



City of Philadelphia

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

BILL NO. 000177

Introduced March 30, 2000

Councilmembers Kenney, DiCicco and Nutter

**Referred to the
Committee on Finance**

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by adding the definition of "information technology services" and by excluding from the definition of receipts, any receipts from information technology services, 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:

CHAPTER 19-2600. BUSINESS PRIVILEGE TAXES.

§19-2601. Definitions.

* * *

Information Technology Services. All electronic data processing services (NAIC 5142 and 51421), computer systems design and related services (NAIC 5415, 54151, and 541512), custom computer programming services (NAIC 541511), computer facilities management services (NAIC 541513), and on-line information services (NAIC 514191), as set forth in the North American Industry Classification System, 1997 ("NAIC") codes established by the Office of Management and Budget, Executive Office of the President.

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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

City of Philadelphia

BILL NO. 000177 continued

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

* * *

(11) *For the tax year 2001 through and including tax year 2006, any receipts, or a portion of receipts from the performance of information technology services.*

SECTION 2. Effective Date. This Ordinance shall take effect on July 1, 2000.

Explanation:

Italics indicate new matter added