



# City of Philadelphia

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

**BILL NO. 040768**

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**Introduced September 23, 2004**

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**Councilmembers Nutter, Kenney and DiCicco**

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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 a film production tax credit, 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 PRIVILEGE TAXES

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*§19-2611. Film Production Tax Credit.*

(1) *Definitions.*

(a) *Commonwealth Film Production Tax Credit Law. Article XVII-C of the Tax Reform Code of 1971.*

(b) *Philadelphia Film Production Expense. A Production Expense incurred in Philadelphia.*

(c) *Qualified Philadelphia Film Production Expense. A Philadelphia Film Production Expense if at least 60% of total Production Expenses are Philadelphia Film Production Expenses.*

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(d) *The definitions of “Pass-through Entity” and “Production Expense” set forth in Section 1702-C of the Commonwealth Film Production Tax Credit Law shall apply to this Section.*

(2) *A taxpayer approved for a tax credit under the Commonwealth Film Production Tax Credit Law shall also be eligible for a tax credit against business privilege tax liability under the provisions of this Section. A taxpayer seeking a credit under this Section must submit an application to the Revenue Department by February 15 for Qualified Philadelphia Film Production Expenses incurred in the prior tax year. Such application must be supplemented by proof that the taxpayer was approved under the Commonwealth Film Production Tax Credit Law in connection with such expenses, prior to the Revenue Department’s approval of the application.*

(3) *The amount of the credit provided under this Section shall equal twenty percent (20%) of Qualified Philadelphia Film Production Expenses, provided that the total amount of credits granted under this Section to all taxpayers shall not exceed three million dollars (\$3,000,000) for any tax year. Should the Revenue Department approve applications for credits that would exceed \$3,000,000 in any tax year, then the \$3,000,000 of tax credits shall be apportioned among all approved applicants using the same formula as set forth in Section 1707-C of the Commonwealth Film Production Tax Credit Law.*

(4) *The Revenue Department shall determine whether a Production Expense is a Philadelphia Film Production Expense by using the factors set forth in Section 1705-C of the Commonwealth Film Production Tax Credit Law.*

(5) *The Revenue Department shall by regulation provide for carry over, sale and assignment of the credit provided under this Section, which regulations shall be consistent with the carry over, sale and assignment provisions of Section 1704-C of the Commonwealth Film Production Tax Credit Law. The Revenue Department shall by regulation provide for the “pass-through” of credits to a Pass-Through Entity, which regulations shall be consistent with the pass-through provisions of Section 1708-C of the Commonwealth Film Production Tax Credit Law. A taxpayer may not carry back or obtain a refund of any unused credits provided under this Section.*

(6) *This Section shall apply only to Qualified Philadelphia Film Production Expenses incurred after June 30, 2004, and only to tax year 2004 and tax years thereafter.*

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**Explanation:**

[Brackets] indicate matter deleted.  
*Italics* indicate new matter added.

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