



City of Philadelphia

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

BILL NO. 040017 (As Amended 5/24/2004)

Introduced January 22, 2004

Councilmember Nutter

**Re-Referred to the
Committee of the Whole**

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by amending the definition of "Net Operating Loss" with respect to carryforward period for net operating losses.

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.

§ 19-2601 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, as amended, and Chapter 19-500 of this Title, the following definitions shall apply:

	*	*	*
Net Operating Loss.			
	*	*	*

(2) *With respect to losses incurred in taxable years prior to January 1, 2004, [A] a net operating loss incurred in another tax period may be carried over for three tax years, following the year in which it was incurred. The earliest net loss shall be carried over to the earliest taxable year to which it may be carried.*

(3) *Commencing with losses incurred in taxable years beginning on or after January 1, 2004, a net operating loss incurred in another tax period may only be carried forward pursuant to the following schedule:*

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BILL NO. 040017, as amended continued

<u>Taxable Year</u>	<u>Available Carryforward</u>
2004	2001 – 2003
2005	2002 – 2004
2006	2003 – 2005
2007	2004 – 2006
2008	2004 – 2007
2009	2004 – 2008
2010	2004 – 2009
2011	2004 – 2010
2012	2004 – 2011
2013	2004 – 2012
2014	2004 – 2013
2015 and thereafter	The prior ten years

SECTION 2. This [act] *Ordinance* shall apply to losses incurred in taxable years beginning on or after January 1, 2004.

Explanation:

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