



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

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Supporting President Obama's urgent American Jobs Act and calling on Mayor Nutter to establish complementary job creation programs at the local level.

WHEREAS, The American Jobs Act reflects a commitment to strengthen the recovery and help increase access to jobs for all Americans. While the national unemployment rate remained at 9.1 percent, in Philadelphia, the jobs picture is even worse, with an unemployment rate of 11 percent in August and a unemployment rate of 16.2 of minorities, according to preliminary Labor Department statistics; and

WHEREAS, President Obama's American Jobs Act is a commitment to rebuilding and revitalizing communities across the country and will target investments to the communities hardest hit by the recession. The President's investments in infrastructure include a school construction initiative with a significant commitment to the largest urban school districts, an investment in revitalizing communities that have been devastated by foreclosures, and a new initiative to expand infrastructure employment opportunities for minorities, women, and socially and economically disadvantaged individuals; and

WHEREAS, President Obama is committed to supporting job initiatives for the long-term unemployed, with a \$4000 tax credit for companies who hire a person who has been unemployed for over six months; and with a \$15 billion investment in Project Rebuild, a national effort to put construction workers on the job rehabilitating and refurbishing hundreds and thousands of vacant and foreclosed businesses and homes; and

WHEREAS, President Obama is committed to supporting job initiatives for veterans with a Returning Heroes Tax credit of up to \$5600 for hiring unemployed veterans and a \$9,600 Wounded Warriors Tax Credit for hiring unemployed workers, with service-connected disabilities, who have been seeking employment for over 6 months; and

WHEREAS, In an environment with an unemployment rate of 32.4% for African-American youth, the President is proposing to build on successful programs, like the Temporary Assistance for Needy Families Emergency Contingency Fund, to create jobs and provide training for those hardest-hit by the recession; and

WHEREAS, President Obama's Job Act proposes a \$25 billion investment in school infrastructure that will modernize at least 35,000 public schools, which will create jobs, while improving classrooms and upgrading our schools to meet 21st century needs. Funds could be utilized for a range of emergency repair and renovation projects, greening, energy efficiency, asbestos abatement, and modernization of new Science labs and to technological upgrades. 40 percent, or \$10 billion, will be directed towards the top 100 largest high-need public school districts, benefiting Philadelphia as the 8th largest public school district. The President is also proposing a \$5 billion investment in modernizing community colleges, bolstering their infrastructure in these dire times while ensuring their ability to serve future generations of students and communities; and

WHEREAS, President Obama proposes to extend and expand the payroll tax cut passed last December, increasing it to 3.1% for 2012. By expanding the payroll tax cut, the median American household gains an additional \$1300. These tax cuts will cut employer payroll taxes in half for small businesses. There are over 144,000 small businesses in Philadelphia, including over 4,000 owned by Asian American, 3,200 owned by Hispanics, and over 41,000 owned by African-Americans. These tax cuts will provide these small business

owners with an added bonus for increasing their payroll, and extend 100% expensing provisions that provide an incentive for investment; and

WHEREAS, President Obama's plan includes an immediate \$50 billion investment in infrastructure for highway safety, transit and passenger rail with a \$50 million 2012 objective to enhance employment and job training opportunities for minorities, women, and socially and economically disadvantaged business enterprises gain better access to transportation contracts, which will ensure the hiring of local workers, to maximize economic benefits for communities where projects are located; and

WHEREAS, The Job Creation Tax Credit program was established in May 2002 to encourage businesses to expand employment within the City of Philadelphia. It is based on the Commonwealth of Pennsylvania's Job Creation Tax Credit program and offers a credit against the firm's Business Privilege Tax liability for each new job created. The program can be utilized by companies of any type or size located anywhere in the City; and

WHEREAS, There is a special tax credit opportunity for job creation in 2010 and 2011 whereby a firm may receive a tax credit in the amount of \$3,000 or two-percent (2%) of annual wages paid for each new job. This special tax credit opportunity was extended for job creation in 2012 and 2013 for applicants filing after the effective date of Bill No. 100787; Bill No. 100787 was passed by City Council on December 16, 2010 and signed by the Mayor on January 5, 2011; and

WHEREAS, There is much more needed to be done to deal with the long-term unemployed and for maximum effects particularly in Philadelphia a ~~complimentary~~ complementary job creation ~~imitative~~ initiative should include benefits for on-the- job training, to match residents with potential employers with a incentives for employers of tax credits, and wage subsidies, combating the skills gap of African-Americans being just 18 percent of the labor force in Philadelphia despite representing 45 percent of the City's population, and Hispanics accounting for just six percent of the labor force, yet representing over 11 percent of the population, as well as addressing Philadelphia's overall high unemployment rate. Such local job creation initiatives have been successful in Atlanta, where over 5,000 have been hired and in Washington, D.C. where projections are to employ 10,000 residents within the first year of operation; and

WHEREAS, The economic success of our cities is vital to the economic prosperity of our Commonwealth, the region and our nation; now therefore,

BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby supports President Obama's urgent American Jobs Act and calls on Mayor Nutter to establish complimentary job creation programs at the local level.

FURTHER RESOLVED, That a copy of this resolution be sent to the Pennsylvania Congressional delegation and Mayor Nutter as evidence of the grave concern of this legislative body.