Legislation Details (With Text)

File #:	120726	**Version:** 0	**Name:**	
Type:	Bill		**Status:**	LAPSED
File created:	9/20/2012		**In control:**	Committee on Finance
On agenda:			**Final action:**	

Title: Amending references to "Business Privilege License" and "Business Privilege Tax" to "Commercial Activity License" and "Business Income and Receipts Tax" respectively, throughout The Philadelphia Code, all under certain terms and conditions.

Sponsors: Council President Clarke, Councilmember Jones

Indexes: BUSINESS PRIVILEGE LICENSE, BUSINESS PRIVILEGE TAX

Code sections:

Attachments: 1. Bill No. 12072600.pdf

Date	Ver.	Action By	Action	Result	Tally
9/20/2012	0	CITY COUNCIL	Introduced and Referred	Pass	

Amending references to "Business Privilege License" and "Business Privilege Tax" to "Commercial Activity License" and "Business Income and Receipts Tax" respectively, throughout The Philadelphia Code, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 9 of The Philadelphia Code is hereby amended to read as follows:

TITLE 9. REGULATION OF BUSINESSES, TRADES AND PROFESSIONS

*   *   *

§ 9-1005. Fire Suppression System Contractors.

*   *   *

(3)   Requirements for License.

(a)   Each applicant for a Fire Suppression System Contractor License shall provide, on a form to be supplied by the Department, the following information:

(.1)   City of Philadelphia [Business Privilege] *Commercial Activity* License and tax identification numbers.

*   *   *

§ 9-1006. Electrical Contractors.

* * *

(4)   Application Requirements. Applications for an Electrical Contractor's license shall be made on forms to be supplied by the Department. No license shall be issued until the applicant:

(a)   provides the Department with a copy of the applicant's [Business Privilege] *Commercial Activity* license and tax identification number;

* * *

§ 9-1303. Fire Alarm Systems Inspector License.

* * *

(2)   Application Requirements. In order to secure a license an applicant must:

* * *

(b)   hold, or be an employee of a person who holds, a [Business Privilege] *Commercial Activity* License issued by the Department; and

* * *

§ 9-1304. Electrical Inspection Agency License.

* * *

(2)   Application Requirements.

(a)   To obtain an Electrical Inspection Agency license, the agency shall submit the following information on a form provided by the Department:

* * *

(.4)   The agency's Philadelphia [Business Privilege] *Commercial Activity* License number and City tax identification number.

* * *

CHAPTER 9-3700. BOUNCERS

* * *

§ 9-3702. Registration of Bouncers.

* * *

(2)   The certificate awarded to a person completing the Third-Party Training Course shall contain the following information:

*　　*　　*

(d)　　bouncer's [business privilege] *commercial activity* license number if bouncer is an independent contractor; and

*　　*　　*

§ 9-3703. Prohibition Against Employing Unregistered or Untrained Bouncers.

(1)　　No person shall employ a bouncer at a covered establishment if that bouncer is not registered as a bouncer with the Administrative Agency and, in the case of an independent contractor, if that bouncer does not possess a valid [business privilege] *commercial activity* license.

SECTION 2. Title 19 of The Philadelphia Code is hereby amended to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS

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CHAPTER 19-2600. BUSINESS INCOME AND RECEIPTS TAXES

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§ 19-2601. Definitions.

In addition to the definitions provided in the Act of May 30, 1984, P.L. 345, No. 69, known as the First Class City Business Tax Reform Act, and Chapter 19-500 of this Title, the following definitions shall apply:

*　　*　　*

Receipts.　　*　　*　　*

*　　*　　*

(14)　　For tax year 2014, the first $50,000 in taxable receipts received by any person or business subject to the business [privilege] *income and receipts* tax under this Chapter; for tax year 2015, the first $75,000 in taxable receipts received by any person or business subject to the business [privilege] *income and receipts* tax under this Chapter; for tax year 2016 and thereafter, the first $100,000 in taxable receipts received by any person or business subject to the business [privilege] *income and receipts* tax under this Chapter.

*　　*　　*

§ 19-2602. Licenses.

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(4)　　Every person required to procure a license under this Section shall as a condition to the receipt or

retention of the license:

*   *   *

(e)   refrain from violating any provision of Chapter 9-2300 of the Philadelphia Code entitled "Protection of Displaced Contract Workers". The Philadelphia Labor Standards Unit shall have the responsibility for the enforcement of the provisions of this subsection and in connection therewith shall:

*   *   *

(.4)   Refer all complaints determined to have merit to the Department of Licenses and Inspections for revocation of the offending person's [business privilege] *commercial activity* license pursuant to subsection (d)(1).

