City of Philadelphia

Legislation Details (With Text)

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File created:	11/6/2008		**In control:**	Committee of the Whole
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Title: Amending Section 19-2604 of The Philadelphia Code, relating to tax rates, credits and alternative tax computation for the business privilege tax, by revising certain tax rates; all under certain terms and conditions.

Sponsors: Councilmember Tasco

Indexes: BUSINESS PRIVILEGE TAX

Code sections: 19-2604 - Tax Rates, Credits, and Alternative Computation

Attachments: 1. CertifiedCopy08085401.pdf

Date	Ver.	Action By	Action	Result	Tally
12/8/2008	1	MAYOR	SIGNED		
12/4/2008	1	CITY COUNCIL	READ		
12/4/2008	1	CITY COUNCIL	PASSED	Pass	17:0
11/20/2008	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY`S FIRST READING CALENDAR		
11/20/2008	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
11/20/2008	1	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK`S SECOND READING CALENDAR		
11/19/2008	0	Committee of the Whole	HEARING NOTICES SENT		
11/19/2008	0	Committee of the Whole	AMENDED		
11/19/2008	0	Committee of the Whole	HEARING HELD		
11/19/2008	1	Committee of the Whole	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
11/6/2008	0	CITY COUNCIL	Referred		
11/6/2008	0	CITY COUNCIL	Introduced (By Request) and Referred	Pass	

Amending Section 19-2604 of The Philadelphia Code, relating to tax rates, credits and alternative tax computation for the business privilege tax, by revising certain tax rates; all under certain terms and conditions.
THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 19-2604 of The Philadelphia Code is amended to read as follows:

§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 in mills	Net income rate%
* * *	* * *	* * *
2008 *through 2013*	1.415 mills	6.45%
[2009] *2014*	1.325 mills	6.40%
[2010] *2015*	1.25 mills	6.35%
[2011] *2016*	1.1 mills	6.30%
[2012] *2017*	1.0 mills	6.25%
[2013] *2018*	0.85 mills	6.20%
[2014] *2019*	0.75 mills	6.15%
[2015] *2020*	0.50 mills	6.10%
[2016] *2021*	0.25 mills	6.05%
[2017] *2022* and thereafter	0.0 mills	6.00%

*   *   *

(3)   Alternative Receipts Tax Computation.   A manufacturer (other than a regulated industry) shall at its option be permitted to compute the gross receipts tax on manufacturing sales at the rate shown in the following chart under the column entitled "Manufacturers," multiplied by receipts from manufacturing sales after deducting the applicable cost of goods sold as determined under the rules provided by the Federal Internal Revenue Code. A wholesaler (other than a regulated industry) shall at its option be permitted to compute the gross receipts tax on wholesale sales at the rate shown under the column entitled "Wholesalers," multiplied by receipts from wholesale sales after deducting the applicable cost of goods and the applicable cost of labor. A retailer (other than a regulated industry) shall at its option be permitted to compute the gross receipts tax on retail sales at the rate shown under the column entitled "Retailers," multiplied by receipts from retail sales after deducting the applicable cost of goods and the applicable cost of labor:

Tax year(s)	Manufacturer (%)	Wholesalers (%)	Retailers (%)
* * *	* * *	* * *	* * *
2008 *through 2013*	2.34 %	3.29 %	0.78 %
[2009] *2014*	2.19 %	3.08 %	0.73 %
[2010] *2015*	2.07 %	2.91 %	0.69 %
[2011] *2016*	1.82 %	2.56 %	0.61 %
[2012] *2017*	1.65 %	2.33 %	0.55 %
[2013] *2018*	1.40 %	1.98 %	0.47 %
[2014] *2019*	1.24 %	1.75 %	0.41 %
[2015] *2020*	0.83 %	1.17 %	0.27 %
[2016] *2021*	0.43%	0.59%	0.14%
[2017] *2022* and thereafter	0.0%	0.0%	0.0%

*   *   *

Explanation:

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