

CITY OF PHILADELPHIA

PROFILE SHEET: BUSINESS INCOME & RECEIPTS TAX (BIRT) EXEMPTION

Background: The City of Philadelphia provides a Tax Exemption on a portion of Business Taxes starting in Tax Year 2014. Beginning in 2014 and continuing through 2016 & Thereafter, City of Philadelphia Businesses are able to declare a portion of their business transactions exempt from the Business Income and Receipts Tax (BIRT) covering both gross receipts and net profits.

Eligibility: This Tax Exemption is available to Businesses who are registered to operate within the City of Philadelphia covering a portion of their gross receipts and net profits.

Provisions: The amount of the BIRT Business Tax Exemption is:

Tax Year 2014: First \$50,000 in taxable gross receipts and net profits

Tax Year 2015: First \$75,000 in taxable gross receipts and net profits

Tax Year 2016 & Thereafter: First \$100,000 in taxable receipts (gross & net)

In addition, all Business Receipts and Income that exceed these Exclusions are subject to the following BIRT tax millage rates over the next several years:

Tax Year 2014: 6.43%

Tax Year 2015: 6.41%

Tax Year 2016: 6.39%

Tax Year 2017: 6.35%

Tax Year 2018: 6.30%

Tax Year 2019: 6.25%

Tax Year 2020: 6.20%

Tax Year 2021: 6.15%

Tax Year 2022: 6.10%

Tax Year 2023 & Thereafter: 6.00%

Procedures: Applications for the Business Income & Receipts Tax (BIRT) are available at: Municipal Services Building, Revenue Dept. 1401 John F. Kennedy Boulevard, Concourse Level, Philadelphia, Pa. 19102, (215) 686-6600, and on the City of Philadelphia website: www.phila.gov/revenue, Click on Business Taxes, Click on Tax Types and then Click on Business Income and Receipts Tax (BIRT). Download the applications/forms that you need. Please seek advice and guidance from your Tax Advisors and/or Financial Consultants.

For more information contact: City of Philadelphia Department of Revenue and revenue.taxadvisors@phila.gov

Authorized by City Council Ordinance #110554, Amending Chapter 19-2600 of the Philadelphia Code. (SDH)