



Legislation Details (With Text)

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Title: Amending Section 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to add a new subsection, "Job Training Sponsorship Credit," providing a credit for certain contributions; all under certain terms and conditions.

Sponsors: Councilmember Johnson

Indexes: BUSINESS INCOME AND RECEIPTS TAXES

Code sections: 19-2600 - Business Income and Receipts Tax

Attachments: 1. Bill No. 15014600.pdf

Date	Ver.	Action By	Action	Result	Tally
2/26/2015	0	CITY COUNCIL	Introduced and Referred	Pass	

Amending Section 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to add a new subsection, "Job Training Sponsorship Credit," providing a credit for certain contributions; 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 INCOME AND RECEIPTS TAXES.

* * *

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

* * *

(16) *Job Training Sponsorship Credit.*

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

(1) *"Qualifying Scholarship Organization." A nonprofit organization with an established record of providing scholarships and job placements to students obtaining Skills Certificates, including providing such opportunities to Philadelphia residents. The Revenue Department, in consultation with the Commerce Department, shall determine whether a nonprofit organization qualifies.*

(2) *"Skills Certificate." A certificate from a short-term program that confirms the holder has gained employable skills. Examples include welding, assistant nursing, and HVAC repair.*

(b) Subject to the provisions of subsection (16)(f), a business shall receive a tax credit of \$60,000 per year against business income and receipts tax liability for each year the business contributes \$60,000 in cash to a Qualifying Scholarship Organization under the terms and conditions of this subsection (16). The contribution must be made in the year for which the credit is sought.

(c) Subject to the provisions of subsection (16)(f), the tax credit under this subsection (16) shall be available to up to fifteen (15) businesses that enter into a contribution agreement with the City under which the business agrees to contribute \$60,000 in cash per year for three consecutive years to a Qualifying Scholarship Organization designated by the business. No tax credit shall be given for any contributions made by a business to a Qualifying Scholarship Organization other than pursuant to a contribution agreement with the City executed under the terms and conditions of this subsection (16). The Qualifying Scholarship Organization must agree, in form and extent satisfactory to the Revenue Department, that the contribution will be used exclusively to provide scholarships and job placement assistance to students obtaining Skill Certificates.

(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) 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) Subject to the provisions of subsection (16) (f), 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 except as one of two businesses applying jointly for tax credit under the provisions of subsection (16)(f). 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 terminated 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 \$60,000 per year to the same Qualifying Scholarship Organization which was the recipient under the terminating business' contribution agreement, and for the number of years that remained under that agreement.

(f) Two businesses may apply jointly for the tax credit provided under this subsection (16). In that case, both businesses shall be parties to the contribution agreement with the City, and the contribution agreement shall specify how much of the total \$60,000 annual contribution to the designated Qualifying Scholarship Organization each business is obligated to contribute. The \$60,000 annual tax credit shall be divided between the two businesses in proportion to each business' contribution as specified in the contribution agreement. Either business may terminate the contribution agreement with the City at any time, in which case the other business shall be given the option of applying for tax credits under the provisions of subsection (16) (e) before any other business (or two businesses applying jointly) may apply.

(g) The Revenue Department shall by July 1 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.

SECTION 2. This Ordinance shall apply to tax years 2016 and thereafter.

Explanation:

Italics indicate new matter added.