

Legislation Text

File #: 090379, Version: 0

Amending Section 19-2604 of The Philadelphia Code, relating to tax rates, credits and alternative tax computation for the business privilege tax, by revising tax rates for Fiscal Years 2010 and 2011, 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 through [2013] <i>2009</i>	1.415 mills	6.45%
<i>2010 through 2011</i>	<i>2.415 mills</i>	<i>6.45%</i>
<i>2012 through 2013</i>	<i>1.415 mills</i>	<i>6.45%</i>
2014	1.325 mills	6.40%
2015	1.25 mills	6.35%
2016	1.1 mills	6.30%
2017	1.0 mills	6.25%
2018	0.85 mills	6.20%
2019	0.75 mills	6.15%
2020	0.50 mills	6.10%
2021	0.25 mills	6.05%
2022 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 through [2013] <i>2009</i>	2.34 %	3.29 %	0.78 %
<i>2010 through 2011</i>	<i>3.99%</i>	<i>5.62%</i>	<i>1.33%</i>
<i>2012 through 2013</i>	<i>2.34%</i>	<i>3.29%</i>	<i>0.78%</i>
2014	2.19 %	3.08 %	0.73 %
2015	2.07 %	2.91 %	0.69 %
2016	1.82 %	2.56 %	0.61 %
2017	1.65 %	2.33 %	0.55 %
2018	1.40 %	1.98 %	0.47 %
2019	1.24 %	1.75 %	0.41 %
2020	0.83 %	1.17 %	0.27 %
2021	0.43%	0.59%	0.14%
2022 and thereafter	0.0%	0.0%	0.0%

* * *

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.