

# City of Philadelphia



(Bill No. 110138)

## AN ORDINANCE

Amending Chapter 19-1500 of The Philadelphia Code, entitled “Wage and Net Profits Tax,” by revising certain tax rates and making technical changes, all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 19-1500 of The Philadelphia Code is hereby amended as follows:

### CHAPTER 19-1500. WAGE AND NET PROFITS TAX.

\* \* \*

§19-1502. Imposition of Tax.

(1) Tax On Salaries, Wages, Commissions And Other Compensation.

(a) Residents. An annual tax on salaries, wages, commissions and other compensation earned by residents of Philadelphia is imposed for general revenue purposes for the following periods at the following rates:

\* \* \*

July 1, 2010 [through June 30, 2011] <i>and thereafter</i>	2.4280%
[July 1, 2011 through June 30, 2012]	[2.3722%]
[July 1, 2012 through June 30, 2013]	[2.3578%]
[July 1, 2013 through June 30, 2014]	[2.3287%]
[July 1, 2014 and thereafter]	[2.2974%]

(b) Non-Residents. An annual tax on salaries, wages, commissions and other compensation earned by non-residents of Philadelphia for work done or services performed or rendered in Philadelphia is imposed for general revenue purposes for the following periods at the following rates:

# City of Philadelphia

BILL NO. 110138 continued

Certified Copy

\* \* \*

July 1, 2010 [through June 30, 2011] <i>and thereafter</i>	3.4985%
[July 1, 2011 through June 30, 2012]	[3.4370%]
[July 1, 2012 through June 30, 2013]	[3.4017%]
[July 1, 2013 through June 30, 2014]	[3.3855%]
[July 1, 2014 and thereafter]	[3.3546%]

(c) The tax imposed under §19-1502(1) (a) and (b) shall relate to and be imposed upon salaries, wages, commissions, and other compensation paid by an employer or on his behalf to any person who is employed by or renders services to him.

(2) Tax On Net Profits Earned In Businesses, Professions Or Other Activities.

(a) Residents. An annual tax on the net profits earned in businesses, professions or other activities conducted by residents of Philadelphia is imposed for general revenue purposes for the following periods at the following rates:

\* \* \*

January 1, 2010 [through December 31, 2010] <i>and thereafter</i>	2.4280%
[January 1, 2011 through December 31, 2011]	[2.3722%]
[January 1, 2012 through December 31, 2012]	[2.3578%]
[January 1, 2013 through December 31, 2013]	[2.3287%]
[January 1, 2014 and thereafter]	[2.2974%]

(b) An annual tax on the net profits earned in businesses, professions or other activities conducted in Philadelphia by non-residents is imposed for general revenue purposes for the following periods at the following rates:

\* \* \*

# City of Philadelphia

BILL NO. 110138 continued

Certified Copy

January 1, 2010 [through December 31, 2010] <i>and thereafter</i>	3.4985%
[January 1, 2011 through December 31, 2011]	[3.4370%]
[January 1, 2012 through December 31, 2012]	[3.4017%]
[January 1, 2013 through December 31, 2013]	[3.3855%]
[January 1, 2014 and thereafter]	[3.3546%]

\* \* \*

## § 19-1508. Refunds and Forgiveness for Poverty Income.

### (1) Definitions.

\* \* \*

#### (f) Very Low Income Reduction.

(i) For a Very Low Income Resident, the difference between the rate of tax imposed on Residents under § 19-1502(1)(a) during calendar year [2014] 2017, and the rate provided under § 19-1508(2)(b)(i) for Very Low Income Residents during calendar year [2014] 2017.

(ii) For a Very Low Income Non-Resident, the difference between the rate of tax imposed on Non-Residents under § 19-1502(1)(b) during calendar year [2014] 2017, and the rate provided under § 19-1508(2)(b)(ii) for Very Low Income Non-Residents during calendar year [2014] 2017.

\* \* \*

#### (h) Low Income Reduction.

(i) During calendar year [2013] 2016, the Low Income Percentage multiplied by one-half of one percent (0.5%).

(ii) During calendar year [2014] 2017 and thereafter, the Low Income Percentage multiplied by the Very Low Income Reduction.

(2) Beginning in calendar year [2013] 2016, the rates of tax imposed on Very Low Income Residents and Low Income Residents under § 19-1502(1)(a) and (2)(a), and the rates of tax imposed on Very Low Income Non-Residents and Low Income Non-Residents under § 19-1502(1)(b) and (2)(b), shall be as follows:

# City of Philadelphia

BILL NO. 110138 continued

Certified Copy

(a) During calendar [2013] 2016:

(i) The rate of tax imposed on Very Low Income Residents shall equal the rate of tax imposed on Residents during calendar year [2013] 2016, minus one-half of one percent (0.5%), and the rate of tax imposed on Very Low Income Non-Residents shall equal the rate of tax imposed on Non-Residents during calendar year [2013] 2016, minus one-half of one percent (0.5%).

(ii) The rate of tax imposed on a Low Income Resident shall equal the rate of tax imposed on Residents during calendar year [2013] 2016, minus the Low Income Reduction, and the rate of tax imposed on a Low Income Non-Resident shall equal the rate of tax imposed on Non-Residents during calendar year [2013] 2016, minus the Low Income Reduction.

(b) During calendar year [2014] 2017:

(i) The rate of tax imposed on Very Low Income Residents shall equal the rate of tax imposed on Very Low Income Residents during calendar year [2013] 2016, minus one-half of one percent (0.5%), and the rate of tax imposed on Very Low Income Non-Residents shall equal the rate of tax imposed on Very Low Income Non-Residents during calendar year [2013] 2016, minus one-half of one percent (0.5%).

(ii) The rate of tax imposed on a Low Income Resident shall equal the rate of tax imposed on Residents during calendar year [2014] 2017, minus the Low Income Reduction, and the rate of tax imposed on a Low Income Non-Resident shall equal the rate of tax imposed on Non-Residents during calendar year [2014] 2017, minus the Low Income Reduction.

(c) During calendar year [2015] 2018 and thereafter:

(i) The rate of tax imposed on Very Low Income Residents during a calendar year shall equal the rate of tax imposed on Residents during such calendar year, minus the Very Low Income Reduction, and the rate of tax imposed on Very Low Income Non-Residents shall equal the rate of tax imposed on Non-Residents during such calendar year, minus the Very Low Income Reduction.

(ii) The rate of tax imposed on a Low Income Resident during a calendar year shall equal the rate of tax imposed on Residents during such calendar year, minus the Low Income Reduction, and the rate of tax imposed on a Low Income Non-Resident shall equal the rate of tax imposed on Non-Residents during calendar year, minus the Low Income Reduction.

# City of Philadelphia

BILL NO. 110138 continued

Certified Copy

(3) A person subject to any of the rate reductions set forth in subsection (2) shall be entitled to a refund of any taxes paid in excess of the amount due upon application to the Department, on forms supplied by the Department.

(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.

---

**Explanation:**

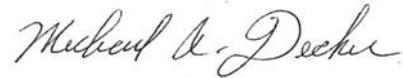
[Brackets] indicate matter deleted.  
*Italics* indicate new matter added.

# City of Philadelphia

BILL NO. 110138 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 23, 2011. The Bill was Signed by the Mayor on June 24, 2011.



Michael A. Decker  
Chief Clerk of the City Council