

Legislation Text

File #: 120796, **Version:** 1

Amending Section 19-2604 of The Philadelphia Code relating to tax rates and credits for the Business Income and Receipts Tax by providing a credit for contributions to nonprofit organizations engaged in developing and implementing healthy food initiatives, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 19-2604 of The Philadelphia Code is hereby amended to read as follows:

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

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(6) Credit for Contributions to Community Development Corporations, *Nonprofit Organizations Engaged in Developing and Implementing Healthy Food Initiatives* and Nonprofit Intermediaries.

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

(.1) Qualifying CDC. A community development corporation undertaking economic development activities within the City of Philadelphia.

(.2) *Qualifying Nonprofit Organization Engaged in Developing and Implementing Healthy Food Initiatives.* A nonprofit organization with an established record of developing and implementing healthy food initiatives within the City of Philadelphia. The Department of Public Health shall determine whether an agency meets these standards, and may establish further eligibility standards not inconsistent with this definition.

(.3)[(.2)] Qualifying Nonprofit Intermediary. A nonprofit organization with an established record of providing financial, technical, policy or related assistance to community development corporations undertaking neighborhood economic development activities within the City of Philadelphia.

(.4) [(.)] Qualifying Organization. A Qualifying CDC, *Qualifying Nonprofit Organization Engaged in Developing and Implementing Healthy Food Initiatives* or Qualifying Nonprofit Intermediary.

(b) Subject to the provisions of subsection (6)(f), a business shall receive a tax credit of \$85,000 per year against business income and receipts tax liability for each year the business contributes \$85,000 in cash to a Qualifying Organization under the terms and conditions of this subsection (6).

(c) Subject to the provisions of subsection (6)(f), the tax credit under this subsection (6) shall be available to up to forty (40) [businesses] *businesses, with respect to contributions to Qualifying CDCs or Qualifying Nonprofit Intermediaries, and up to two (2) businesses, with respect to contributions to Qualifying Nonprofit*

Organizations Engaged in Developing and Implementing Healthy Food Initiatives, that enter into a contribution agreement with the City under which the business agrees to contribute \$85,000 in cash per year for ten consecutive years to a Qualifying Organization designated by the business. No tax credit shall be given for any contributions made by a business to a Qualifying Organization other than pursuant to a contribution agreement with the City executed under the terms and conditions of this subsection (6).

(.1) At any one time, no more than three Qualifying Nonprofit Intermediaries *and no more than two Nonprofit Organizations Engaged in Developing and Implementing Healthy Food Initiatives* may be designated as recipients of contributions for which a business seeks to claim a tax credit pursuant to this subsection (6).

(d) The Revenue Department shall provide application forms for businesses that wish to apply for tax credits under this Section, and it shall enter into contribution agreements under this Section with up to forty (40) [applicants] *applicants, with respect to contributions to Qualifying CDCs or Qualifying Nonprofit Intermediaries, and up to two (2) applicants, with respect to contributions to Qualifying Nonprofit Organizations Engaged in Developing and Implementing Healthy Food Initiatives*, on a "first come-first served" basis. The Revenue Department shall when necessary randomly choose among applicants that apply on the same date.

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SECTION 2. This Ordinance shall take effect beginning with Tax Year 2013. Nothing in this Ordinance shall affect the amount of estimated business income and receipts tax payments required to be paid in April 2013 for estimated Tax Year 2013 tax liabilities, and such estimated tax payments shall be calculated as if this Ordinance were not in effect for Tax Year 2013.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.