



# City of Philadelphia

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

**BILL NO. 100754**

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**Introduced November 4, 2010**

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**Councilmembers Green, Goode, Clarke, Krajewski, Tasco, Reynolds  
Brown, Jones, Greenlee, Council President Verna, Councilmembers Rizzo,  
Miller, Kelly, Blackwell and O'Neill**

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**Referred to the  
Committee on Finance**

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## **AN ORDINANCE**

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by providing for exclusions and certifications for hobbies and other not-for-profit activities, under certain terms and conditions.

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

SECTION 1. Chapter 19-2600 of The Philadelphia Code is amended to read as follows:

### CHAPTER 19-2600. BUSINESS PRIVILEGE TAXES.

§ 19-2601. Definitions.

In addition to the definitions provided in the Act of May 30, 1984, P.L. 345, No. 69, known as the First Class City Business Tax Reform Act, and Chapter 19-500 of this Title, the following definitions shall apply:

\* \* \*

Business. Carrying on or exercising for gain or profit within a city of the first class, any trade, business, including financial business as hereinafter defined, profession, vocation or commercial activity, including the partial or complete liquidation or sale of business assets, or making sales to persons within such city of the first class. "Business" shall not include the following:

\* \* \*

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(6) *Any hobby or other not-for-profit activity, as set forth at 26 C.F.R. § 1.183-2.*

\* \* \*

§ 19-2602. Licenses.

(1) Every person desiring to engage in or to continue to engage in any business within the City of Philadelphia shall, whether or not such person maintains a place of business in the City, prior to engaging in such business, procure a business privilege license from the Department of Licenses and Inspections. *A person exclusively engaged in a hobby or other not-for-profit activity, excluded from the definition of business set forth in § 19-2601, shall not be required to procure or maintain a business privilege license.*

\* \* \*

§ 19-2606. Returns.

\* \* \*

(3) *A person exclusively engaged in a hobby or other not-for-profit activity, excluded from the definition of business set forth in § 19-2601, shall not be required to procure or maintain a business privilege license. Any such person may, in response to any enforcement activity of the Department, submit a certification, in form satisfactory to the Department, that the person is not engaged in business within the City, as defined in § 19-2601; and, to the extent the person's total receipts derived from hobby or other not-for-profit activity are less than \$3,000, the Department shall accept such certification as presumptive proof of no business income.*

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**Explanation:**

*Italics indicate new matter added.*