

City of Philadelphia



(Bill No. 250199)

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled “Business Income and Receipts Taxes,” to revise tax rates and end certain exclusions from the tax on receipts, all 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 19-2600. BUSINESS INCOME AND RECEIPTS TAXES

* * *

§ 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:

* * *

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 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

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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. For purposes of determining the source of receipts of a Software Company the Market Based Sourcing Rule shall apply in accordance with Section 408(8) of the Department of Revenue Business Privilege Tax Regulations so that the source of receipts from the sale of products and services shall be deemed to be the location where the recipient receives the benefit of the products and services. Receipts of any business shall exclude:

* * *

(14) For tax year 2014, the first fifty thousand dollars (\$50,000) in taxable receipts received by any person or business subject to the business privilege tax under this Chapter; for tax year 2015, the first seventy-five thousand dollars (\$75,000) in taxable receipts received by any person or business subject to the business privilege tax under this Chapter; for tax year 2016 [and thereafter] *through tax year 2024*, the first one hundred thousand dollars (\$100,000) in taxable receipts received by any person or business subject to the business privilege tax under this Chapter.

* * *

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

- (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:

Tax year(s) Receipts rate Net income rate

* * *

2022	1.415 mills	5.99%
2023 [and thereafter]	1.415 mills	5.81%
2024	<i>1.415 mills</i>	<i>5.81%</i>
2025	<i>1.410 mills</i>	<i>5.71%</i>
2026	<i>1.395 mills</i>	<i>5.65 %</i>
2027	<i>1.390 mills</i>	<i>5.60%</i>
2028	<i>1.385 mills</i>	<i>5.55%</i>

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<i>2029</i>	<i>1.380 mills</i>	<i>5.50%</i>
<i>2030</i>	<i>1.255 mills</i>	<i>5.45%</i>
<i>2031</i>	<i>1.130 mills</i>	<i>5.30%</i>
<i>2032</i>	<i>0.955 mills</i>	<i>4.95%</i>
<i>2033</i>	<i>0.780 mills</i>	<i>4.60%</i>
<i>2034</i>	<i>0.605 mills</i>	<i>4.25%</i>
<i>2035</i>	<i>0.430 mills</i>	<i>3.90%</i>
<i>2036</i>	<i>0.255 mills</i>	<i>3.55%</i>
<i>2037</i>	<i>0.080 mills</i>	<i>3.20%</i>
<i>2038 and thereafter</i>	<i>0 mills</i>	<i>2.80%</i>

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 12, 2025. The Bill was Signed by the Mayor on June 13, 2025.

A handwritten signature in black ink, reading "Elizabeth McCollum". The signature is fluid and cursive, with the first name "Elizabeth" and last name "McCollum" clearly distinguishable.

Elizabeth McCollum
Chief Clerk of the City Council