City of Philadelphia

Legislation Text

File #: 040023-A, **Version:** 2

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. Subsection 1 of Section 19-2604 of The Philadelphia Code is hereby repealed in its entirety, and a new subsection is added that reads as follows: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%
2002	2.40 mills	6.50%
2003	2.30 mills	6.50%
2004	2.10 mills	6.50%
2005	1.90 mills	6.50%
2006	1.75 mills	6.50%
2007	1.50 mills	6.50%
2008	1.00 mills	6.50%
2009	0.5 mills	6.50%
2010	0.0 mills	6.0%
2011	0.0 mills	5.0%
2012	0.0 mills	4.0%
2013	0.0 mills	3.0%
2014	0.0 mills	2.0%
2015	0.0 mills	1.0%
2016	0.0 mills	0.0%

IMPACT ON FIVE YEAR PLAN REVENUES (in millions)			
FY05	*Tax Refom Comm*		*Bill No. 040023*
	Wage Tax	-2.32	0.00
	BPT - Net Profits	0.00	0.00
	BPT - Receipts	0.00	0.00
	Partnership deduct	-9.45	0.00

	FY05 Total	***-11.77***	***0.00***
FY06			
	Wage Tax	*-8.16*	*0.00*
	BPT - Net Profits	*-14.89*	*0.00*
	BPT - Receipts	*0.00*	*0.00*
	Partnership deduct	*-9.30*	*0.00*
	FY06 Total	***-32.34***	***0.00***
FY07			
	Wage Tax	*-8.16*	*0.00*
	BPT - Net Profits	*-30.19*	*0.00*
	BPT - Receipts	*0.00*	*-6.35*
	Partnership deduct	*-9.65*	*0.00*
	FY07 Total	***-60.52***	***-6.35***
FY08			
	Wage Tax	*-39.63*	*0.00*
	BPT - Net Profits	*-46.82*	*0.00*
	BPT - Receipts	*0.00*	*-27.06*
	Partnership deduct	*-9.75*	*0.00*
	FY08 Total	***-96.20***	***-27.06***
FY09			
	Wage Tax	*-60.06*	*0.00*
	BPT - Net Profits	*-63.40*	*0.00*
	BPT - Receipts	*-4.47*	*-52.20*
	Partnership deduct	*-10.15*	*0.00*
	FY09 Total	***-138.09***	***-52.20***
FY05 - FY09			
	Wage Tax	*-130.85*	*0.00*
	BPT - Net Profits	*-155.30*	*0.00*
	BPT - Receipts	*-4.47*	*-85.61*
	Partnership deduct	*-48.30*	*0.00*
	FY05-09 Total	***-338.92***	***-85.61***

SECTION 2. Effective dates. This Ordinance shall be effective immediately.

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Explanation:

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