a location regularly maintained by the other party to the transaction outside the limits of the city of the first class, and not for the purpose of evading or avoiding payment of the tax, or any portion thereof, imposed under this chapter.

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SECTION 2. Effective Date. This Ordinance shall become effective for tax year 2006.