

City of Philadelphia



(Bill No. 120491)

AN ORDINANCE

Amending Chapter 19-2600 of The Philadelphia Code, entitled “Business Income And Receipts Taxes,” by providing for a tax credit for employment of veterans of the armed forces, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-2600 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-2600. BUSINESS INCOME AND RECEIPTS TAXES

* * *

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

* * *

(13) Credit for Employment of Returning Veterans of the Armed Forces.

(a) Definitions. In this subsection, the following definitions shall apply:

(.1) Qualifying Employee. A Veteran who:

(A) Is employed by a business in a position where he or she earns wages that are subject to the tax on wages imposed by Chapter 19-1500;

(B) Receives compensation that is either (i) equivalent to those wages and benefits, including sick leave, holiday and vacation absences, and tuition benefits, afforded regular employees in comparable positions as part of the Employer's regular payroll process; or, if a comparable position does not exist, (ii) at an average hourly rate, excluding benefits, of at least 150% of the federal minimum wage, and the employment package includes the same benefits as are provided to other full-time employees; and

(C) Is hired between July 1, 2012, and June 30, 2014, inclusive.

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(.2) *Qualifying Full-Time Employee.* A *Qualifying Employee* who is employed by a business for at least thirty-seven and one-half hours per week.

(.3) *Qualifying Part-Time Employee.* A *Qualifying Employee* who is employed by a business for at least twenty hours per week, but fewer than thirty-seven and one-half hours per week.

(.4) *Veteran.* A person who has received an honorable discharge from any branch of the United States Armed Forces; who has served a minimum of six months in active full-time duty within ten years prior to their hiring; and who has met the qualifications under the Vow to Hire Heroes Act of 2011 as part of the federal Work Opportunity Tax Credit (WOTC).

(b) *Application.* In order to receive a credit under this subsection (13), a business must file an application in the form and manner prescribed by the Department that includes the location of employment and proof that the individual to be hired is a Veteran as defined under this section.

(c) *Calculation of Tax Credits.*

(.1) A business shall receive a tax credit for each *Qualifying Employee* who has been employed by the business for more than six months.

(.2) The tax credit provided for in subsection (.1), above, shall be in the amount of \$2,000 multiplied by the percentage of the tax year that the *Qualifying Full-time Employee* was employed by the business; or \$1,000 multiplied by the percentage of the tax year that the *Qualifying Part-time Employee* was employed by the business; subject to the limits in subsection (.3), below.

(.3) *Conditions.*

(A) The tax credit provided for in subsection (.1), above, is available for a total of twenty-four months of employment of a *Qualifying Full-time Employee* or *Qualifying Part-time Employee*.

(B) The maximum amount of tax credits a business may receive for any one *Qualifying Full-time Employee* under subsection (.1) over all tax years is \$4,000. The maximum amount of tax credits a business may receive for any one *Qualifying Part-time Employee* under subsection (.1) over all tax years is \$2,000.

(.4) Tax credits shall be taken against total business income and receipts tax liability. Any unused credit may be carried forward for three years from the date of hire of the qualifying employee.

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(.5) *A business receiving tax credits under § 19-2604(7) (Credit for New Job Creation) or (9) (Philadelphia Re-Entry Employment Program for Ex-offenders ("PREP") Tax Credit) for a given tax year shall not be eligible to receive tax credits under this subsection (13) for that same tax year for the same employee.*

(d) *Certification of Qualifying Employees; Maximum Number Permitted.*

(.1) *The number of certified Qualifying Employees at any one time shall not exceed 500.*

(.2) *The certification of a Qualifying Employee shall expire after such employee has been employed as a Qualifying Employee by any employer for a total of twenty-four months, or when the Qualifying Employee is no longer employed by the business, and a Qualifying Employee whose certification has expired shall no longer count against the maximum number of certified Qualifying Employees.*

(.3) *A business shall notify the Department within one week after any Qualifying Employee is no longer employed, which notification shall include an explanation as to why the Qualifying Employee's employment terminated.*

(.4) *The Department may promulgate regulations to implement this subsection, including certification requirements for Qualifying Full-Time and Part-Time Employees, and allocation methods in the event that applications are filed for credits for more than 500 Qualifying Employees.*

* * *

Explanation:

[Brackets] indicate matter deleted.

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 June 14, 2012. The Bill was Signed by the Mayor on June 27, 2012.



Michael A. Decker
Chief Clerk of the City Council