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

Legislation Text

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Amending Section 19-2600 of The Philadelphia Code, entitled "Business Income and Receipts Taxes," to add a new subsection, "School District Sponsorship Credit," providing a credit for certain contributions; 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.

* * *

(17) School District Sponsorship Credit.

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

(.1) "District." The Philadelphia School District.

(b) A business shall receive a tax credit of one dollar ($1.00) per year against business income and receipts tax liability for every five dollars ($5.00) of cash the business contributes to the District under the terms and conditions of this subsection (17). The contribution must be made in the year for which the credit is sought. Any unused credit may be carried forward for three years from the year of the contribution to the District.

(c) The tax credit under this subsection (17) shall be available to businesses that enter into a contribution agreement with the City under which the business agrees to contribute at least $25,000 in cash to the District. No tax credit shall be given for any contributions made by a business to the District other than pursuant to a contribution agreement with the City executed under the terms and conditions of this subsection (17).

(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 applicants on a "first come-first served" basis until the total amount of credits for a particular year reaches five million dollars ($5,000,000). The Revenue Department shall when necessary randomly choose among applicants that apply on the same date and may enter into an agreement for less than the full contribution originally proposed by the applicant.

(e) Subject to the provisions of subsection (17), a business may terminate its contribution agreement with

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the City at any time. A business that terminates a contribution agreement will not lose any tax credits it has taken for contributions made under the contribution agreement, but the business will not be eligible to apply for any future tax credits under this subsection. If a business terminates its contribution agreement, the Department may award the credits to the next applicant from a waiting list of applications received after the program closed for that tax year.

(f) 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 prior year with the tax credit provided under this Section.

SECTION 2. This Ordinance shall apply to tax years 2015 and thereafter. Nothing in this Ordinance shall affect the amount of estimated business income and receipts tax payments required to be paid for estimated Tax Year 2015 liabilities, and such estimated tax payments shall be calculated as if this Ordinance were not in effect for Tax Year 2015.

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Explanation:

Italics indicate new matter added.

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