



Legislation Text

File #: 000451, Version: 1

Amending Chapter 19-2800 of The Philadelphia Code, entitled “Pennsylvania Intergovernmental Cooperation Authority Tax on Wages And Net Profits,” by exempting certain stock options from the tax, under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 19-2800 of The Philadelphia Code is hereby amended to read as follows:

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:

\* \* \*

*(f) Stock options which do not have a readily ascertainable fair market value, as defined by 26 C.F.R. §1.83-7(b), on the date the stock option is granted. Stock options which do have a readily ascertainable fair market value on the date the stock option is granted shall be considered as compensation in the amount of such value and received on such date. If an employee is offered the choice of receiving compensation in cash or compensation in stock options, and chooses stock options, then such stock options shall be deemed to have a readily ascertainable fair market value equal to the amount of cash that was offered. Any amount that would otherwise be considered as compensation arising from the exercise, exchange, sale or disposition of stock options, whether or not they had a readily ascertainable fair market value when granted, shall not be taxable under this Chapter.*

\* \* \*

SECTION 2. The provisions of subsection 19-2802(11)(f) of The Philadelphia Code, as added by Section 1 of

this Ordinance, exempting certain stock options from tax, shall apply to only to stock options that are granted after the date this Ordinance takes effect, and to stock options that are exercised, exchanged, sold or otherwise disposed of, on or after the date this Ordinance takes effect.

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**Explanation:**

*Italics* indicate new matter added.