

## Legislation Text

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Authorizing the Committee on Labor and Civil Service to hold a hearing examining the economic burden of the unregulated business economy on the City of Philadelphia.

WHEREAS, The unregulated business economy refers to work in the City of Philadelphia that is not completed through formal and taxable means; and

WHEREAS, Nonunion businesses historically have employed workers who are undocumented or are misclassified by their employers, who do not pay income tax to the City of Philadelphia, representing a sizeable economic burden on the City; and

WHEREAS, Businesses, further, neglect to pay payroll taxes and reducing funds available for social welfare programs; and

WHEREAS, The Underground Economy Task Force, initially organized in 2018 by the Mayor, has been disbanded and is no longer analyzing the effects of the unregulated business economy; and

WHEREAS, There must be a mechanism for identifying businesses that employ workers without paying proper taxes and engage in unlicensed construction projects; and

WHEREAS, Unlicensed projects can result in harm to nonunion and undocumented workers; and

WHEREAS, The Department of Licenses and Inspections has not provided adequate response to known cases of tax fraud and unlicensed construction projects; now, therefore, be it,

**RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA,** That it hereby authorizes the Committee on Labor and Civil Service to hold a hearing examining the economic burden of the unregulated business economy on the City of Philadelphia.