

## Legislation Text

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**File #:** 140451, **Version:** 0

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Amending Chapter 19-2700 of The Philadelphia Code, entitled "Sales and Use Tax and Hotel Occupancy Tax," by providing for additional sales and use tax and for the manner in which the tax revenues shall be used, all under certain terms and conditions.

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

SECTION 1. Chapter 19-2700 of The Philadelphia Code is amended to read as follows:

### CHAPTER 19-2700. SALES AND USE TAX AND HOTEL OCCUPANCY TAX.

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§ 19-2702. *Additional Sales and Use Tax.*

(1) *Sales Tax.* Effective July 1, 2014, in addition to the tax imposed by § 19-2701, there is hereby imposed on the sale at retail of tangible personal property or services a tax at the rate of one percent (1%) on the purchase price. The tax shall be collected by the vendor from the purchaser and shall be paid over to the Commonwealth as provided by the statute authorizing the imposition of the tax.

(2) *Use Tax.* Effective July 1, 2014, in addition to the tax imposed by § 19-2701, there is hereby imposed upon the use within the City of tangible personal property purchased at retail and on services purchased at retail a tax at the rate of one percent (1%) on the purchase price. The tax shall be paid to the Commonwealth by the person who makes such use as provided by the statute authorizing the imposition of the tax. The use tax shall not be paid by any person who has paid the City tax imposed under this Section equal to or greater than the tax imposed pursuant to either subsection (1) or this subsection.

(3) *Tax revenues collected pursuant to subsections (1) and (2) shall be distributed to the School District of Philadelphia and the City as set forth in subsections (3)(a) through (3)(d). Amounts allocated to the City pursuant to subsections (3)(a) through (3)(d) shall be used exclusively in accordance with the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act, except to the extent the General Assembly allows a portion to be used for debt service.*

(a) *For fiscal year 2015, the first \$120,000,000 shall be distributed to the School District of Philadelphia and the balance to the City.*

(b) *For fiscal year 2016, seventy percent (70%) shall be distributed to the School District of Philadelphia and thirty percent (30%) to the City.*

*(c) For fiscal year 2017, sixty percent (60%) shall be distributed to the School District of Philadelphia and forty percent (40%) to the City.*

*(d) For fiscal year 2018 and each fiscal year thereafter, fifty percent (50%) shall be distributed to the School District of Philadelphia and fifty percent (50%) to the City.*

SECTION 2. This Ordinance shall become effective upon the enactment of authorizing legislation by the General Assembly.

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**Explanation:**

*Italics indicate new matter added.*