

Legislation Text

File #: 120174, **Version:** 0

Amending Chapter 19-1500 of The Philadelphia Code, entitled “Wage and Net Profits Tax,” by repealing Section 19-1508, entitled “Refunds and Forgiveness for Poverty Income.”

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1500 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-1500. WAGE AND NET PROFITS TAX

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[§ 19-1508. Refunds and Forgiveness for Poverty Income.

(1) Definitions.

(a) State Low-Income Tax Provisions. The state law provisions for refund and forgiveness of Commonwealth taxes based on poverty income set forth in Section 304 of the Tax Reform Code of 1971 (Act of March 4, 1971, P.L. 6, No. 2), as added by the Act of March 13, 1974 (P.L. 179, No. 32), 72 P.S. § 7304, and as amended from time to time.

(b) Very Low Income Residents. Residents who are eligible for the maximum refund and/or forgiveness available under State Low-Income Tax Provisions.

(c) Very Low Income Non-Residents. Non-Residents who are eligible for the maximum refund and/or forgiveness available under State Low-Income Tax Provisions.

(d) Low Income Residents. Residents who are entitled to refund and/or forgiveness of taxes pursuant to State Low-Income Tax Provisions, but less than the maximum percentage amount.

(e) Low Income Non-Residents. Non-Residents who are entitled to refund and/or forgiveness of taxes pursuant to State Low-Income Tax Provisions, but less than the maximum percentage amount.

(f) Very Low Income Reduction.

(i) For a Very Low Income Resident, the difference between the rate of tax imposed on Residents under § 19-1502(1)(a) during calendar year 2017, and the rate provided under § 19-1508(2)(b)(i) for Very Low Income Residents during calendar year 2017.

(ii) For a Very Low Income Non-Resident, the difference between the rate of tax imposed on Non-Residents under § 19-1502(1)(b) during calendar year 2017, and the rate provided under § 19-1508(2)(b)(ii) for Very Low Income Non-Residents during calendar year 2017.

(g) Low Income Percentage. The percentage reduction to which a Low Income Resident is entitled under State Low-Income Tax Provisions.

(h) Low Income Reduction.

(i) During calendar year 2016, the Low Income Percentage multiplied by one-half of one percent (0.5%).

(ii) During calendar year 2017 and thereafter, the Low Income Percentage multiplied

by the Very Low Income Reduction.

(2) Beginning in calendar year 2016, the rates of tax imposed on Very Low Income Residents and Low Income Residents under § 19-1502(1)(a) and (2)(a), and the rates of tax imposed on Very Low Income Non-Residents and Low Income Non-Residents under § 19-1502(1)(b) and (2)(b), shall be as follows:

(a) During calendar 2016:

(i) The rate of tax imposed on Very Low Income Residents shall equal the rate of tax imposed on Residents during calendar year 2016, minus one-half of one percent (0.5%), and the rate of tax imposed on Very Low Income Non-Residents shall equal the rate of tax imposed on Non-Residents during calendar year 2016, minus one-half of one percent (0.5%).

(ii) The rate of tax imposed on a Low Income Resident shall equal the rate of tax imposed on Residents during calendar year 2016, minus the Low Income Reduction, and the rate of tax imposed on a Low Income Non-Resident shall equal the rate of tax imposed on Non-Residents during calendar year 2016, minus the Low Income Reduction.

(b) During calendar year 2017:

(i) The rate of tax imposed on Very Low Income Residents shall equal the rate of tax imposed on Very Low Income Residents during calendar year 2016, minus one-half of one percent (0.5%), and the rate of tax imposed on Very Low Income Non-Residents shall equal the rate of tax imposed on Very Low Income Non-Residents during calendar year 2016, minus one-half of one percent (0.5%).

(ii) The rate of tax imposed on a Low Income Resident shall equal the rate of tax imposed on Residents during calendar year 2017, minus the Low Income Reduction, and the rate of tax imposed on a Low Income Non-Resident shall equal the rate of tax imposed on Non-Residents during calendar year 2017, minus the Low Income Reduction.

(c) During calendar year 2018 and thereafter:

(i) The rate of tax imposed on Very Low Income Residents during a calendar year shall equal the rate of tax imposed on Residents during such calendar year, minus the Very Low Income Reduction, and the rate of tax imposed on Very Low Income Non-Residents shall equal the rate of tax imposed on Non-Residents during such calendar year, minus the Very Low Income Reduction.

(ii) The rate of tax imposed on a Low Income Resident during a calendar year shall equal the rate of tax imposed on Residents during such calendar year, minus the Low Income Reduction, and the rate of tax imposed on a Low Income Non-Resident shall equal the rate of tax imposed on Non-Residents during calendar year, minus the Low Income Reduction.

(3) A person subject to any of the rate reductions set forth in subsection (2) shall be entitled to a refund of any taxes paid in excess of the amount due upon application to the Department, on forms supplied by the Department.

(4) The withholding and filing requirements of this Chapter shall continue to apply to, and in connection with, persons entitled to refunds and forgiveness under this Section.]

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.