

Legislation Text

File #: 140641, Version: 0

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to revise the Credit for New Job Creation by changing the minimum wage requirement in the definition of "New Job"; and by providing an additional "Special Tax Credit Opportunity for Job Creation" in the form of a multi-year tax credit for certain new jobs created in 2015; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-2600 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-2600. BUSINESS INCOME AND RECEIPTS TAXES.

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§ 19-2604. Tax Rates, Credits, and Alternative Tax Computation.

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(7) Credit for New Job Creation.

(a) Definitions. For purposes of this subsection, the following definitions shall apply.

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(3) New Job. A full-time job, [the average hourly rate, excluding benefits, for which must be at least 150% of the federal minimum wage,] created within the City and County of Philadelphia by a company within five (5) years from the start date, *the average hourly rate, excluding benefits, for which must be equal to at least the higher of:*

(i) *150% of the federal minimum wage or*

(ii) *\$12.00 multiplied by the CPI Multiplier. The CPI Multiplier shall be calculated annually by the Director of Finance, for wages to be provided on and after January 1 of each year by dividing the most recently published Consumer Price Index for all Urban Consumers (CPI-U) All Items Index, Philadelphia, Pennsylvania, by the most recently published CPI-U as of January 1, 2015.*

Employment opportunities for Returning Citizens must be contracted for a minimum period of at least 180 days.

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(d) Tax Credits.

(1) (i) **Basic Maximum Amount.** A business may claim a tax credit in an amount equal to two percent of the annual wages paid for each new job, or \$1,000 per new job created (or \$5,000 per new job created in the case of new employment opportunities for ex-offenders), whichever is higher, up to the maximum job creation amount specified in the commitment letter. The Department shall establish by regulation a methodology by which the annual wages paid by each new job are to be determined.

(ii) **Special Tax Credit Opportunity for Job Creation in 2010 and 2011.** In connection with any application for a Job Creation Tax Credit filed after the effective date of this subparagraph, a business may claim a tax credit in the amount of \$3,000 or the amount permitted under subparagraph (i), whichever is higher, for each new job created in 2010 or 2011, up to the maximum job creation amount specified in the commitment letter.

(iii) **Special Tax Credit Opportunity for Job Creation in 2012 and 2013.** In connection with any application for a Job Creation Tax Credit filed after the effective date of this subparagraph, a business may claim a tax credit in the amount of \$3,000 or the amount permitted under subparagraph (i), whichever is higher, for each new job created in 2012 or 2013, up to the maximum job creation amount specified in the commitment letter.

(iv) **Special Tax Credit Opportunity for Job Creation in 2012 and each year thereafter.** In connection with any application for a Job Creation Tax Credit filed after the effective date of this subparagraph, a business may claim a tax credit in the amount of \$5,000 or the amount permitted under subparagraph (i), whichever is higher, for each new job created in 2012 or thereafter, up to the maximum job creation amount specified in the commitment letter.

(v) *Special Tax Credit Opportunity for Job Creation in 2015.* In connection with any application for a Job Creation Tax Credit filed after the effective date of this subparagraph, a business may claim in each of five (5) years a tax credit in the amount of \$5,000 or the amount permitted under subparagraph (i), whichever is higher, for each new job created in 2015, up to the maximum job creation amount specified in the commitment letter.

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Explanation:

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