

## Legislation Details (With Text)

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**File created:** 9/11/2003      **In control:** Committee on Commerce & Economic Development

**On agenda:**      **Final action:** 10/16/2003

**Title:** Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by making permanent and expanding the pilot program under which a credit against business privilege taxes is given to certain businesses that contribute monies to community development corporations undertaking economic development activities within the City of Philadelphia; all under certain terms and conditions.

**Sponsors:** Councilmember Goode, Councilmember Reynolds Brown, Councilmember Blackwell

**Indexes:** BUSINESS PRIVILEGE TAX

**Code sections:** 19-2600 - Business Privilege Tax, 19-2604 - Tax Rates, Credits, and Alternative Tax Computation

**Attachments:** 1. CertifiedCopy03056100.pdf

Date	Ver.	Action By	Action	Result	Tally
10/30/2003	0	MAYOR	SIGNED		
10/16/2003	0	CITY COUNCIL	READ		
10/16/2003	0	CITY COUNCIL	PASSED	Pass	16:0
10/9/2003	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
10/9/2003	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
10/9/2003	0	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
10/7/2003	0	Committee on Commerce & Economic Development	HEARING NOTICES SENT		
10/7/2003	0	Committee on Commerce & Economic Development	HEARING HELD		
10/7/2003	0	Committee on Commerce & Economic Development	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
9/11/2003	0	CITY COUNCIL	Referred		
9/11/2003	0	CITY COUNCIL	Introduced	Pass	

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by making permanent and expanding the pilot program under which a credit against business privilege taxes is given to certain businesses that contribute monies to community development corporations undertaking economic development activities within the City of Philadelphia; all 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.

\* \* \*

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

\* \* \*

(6) Credit for Contributions to Community Development Corporations[; Pilot Program].

(a) Definitions. For purposes of this subsection, the following definitions shall apply:

(1) Qualifying CDC. A community development corporation undertaking economic development activities within the City of Philadelphia.

(b) A business shall receive a tax credit of \$100,000 per year against business privilege tax liability for each year the business contributes \$100,000 in cash to a Qualifying CDC under the terms and conditions of this subsection (6).

(c) The tax credit under this subsection (6) shall be available to up to [fifteen (15)] *twenty-five (25)* businesses that enter into a contribution agreement with the City under which the business agrees to contribute \$100,000 in cash per year for ten consecutive years to a Qualifying CDC designated by the business. No tax credit shall be given for any contributions made by a business to a Qualifying CDC other than pursuant to a contribution agreement with the City executed under the terms and conditions of this subsection (6).

(d) The Revenue Department shall provide application forms for businesses that wish to apply for tax credits under this Section, and it shall enter into contribution agreements under this Section with up to [fifteen (15)] *twenty-five (25)* applicants on a “first come-first served” basis. The Revenue Department shall when necessary randomly choose among applicants that apply on the same date.

(e) A business may terminate its contribution agreement with the City at any time. A business that terminates a contribution agreement will not lose any tax credits it has taken for contributions made under the contribution agreement, but the business will not be eligible to apply for any future tax credits under this subsection. If a business terminates its contribution agreement, a new business may apply to receive tax credits under this subsection, provided that such tax credits shall be limited to the number of years that were remaining on the terminating business’ contribution agreement, and further provided that the new business must enter into a contribution agreement with the City under which it agrees to make contributions of \$100,000 per year to the same Qualifying CDC which was the recipient under the terminating business’ contribution agreement, and for the number of years that remained under that agreement.

(f) The Revenue Department shall by December 31 of each year submit a written report to the Mayor, with a copy to the President and Chief Clerk of Council, summarizing the City’s experience during the prior year with the tax credit provided under this Section[, and containing any recommendations as to continuation or modification of the pilot tax credit program established by this Section].

SECTION 2. The provisions of Section 1 increasing the number of contribution agreements authorized under Section 19-2604(6) of the Code from fifteen to twenty-five shall take effect beginning with Tax Year 2004.

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**Explanation:**

[Brackets] indicate matter deleted.

*Italics* indicate new matter added.