



# City of Philadelphia

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

**BILL NO. 020035**

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**Introduced February 5, 2002**

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**Councilmember Blackwell**

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**Referred to the  
Committee of the Whole**

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## **AN ORDINANCE**

Amending Chapter 19-1500 of The Philadelphia Code, entitled "Wage and Net Profits Tax," by decreasing the rates of the tax and by making technical amendments, all under certain terms and conditions.

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

SECTION 1. Section 19-1502 of The Philadelphia Code, entitled "Imposition of Tax," which is a section of Chapter 19-1500 of the Code, entitled "Wage and Net Profits Tax," is hereby repealed in its entirety, and a new Section 19-1502 is added to the Code as follows:

*§19-1502. Imposition of Tax.*

*(1) Tax On Salaries, Wages, Commissions And Other Compensation.*

*(a) Residents. An annual tax on salaries, wages, commissions and other compensation earned by residents of Philadelphia is imposed for general revenue purposes for the following periods at the following rates:*

<i>January 1, 1950 through December 31, 1956</i>	<i>1.25%</i>
<i>January 1, 1957 through December 31, 1960</i>	<i>1.50%</i>
<i>January 1, 1961 through December 31, 1965</i>	<i>1.625%</i>
<i>January 1, 1966 through June 30, 1968</i>	<i>2.00%</i>
<i>July 1, 1969 through June 30, 1971</i>	<i>3.00%</i>

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<i>July 1, 1971 through June 30, 1976</i>	<i>3.3125%</i>
<i>July 1, 1976 through June 30, 1983</i>	<i>4.3125%</i>
<i>July 1, 1983 through June 30, 1991</i>	<i>4.96%</i>
<i>July 1, 1991 through December 31, 1995</i>	<i>3.46%</i>
<i>January 1, 1996 through June 30, 1996</i>	<i>3.36%</i>
<i>July 1, 1996 through June 30, 1997</i>	<i>3.34%</i>
<i>July 1, 1997 through June 30, 1998</i>	<i>3.29%</i>
<i>July 1, 1998 through June 30, 1999</i>	<i>3.1869%</i>
<i>July 1, 1999 through June 30, 2000</i>	<i>3.1135%</i>
<i>July 1, 2000 through June 30, 2001</i>	<i>3.0635%</i>
<i>July 1, 2001 through June 30, 2002</i>	<i>3.0385%</i>
<i>On and after July 1, 2002</i>	<i>3.00%</i>

*(b) Non-Residents. An annual tax on salaries, wages, commissions and other compensation earned by non-residents of Philadelphia for work done or services performed or rendered in Philadelphia is imposed for general revenue purposes for the following periods at the following rates:*

<i>January 1, 1950 through December 31, 1956</i>	<i>1.25%</i>
<i>January 1, 1957 through December 31, 1960</i>	<i>1.50%</i>
<i>January 1, 1961 through December 31, 1965</i>	<i>1.625%</i>
<i>January 1, 1966 through June 30, 1968</i>	<i>2.00%</i>
<i>July 1, 1969 through June 30, 1971</i>	<i>3.00%</i>
<i>July 1, 1971 through June 30, 1976</i>	<i>3.3125%</i>

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<i>July 1, 1976 through December 31, 1995</i>	<i>4.3125%</i>
<i>January 1, 1996 through June 30, 1996</i>	<i>4.2256%</i>
<i>July 1, 1996 through June 30, 1997</i>	<i>4.2082%</i>
<i>July 1, 1997 through June 30, 1998</i>	<i>4.1647%</i>
<i>July 1, 1998 through June 30, 1999</i>	<i>4.0750%</i>
<i>July 1, 1999 through June 30, 2000</i>	<i>4.0112%</i>
<i>July 1, 2000 through June 30, 2001</i>	<i>3.9672%</i>
<i>July 1, 2001 through June 30, 2002</i>	<i>3.9462%</i>
<i>On and after July 1, 2002</i>	<i>3.9127%</i>

(c) *The tax imposed under §19-1502(1)(a) and (b) shall relate to and be imposed upon salaries, wages, commissions, and other compensation paid by an employer or on his behalf to any person who is employed by or renders services to him.*

