

## Legislation Text

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**File #:** 140884, **Version:** 0

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Amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," by modifying the definition of "Net Income" with respect to distributions from S corporations; all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 19-1800 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-1800. SCHOOL TAX AUTHORIZATION.

\* \* \*

§ 19-1804. Authorization of Net Income Tax.

(1) The following words shall be construed in this Section to have the following meanings, except where the context clearly indicates otherwise:

\* \* \*

(c) "Net Income" shall be determined after provision of all allocable and reasonable costs and expenses paid in the production of income, but no provision shall be made in this determination for any taxes. *Net Income shall not be treated as "received or credited" from an S corporation (as defined in 26 U.S.C. 1361) for purposes of subsection 19-1804(2)(a) until actually distributed.*

\* \* \*

SECTION 2. This Ordinance shall take effect for Tax Year 2015.

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**Explanation:**

*Italics* indicate new matter added.