

City of Philadelphia



(Bill No. 020115)

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled "Business Privilege Taxes," by eliminating the prepaid structure of the tax, by clarifying the period to be used in computation of the tax, by requiring the payment of an estimated payment, by ensuring that gains from the termination of the business are subject to tax, by clarifying the treatment of calendar and fiscal taxpayers and by amending definitions of the tax, 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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§19-2601. Definitions.

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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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Tax Measurement Year. The fiscal or calendar year by which the person engaging in business keeps its books and records for federal tax purposes.

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§19-2606. Returns.

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(2) Time and manner of filing. *Every person engaged in business is required to file a return on or before the fifteenth day of April of the year following each tax year it is in business. All returns shall be filed [at such time and] in such manner and form as is provided by the Department of Revenue.*

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§19-2609. *Period used in computation of tax.*

(1) *General Rule. Every period in which a person engages in business shall be subject to the tax hereby imposed.*

(a) *Receipts.—Every person subject to the payment of the tax hereby imposed shall compute its taxable receipts using the receipts received for the tax measurement year ending in the tax year.*

(b) *Net income.—Every person subject to the payment of the tax hereby imposed shall compute its net income using the net income for the tax measurement year ending in the tax year.*

(2) *Certain New Businesses. Every person engaging in business that does not have a tax measurement year ending in the tax year shall file a return stating that no tax is due for the tax year.*

(3) *Terminating Businesses. —Every person that has terminated its business during the tax year shall compute its receipts and net income using the period that begins on the beginning date of the tax measurement year ending in the tax year and which ends on the date the business is terminated.*

(4) *Changes in Tax Measurement Year. The Department shall prescribe regulations to ensure that every person that changes its tax measurement year, including a person that may have multiple tax measurement years within a tax year, shall pay the tax hereby imposed for all periods in business.*

§19-2610. *Estimated Tax Payments. The Department shall promulgate regulations to provide for estimated tax payments to be paid concurrently with the filing of any return, and for credits to be granted on any overpayment of estimated tax payment. The Department shall also promulgate regulations to provide for transition rules. Failure to make an estimated payment pursuant to these regulations shall subject a taxpayer to interest, penalties and costs as provided in Section 19-509.*

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SECTION 2. Effective Date; Application. This Ordinance shall take effect upon the later of the date this Ordinance becomes law or the effective date of state legislation authorizing this Ordinance. This Ordinance shall apply to tax years 2002 and thereafter, except that if this Ordinance is approved after November 30, 2002, this Ordinance shall apply to tax years 2003 and thereafter.

Explanation:

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

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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 November 26, 2002.



Marie B. Hauser
Chief Clerk of the City Council