*   *   *

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

*   *   *

(12)   Single Sales Factor Apportionment Tax Credit.

(a)   Definitions.

(i)   Single Sales Factor Apportionment Liability. A business' liability for the net income portion of the business [privilege] *income and receipts* tax if the business' taxable income was apportioned based solely on the ratio of taxable receipts of the business from within the City of Philadelphia to the total receipts of the business.

(ii)   Current Business [Privilege] *Income and Receipts* Tax Liability. A business' liability for the net income portion of the business [privilege] *income and receipts* tax if, pursuant to Revenue Department regulations, taxable income is apportioned, in whole or in part, based on factors other than the ratio of taxable receipts of the business from within the City of Philadelphia to the total receipts of the business.

(b)   Tax Credit.

(i)   Starting in tax year 2013, businesses shall be eligible to receive a non-refundable single sales factor apportionment tax credit against their business [privilege] *income and receipts* tax liability as set forth below. Any unused tax credits may not be carried forward.

(ii)   The single sales factor apportionment tax credit shall be calculated as follows: For the given tax year, the applicant business shall determine its current business [privilege] *income and receipts* tax liability minus its single sales factor apportionment liability, which resulting number shall be the "single sales factor apportionment tax credit base." The amount of the single sales factor apportionment tax credit shall be as follows: for tax years 2013 and 2014, the single sales factor apportionment tax credit amount shall be whatever percentage of the single sales factor apportionment tax credit base as is determined by the Revenue Department by regulation to be fiscally prudent in light of the City's budget needs; and for tax year 2015 and thereafter, the single sales factor apportionment tax credit amount shall be 100% of the single sales factor apportionment tax credit base; provided that there shall be no credit in any year in which, pursuant to Revenue

Department regulations, taxable income is apportioned exclusively based on the ratio of taxable receipts of the business from within the City of Philadelphia to the total receipts of the business.

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§ 19-2610. Estimated Tax Payments.

The Department shall promulgate regulations to provide for estimated tax payments to be paid concurrently with the filing of any return, and for credits to be granted on any overpayment of estimated tax payment. Estimated business [privilege] *income and receipts* tax payments for any given Tax Year shall be calculated without taking into account any reductions in tax rates or changes to apportionment formulas required by Bill No. 110554 for such Tax Year. The Department shall also promulgate regulations to provide for transition rules. Failure to make an estimated payment pursuant to these regulations shall subject a taxpayer to interest, penalties and costs as provided in Section 19-509.

*   *   *

CHAPTER 19-3800. NEW BUSINESSES

§ 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] *income and receipts* tax under Section 19-2603, but was not subject to the business privilege taxes imposed by Section 19-2603 *(now known as business income and receipts taxes)* at any time during the five Tax Years preceding Tax Year 2012.

(i) An existing business that is not subject to business [privilege] *income and receipts* 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] *income and receipts* tax return;

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

*   *   *

(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:

*   *   *

(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:

*   *   *

(.16)   [Business Privilege] *Commercial Activity* License.

*   *   *

pararsid15030793   (3)   Conditions for tax and fee relief.

(a)   Employment Requirement.

(.1)   As a condition of maintaining "New Business" status, a business must:

(A)   as   of   the   12-month   anniversary   of   becoming   subject   to   the   business [privilege] *income and receipts* tax and continuously thereafter through the 18-month anniversary of becoming subject to such tax, have at least three full-time employees who are not family members and who work in the City at least sixty percent of the time; and

(B)   as   of   the   18-month   anniversary   of   becoming   subject   to   the   business [privilege] *income and receipts* tax and continuously thereafter through the 24-month anniversary of being subject to such tax, have at least six full-time employees who are not family members and who work in the City at least sixty percent of the time.

*   *   *

(4)   If the department finds that a taxpayer claiming the status of a New Business was not entitled to that status, the taxpayer shall be liable for any unpaid taxes, fees and charges that would otherwise have been due, and shall be subject to the provisions of Section 19-509 ("Interest, Penalties and Costs"), Section 9-102 ("Licenses and Permits"), and all other provisions applicable to the nonpayment of taxes, fees and charges.

(a)   A business that otherwise qualifies as a New Business does not lose its status as such if, prior to the end of its second anniversary of becoming subject to business [privilege] *income and receipts* taxes, the business ceases to exist.

(5)   At the end of its second anniversary of becoming subject to business [privilege] *income and receipts* taxes, a New Business shall cease to be a New Business.

SECTION 3. This Ordinance shall have the same legal effect as provided in Section 11 of Bill No. 110758 (approved December 21, 2011).

SECTION 4. This Ordinance shall take effect immediately.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.