

Legislation Text

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Amending Chapter 19-3801 of The Philadelphia Code, entitled “Finance, Taxes and Collections,” and such other provisions as may be appropriate, to reduce the net profits tax burden on certain existing and new businesses, for the purpose of generating growth in existing businesses, the birth of new businesses, and the creation of jobs, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

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

TITLE 19. FINANCE, TAXES AND COLLECTIONS.

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§ 19-3801. New Businesses.

(1) Definitions. In this Chapter, the following definitions shall apply.

(a) Department. The Revenue Department.

(b) Family member. A parent, spouse, life partner, child, sibling or like relative-in-law of an owner of a New Business or affiliate.

(c) New Business. A business that is subject to business privilege tax under Section 19-2603, but was not subject to the business privilege taxes imposed by Section 19-2603 at any time during the five Tax Years preceding Tax Year 2012.

(i) An existing business that is not subject to business privilege taxes because it is not currently engaged in business within the City of Philadelphia is eligible to qualify as a New Business upon engaging in such business if it meets the requirements of the preceding definition.

(ii) Exclusions. The term “New Business” does not include:

(.1) a business affiliated with or sharing substantial common ownership or control with a business that has filed a business privilege tax return;

(.2) a business created through an ownership change of a business that has filed a business privilege tax return, including, but not limited to:

(A) a merger, acquisition or reorganization;

(B) the transfer of an existing business to a person who maintains the same or substantially similar business; and

(C) the closing of an existing business and its subsequent reopening as the same or similar business;

(.3) a business formed for the purpose of evading or avoiding payment of taxes or fees that would otherwise be due but for the provisions of this Chapter 19-3800; or

(.4) a business, the primary business activity of which is holding, selling, leasing, transferring, managing or developing real estate.

(2) Notwithstanding any provision to the contrary, but subject to the conditions set forth in subsection (3), with respect to the first two years that a business qualifies as a New Business:

(a) The business taxes imposed by Section 19-2603 shall be imposed on the New Business at the rate of zero (0) percent.

(b) All fees charged by the City to the New Business for the following licenses and registrations shall be waived, provided that all such licenses and registrations shall continue to be required to the extent applicable to the New Business:

- (.1) Amusement license.
- (.2) Food establishment license.
- (.3) Sidewalk café license.
- (.4) Curb market license.
- (.5) Street vendor license.
- (.6) Sidewalk sales license.
- (.7) Center City vending license.
- (.8) Neighborhood vending license.
- (.9) Newsstand license.
- (.10) Handbill distribution license.
- (.11) Weights and measures registration.
- (.12) Waste collection and recycling licenses.
- (.13) Towing license.
- (.14) Auto repair shop license or permit.
- (.15) Hazardous chemical license or permit.
- (.16) Business Privilege License.

(c) The fees required by Section A-907 (relating to zoning and planning) shall be waived for the New Business, provided that all other requirements of that Section shall remain in effect.

(d) The net profits tax imposed by Section 19-1502 shall be imposed with respect to the income of the New Business at the rate of zero (0) percent.

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SECTION 2. This Ordinance shall take effect immediately.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.