

## Legislation Details (With Text)

**File #:** 060766      **Version:** 1      **Name:**

**Type:** Bill      **Status:** ENACTED

**File created:** 10/19/2006      **In control:** Committee on Finance

**On agenda:**      **Final action:** 12/14/2006

**Title:** Amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," and Chapter 19-2800 of The Philadelphia Code, entitled "Pennsylvania Intergovernmental Cooperation Authority Tax on Wages and Net Profits," by excluding certain tuition reduction benefits from the definition of taxable compensation, under certain terms and conditions.

**Sponsors:** Councilmember Clarke

**Indexes:** WAGE AND NET PROFITS TAX

**Code sections:** 19-1500 - Wage and Net Profits Tax, 19-1501 - Definitions, 19-2800 - Pennsylvania Intergovernmental Cooperation Authority Tax on Wages and Net Profits

**Attachments:** 1. Bill No. 06076601, As Amended.pdf, 2. CertifiedCopy06076601.pdf

Date	Ver.	Action By	Action	Result	Tally
1/23/2007	1	MAYOR	SIGNED		
12/14/2006	1	CITY COUNCIL	READ		
12/14/2006	1	CITY COUNCIL	PASSED	Pass	17:0
12/7/2006	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
12/7/2006	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
12/7/2006	0	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
11/30/2006	0	Committee on Finance	HEARING NOTICES SENT		
11/30/2006	0	Committee on Finance	HEARING HELD		
11/30/2006	0	Committee on Finance	AMENDED		
11/30/2006	1	Committee on Finance	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
10/19/2006	0	CITY COUNCIL	Referred		
10/19/2006	0	CITY COUNCIL	Introduced	Pass	

Amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," and Chapter 19-2800 of The Philadelphia Code, entitled "Pennsylvania Intergovernmental Cooperation Authority Tax on Wages and Net Profits," by excluding certain tuition reduction benefits from the definition of taxable compensation, 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 19-1500. WAGE AND NET PROFITS TAX.**

\* \* \*

**§19-1501. Definitions.**

(8) Salaries, Wages, Commissions and Other Compensation. All salaries, wages, commissions, bonuses, incentive payments, fees and tips that may accrue or be received by an individual, whether indirectly or through an agent and whether in cash or in property, for services rendered, but excluding:

\* \* \*

(g) *Certain tuition benefits, as follows:*

(.1) *Qualified tuition reduction benefits.*

(.2) *Tuition benefits that:*

(A) *Are provided to its employees by a not-for-profit healthcare system and its not-for-profit affiliates that are wholly (100%) owned and controlled, directly or indirectly, by a not-for-profit university; and*

(B) *Would qualify as qualified tuition reduction benefits if such not-for-profit healthcare system and its not-for-profit affiliates were part of such university.*

(.3) *Reimbursements by an employer of an employee's educational expenses relating to education required by the employer to maintain the employee's employment status or compensation level, including any education required by the Commonwealth to retain a professional license or certification relating to the employee's position. The employer must certify any such requirement in such manner as the Department shall determine.*

(.4) *For purposes of this subsection (g), the following definition applies:*

(A) *Qualified tuition reduction benefits. As defined in § 117(d) of the Internal Revenue Code (26 U.S.C.A § 117(d)), as amended from time to time.*

\* \* \*

**CHAPTER 19-2800. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION  
AUTHORITY TAX ON WAGES AND NET PROFITS**

\* \* \*

**§ 19-2802. Definitions.**

\* \* \*

(11) Salaries, Wages, Commissions and Other Compensation. All salaries, wages, commissions, bonuses, incentive payments, fees and tips that may accrue or be received by an individual, whether indirectly or through an agent and whether in cash or in property, for services rendered, but excluding:

\* \* \*

(g) *Certain tuition benefits, as follows:*

(.1) *Qualified tuition reduction benefits.*

(.2) *Tuition benefits that:*

(A) *Are provided to its employees by a not-for-profit healthcare system and its not-for-profit affiliates that are wholly (100%) owned and controlled, directly or indirectly, by a not-for-profit university; and*

(B) *Would qualify as qualified tuition reduction benefits if such not-for-profit healthcare system and its not-for-profit affiliates were part of such university.*

(.3) *Reimbursements by an employer of an employee's educational expenses relating to education required by the employer to maintain the employee's employment status or compensation level, including any education required by the Commonwealth to retain a professional license or certification relating to the employee's position. The employer must certify any such requirement in such manner as the Department shall determine.*

(.4) *For purposes of this subsection (g), the following definition applies:*

(A) *Qualified tuition reduction benefits. As defined in § 117(d) of the Internal Revenue Code (26 U.S.C.A § 117(d)), as amended from time to time.*

**SECTION 2.** Effective date. This Ordinance shall take effect immediately.

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Explanation:

*Italics* indicate new matter added.