



Legislation Details (With Text)

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Title: Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to revise the Credit for New Job Creation by increasing the credit for the creation of jobs by certain manufacturers; all under certain terms and conditions.
Sponsors: Councilmember Henon, Council President Clarke, Councilmember Goode
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Table with 6 columns: Date, Ver., Action By, Action, Result, Tally. Row 1: 11/20/2014, 0, CITY COUNCIL, Introduced and Referred, Pass

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to revise the Credit for New Job Creation by increasing the credit for the creation of jobs by certain manufacturers; 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.

* * *

(7) Credit for New Job Creation.

* * *

(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 Returning Citizens), 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.

(vi) Special Tax Credit Opportunity for Creation of Certain Jobs. In connection with any application for a Job Creation Tax Credit filed after the effective date of this subparagraph, the following businesses may claim a tax credit in the amount of \$3,000 in addition to any other tax credit to which the business may be entitled under this subsection (7)(d)(1):

(.1) Manufacturers that meet the requirements for classification under Sections 31, 32 or 33 of the 2012 North American Industry Classification System ("NAICS") codes, including the following subsectors: Food Manufacturing (NAICS 311); Beverage and Tobacco Product Manufacturing (NAICS 312); Textile Mills (NAICS 313); Textile Product Mills (NAICS 314); Apparel Manufacturing (NAICS 315); Leather and Allied Product Manufacturing (NAICS 316); Wood Product Manufacturing (NAICS 321); Paper Manufacturing (NAICS 322); Printing and Related Support Activities (NAICS 323); Petroleum and Coal Products Manufacturing (NAICS 324); Chemical Manufacturing (NAICS 325); Plastics and Rubber Products Manufacturing (NAICS 326); Nonmetallic Mineral Product Manufacturing (NAICS 327); Primary Metal Manufacturing (NAICS 331); Fabricated Metal Product Manufacturing (NAICS 332); Machinery Manufacturing (NAICS 333); Computer and Electronic Product Manufacturing (NAICS 334); Electrical Equipment, Appliance, and Component Manufacturing (NAICS 335); Transportation Equipment Manufacturing (NAICS 336); Furniture and Related Product Manufacturing (NAICS 337); and Miscellaneous Manufacturing (NAICS 339), when the facility is used for manufacturing.

* * *

(5) Maximum. The total amount of all tax credits available in any year for commitment under subsection (7)(c)(3) shall not exceed [2%] 3% of all revenues collected by the City through the gross receipts and net income components of the business income and receipts tax during the previous tax year.

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SECTION 2. This Ordinance shall take effect beginning with Tax Year 2015.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate matter added.