

# City of Philadelphia



(Bill No. 020648)

## AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by readopting and clarifying a pilot program under which a credit against business privilege taxes will be given to certain businesses that contribute monies to community development corporations undertaking economic development activities within the City of Philadelphia; all under certain terms and conditions.

WHEREAS, the Council established, by Bill No. 010541 (approved November 14, 2001), a pilot program under which a credit against business privilege taxes will be given to certain businesses that contribute monies to certain community development corporations undertaking economic development activities, set forth in a new subsection (6) of Section 19-2604 of The Philadelphia Code; and

WHEREAS, Bill No. 020030 (approved April 23, 2002), which repealed and restated Section 19-2604, was intended only to restate certain rates of taxation and other matters in a more easily readable form, and to enact new rates of taxation for tax years 2003 and thereafter; and

WHEREAS, Bill No. 020030 inadvertently repealed subsection (6) of Section 19-2604; and

WHEREAS, Council wishes to reaffirm its intent to establish a pilot program under which a credit against business privilege taxes will be given to certain businesses that contribute monies to certain community development corporations undertaking economic development activities; now, therefore,

### *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.

\* \* \*

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

\* \* \*

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(6) *Credit for Contributions to Community Development Corporations; Pilot Program.*

(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.*

(b) *A business shall receive a tax credit of \$100,000 per year against business privilege tax liability for each year the business contributes \$100,000 in cash to a Qualifying CDC under the terms and conditions of this subsection (6).*

(c) *The tax credit under this subsection (6) shall be available to up to fifteen (15) businesses that enter into a contribution agreement with the City under which the business agrees to contribute \$100,000 in cash per year for ten consecutive years to a Qualifying CDC designated by the business. No tax credit shall be given for any contributions made by a business to a Qualifying CDC other than pursuant to a contribution agreement with the City executed under the terms and conditions of 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 fifteen (15) applicants on a "first come-first served" basis. The Revenue Department shall when necessary randomly choose among applicants that apply on the same date.*

(e) *A business may terminate its contribution agreement with 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, a new business may apply to receive tax credits under this subsection, provided that such tax credits shall be limited to the number of years that were remaining on the terminating business' contribution agreement, and further provided that the new business must enter into a contribution agreement with the City under which it agrees to make contributions of \$100,000 per year to the same Qualifying CDC which was the recipient under the terminating business' contribution agreement, and for the number of years that remained under that agreement.*

(f) *The Revenue Department shall by December 31 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*

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*under this Section, and containing any recommendations as to continuation or modification of the pilot tax credit program established by this Section.*

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**Explanation:**

*Italics indicate new matter added.*

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on November 21, 2002. The Bill was Signed by the Mayor on December 3, 2002.



Marie B. Hauser  
Chief Clerk of the City Council