(2) *Tax On Net Profits Earned In Businesses, Professions Or Other Activities.*

(a) *Residents. An annual tax on the net profits earned in businesses, professions or other activities conducted by residents of Philadelphia is imposed for general revenue purposes for the following periods at the following rates:*

<i>January 1, 1949 through December 31, 1955</i>	<i>1.25%</i>
<i>January 1, 1956 through December 31, 1959</i>	<i>1.50%</i>
<i>January 1, 1960 through December 31, 1964</i>	<i>1.625%</i>
<i>January 1, 1965 through December 31, 1968</i>	<i>2.00%</i>
<i>January 1, 1969 through December 30, 1970</i>	<i>3.00%</i>
<i>January 1, 1971 through December 31, 1975</i>	<i>3.3125%</i>

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<i>January 1, 1976 through December 31, 1982</i>	<i>4.3125%</i>
<i>January 1, 1983 through June 30, 1991</i>	<i>4.96%</i>
<i>July 1, 1991 through December 31, 1995</i>	<i>3.46%</i>
<i>January 1, 1996 through December 31, 1996</i>	<i>3.34%</i>
<i>January 1, 1997 through December 31, 1997</i>	<i>3.29%</i>
<i>January 1, 1998 through December 31, 1998</i>	<i>3.1869%</i>
<i>January 1, 1999 through December 31, 1999</i>	<i>3.1135%</i>
<i>January 1, 2000 through December 31, 2000</i>	<i>3.0635%</i>
<i>January 1, 2001 through December 31, 2001</i>	<i>3.0385%</i>
<i>On and after January 1, 2002</i>	<i>3.00%</i>

(b) *An annual tax on the net profits earned in businesses, professions or other activities conducted in Philadelphia by non-residents is imposed for general revenue purposes for the following periods at the following rates:*

<i>January 1, 1949 through December 31, 1955</i>	<i>1.25%</i>
<i>January 1, 1956 through December 31, 1959</i>	<i>1.50%</i>
<i>January 1, 1960 through December 31, 1964</i>	<i>1.625%</i>
<i>January 1, 1965 through December 31, 1968</i>	<i>2.0%</i>
<i>January 1, 1969 through December 30, 1970</i>	<i>3.0%</i>
<i>January 1, 1971 through December 31, 1975</i>	<i>3.3125%</i>
<i>January 1, 1976 through December 31, 1982</i>	<i>4.3125%</i>

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<i>January 1, 1983 through June 30, 1991</i>	<i>4.96%</i>
<i>July 1, 1991 through December 31, 1995</i>	<i>4.3125%</i>
<i>January 1, 1996 through December 31, 1996</i>	<i>4.2082%</i>
<i>January 1, 1997 through December 31, 1997</i>	<i>4.1647%</i>
<i>January 1, 1998 through December 31, 1998</i>	<i>4.0750%</i>
<i>January 1, 1999 through December 31, 1999</i>	<i>4.0112%</i>
<i>January 1, 2000 through December 31, 2000</i>	<i>3.9672%</i>
<i>January 1, 2001 through December 31, 2001</i>	<i>3.9462%</i>
<i>On and after January 1, 2002</i>	<i>3.9127%</i>

(c) *The tax levied under §19-1502(2)(a) and (b) shall relate to and be imposed on the net profits of any business, profession, or enterprise carried on by any person as owner or proprietor, either individually or in association with some other person or persons.*

(d) *For taxable years beginning on or after January 1, 1998, the tax levied under §19-1502(2)(a) and (b) shall not apply to any net profits earned by a domestic or foreign business trust, or any series thereof, that qualifies as a regulated investment company under Section 851 of the Internal Revenue Code and is registered with the United States Securities and Exchange Commission under the Investment Company Act of 1940, or any related domestic or foreign business trust, or any series thereof, which confines its activities in Philadelphia to the maintenance, administration and management of intangible investments and activities of regulated investment companies.*

SECTION 2. The repeal and reenactment of Section 19-1502 of The Philadelphia Code effected by this Ordinance is not intended to change any rates of taxation or any other matter with respect to any tax period other than on or after July 1, 2002 (with respect to taxes on salaries, wages, commission and other compensation) and on or after January 1, 2002 (with respect to taxes on net profits earned in businesses, professions or other activities), but is intended only to restate those rates and other matters in a more easily readable form.

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**Explanation:**

*Italics* indicate new matter added.