

Legislation Details (With Text)

File #: 080022 **Version:** 2 **Name:**

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File created: 1/24/2008 **In control:** Committee of the Whole

On agenda: **Final action:** 5/22/2008

Title: Amending Section 19-2604 of The Philadelphia Code, relating to tax rates, credits and alternative tax computation for the business privilege tax, by reducing certain tax rates; all under certain terms and conditions.

Sponsors: Councilmember Goode, Councilmember Green, Councilmember Reynolds Brown, Councilmember Jones

Indexes: TAXES

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

Attachments: 1. CertifiedCopy08002202.pdf

Date	Ver.	Action By	Action	Result	Tally
5/22/2008	2	CITY COUNCIL	READ		
5/22/2008	2	CITY COUNCIL	PASSED	Pass	17:0
5/22/2008	2	MAYOR	SIGNED		
5/15/2008	2	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
5/15/2008	2	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
5/15/2008	2	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
5/14/2008	1	Committee of the Whole	AMENDED		
5/14/2008	1	Committee of the Whole	HEARING HELD		
5/14/2008	2	Committee of the Whole	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
5/14/2008	1	Committee of the Whole	HEARING NOTICES SENT		
5/8/2008	1	Committee of the Whole	RECESSED		
5/8/2008	1	Committee of the Whole	HEARING HELD		
5/1/2008	1	Committee of the Whole	RECESSED		
5/1/2008	1	Committee of the Whole	HEARING HELD		
4/16/2008	1	Committee of the Whole	RECESSED		
4/16/2008	1	Committee of the Whole	HEARING HELD		
4/15/2008	1	Committee of the Whole	RECESSED		
4/15/2008	1	Committee of the Whole	HEARING HELD		
4/9/2008	0	Committee of the Whole	RECESSED		
4/9/2008	1	Committee of the Whole	HEARING HELD		
4/8/2008	1	Committee of the Whole	HEARING HELD		

4/8/2008	1	Committee of the Whole	RECESSED	
4/7/2008	1	Committee of the Whole	HEARING HELD	
4/7/2008	1	Committee of the Whole	RECESSED	
4/2/2008	1	Committee of the Whole	RECESSED	
4/2/2008	1	Committee of the Whole	HEARING HELD	
4/1/2008	1	Committee of the Whole	RECESSED	
4/1/2008	1	Committee of the Whole	HEARING HELD	
3/31/2008	1	Committee of the Whole	RECESSED	
3/31/2008	1	Committee of the Whole	HEARING HELD	
3/26/2008	1	Committee of the Whole	RECESSED	
3/26/2008	1	Committee of the Whole	HEARING HELD	
3/25/2008	1	Committee of the Whole	RECESSED	
3/25/2008	1	Committee of the Whole	HEARING HELD	
3/24/2008	1	Committee of the Whole	RECESSED	
3/24/2008	1	Committee of the Whole	HEARING HELD	
3/12/2008	1	Committee of the Whole	RECESSED	
3/12/2008	1	Committee of the Whole	HEARING HELD	
3/11/2008	1	Committee of the Whole	RECESSED	
3/11/2008	1	Committee of the Whole	HEARING HELD	
3/4/2008	1	Committee of the Whole	HEARING HELD	
3/4/2008	1	Committee of the Whole	RECESSED	
2/27/2008	0	Committee of the Whole	HEARING HELD	
2/27/2008	1	Committee of the Whole	RECESSED	
2/27/2008	0	Committee of the Whole	AMENDED	
1/24/2008	0	CITY COUNCIL	Referred	
1/24/2008	0	CITY COUNCIL	Introduced	Pass

Amending Section 19-2604 of The Philadelphia Code, relating to tax rates, credits and alternative tax computation for the business privilege tax, by reducing 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 [and thereafter]	1.415 mills	[6.50%] 6.45%
2009	1.325 mills	6.40%
2010	1.25 mills	6.35%
2011	1.1 mills	6.30%
2012	1.0 mills	6.25%
2013	0.85 mills	6.20%
2014	0.75 mills	6.15%
2015	0.50 mills	6.10%
2016	0.25	6.05%
	<i>millscharrsid52917</i>	
	4	
2017 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 [and thereafter]	2.34 %	3.29 %	0.78 %
2009	2.19 %	3.08 %	0.73 %
2010	2.07 %	2.91 %	0.69 %
2011	1.82 %	2.56 %	0.61 %
2012	1.65 %	2.33 %	0.55 %
2013	1.40 %	1.98 %	0.47 %
2014	1.24 %	1.75 %	0.41 %
2015	0.83 %	1.17 %	0.27 %
2016	0.43%	0.59%	0.14%
2017 and thereafter	0.0%	0.0%	0.0%

* * *

SECTION 2. Effective dates. This Ordinance shall be effective with respect to taxes relating to tax years 2008 and thereafter.

Explanation:

Italics indicate new matter added.