



City of Philadelphia

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

BILL NO. 250915

Introduced October 23, 2025

Councilmember Thomas

**Referred to the
Committee on Finance**

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled “Business Income and Receipts Taxes,” to establish a partial exemption for certain child care service businesses, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

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

* * *

§ 19-2601. Definitions.

In addition to the definitions provided in the Act of May 30, 1984, P.L. 345, No. 69, known as the First Class City Business Tax Reform Act, and Chapter 19-500 of this Title, the following definitions shall apply:

* * *

Early Childhood Education Provider. A business categorized under the North American Industry Classification System ("NAICS") as Child Care Services (NAICS 624410).

* * *

§ 19-2604. Tax Rates, Credits, and Alternative Tax Computation.

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(1) Every business shall pay an annual tax on each dollar of annual receipts at the millage rate shown in the second column of the following chart ("Receipts rate in mills"), and an annual tax on net income at the percentage rate shown in the third column ("Net income rate %"), except that [a regulated industry shall only pay an annual tax on each dollar of annual receipts at the millage rate shown in the second column, and in an amount not to exceed the percentage of net income shown in the third column]:

(a). A regulated industry shall only pay an annual tax on each dollar of annual receipts at the millage rate shown in the second column, and in an amount not to exceed the percentage of net income shown in the third column.

(b). Early Childhood Education Providers shall only pay an annual tax on each dollar of annual receipts at half (50%) the millage rate shown in the second column and an annual tax on net income at half (50%) the net income shown in the third column.

* * *

Section 2. This Ordinance shall become effective immediately.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.