City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Details (With Text)

File #:	160552	**Version:**	1	**Name:**	
Type:	Bill			**Status:**	ENACTED
File created:	5/26/2016			**In control:**	Committee of the Whole
On agenda:				**Final action:**	6/16/2016
Title:	Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," by creating a tax credit to encourage certain merchants to provide healthy beverage alternatives in their stores, all under certain terms and conditions.				
Sponsors:	Councilmember Reynolds Brown, Council President Clarke				
Indexes:	BUSINESS INCOME AND RECEIPTS TAXES, HEALTHY BEVERAGE ALTERNATIVES				
Code sections:	19-2600 - Business Income and Reciepts Tax				
Attachments:	1. CertifiedCopy16055201.pdf				

Date	Ver.	Action By	Action	Result	Tally
6/20/2016	1	MAYOR	SIGNED		
6/16/2016	1	CITY COUNCIL	READ AND PASSED	Pass	17:0
6/9/2016	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY`S FIRST READING CALENDAR		
6/9/2016	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
6/9/2016	1	CITY COUNCIL	READ AND ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
6/8/2016	0	Committee of the Whole	HEARING NOTICES SENT		
6/8/2016	0	Committee of the Whole	HEARING HELD		
6/8/2016	0	Committee of the Whole	AMENDED		
6/8/2016	1	Committee of the Whole	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
5/26/2016	0	CITY COUNCIL	Introduced and Referred	Pass	

Amending Chapter 19-2600 of The Philadelphia Code, entitled “Business Income and Receipts Taxes,” by creating a tax credit to encourage certain merchants to provide healthy beverage alternatives in their stores, 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.

* * *

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

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(16) Healthy Beverages Tax Credit.

(a) Definitions.

(i) Qualifying Merchant. A Qualifying Merchant shall meet the following requirements for classification under the North American Industry Classification System ("NAICS") Codes Sections: Convenience Food Stores (NAICS 44512); Other Specialty Food Stores (NAICS 44529); Miscellaneous Food Retailers (NAICS 44599); Gasoline Stations with Convenience Stores (NAICS 44711); and Limited-Service Restaurants (NAICS 722513).

(ii) Healthy Beverage. A non-alcoholic beverage that does not list as an ingredient the following:

(.1) any form of caloric sugar-based sweetener, including, but not limited to, sucrose, glucose or high fructose corn syrup; or

(.2) any form of artificial sugar substitute, including stevia, aspartame, sucralose, neotame, acesulfame potassium (Ace-K), saccharin, and advantame.

(iii) Merchant Cost. The amount paid by the Qualifying Merchant to purchase Healthy Beverages for sale in the merchant's store.

(b) Application. Application for the Healthy Beverage tax credit shall be on such form as the Department of Revenue specifies, and shall include documentation that the business meets the eligibility criteria under subsection (a).

(c) Tax Credit.

(i) Starting in tax year 2017, for any tax year in which a Qualifying Merchant provides Healthy Beverages for sale in its store, the Qualifying Merchant shall be eligible for a credit against its business income and receipts tax liability, in the amount by which the Merchant Cost for that tax year exceeds the Merchant Cost for the immediately preceding tax year, up to a maximum tax credit of two thousand dollars ($2,000).

(ii) The Revenue Department shall provide application forms for businesses that wish to apply for tax credits under this Section, and it shall accept such applications on a "first come-first served" basis until the total amount of credits for a particular year reaches one million dollars ($1,000,000). The Revenue Department shall when necessary randomly choose among applicants that apply on the same date.

(iii) Unused Healthy Beverage tax credits may not be carried forward.

(d) Regulations. The Department may issue regulations governing the implementation of this subsection (16), including the manner in which eligibility for this tax credit is determined.

(e) The Revenue Department shall by July 1 of each year submit a written report to the Mayor, with a copy to the President and Chief Clerk of Council, summarizing the City's experience during the

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prior year with the tax credit provided under this Section along with the feasibility of converting this tax credit into a grant program in future fiscal years.

SECTION 2. This Ordinance shall take effect immediately.

Explanation:

Italics indicate new matter added.