

This is an amendment to add a new section, entitled "Tax Rates", to the Department of Revenue's Income Tax Regulations to show the particular sections in the Philadelphia Code where the prevailing Wage & Net Profit tax rates are provided. This amendment is made as a result of changes made due to the enactment of City Council Bill Nos. 130444 (enacted on June 13, 2013), 150167 (enacted on June 18, 2015), 160175 (enacted on June 16, 2016) and 170198 (enacted on June 14, 2017).

CITY OF PHILADELPHIA

INCOME TAX REGULATIONS

ARTICLE II

IMPOSITION AND RATE OF TAX

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Section 225. Tax Rates.

- (a) **Refer to §19-1502 (1) (a) of the Philadelphia Code for Residents Income Tax rates on Salaries, Wages, Commissions And Other Compensation earned. In accordance with Philadelphia Code §19-2803(1)(a), an additional 1.5 % Pennsylvania Intergovernmental Cooperation Authority ("PICA") Tax must be added for the total tax rate.**

Illustration:

Residential tax rate under §19-1502(1)(a) from July 1, 2017 and thereafter : 2.3907%
Add PICA Tax rate under §19-2803(1)(a): 1.5%

Total Wage Tax rate applicable to Residents : 3.8907%

- (b) **Refer to §19-1502 (1) (b) of the Philadelphia Code for Non-Residents Income Tax rates on Salaries, Wages, Commissions And Other Compensation earned.**

- (c) **Refer to §19-1502 (2) (a) of the Philadelphia Code for Residents Tax Rates on Net Profits Earned in Businesses, Professions Or Other Activities. In accordance with Philadelphia Code § 19-2803(1)(b), an additional 1.5 % PICA Tax must be added for the total tax rate.**

Illustration:

Residential tax rate under §19-1502(2)(a) from July 1, 2017 and thereafter : 2.3907%
Add PICA Tax rate under §19-2803(1)(b): 1.5%

Total NPT rate applicable to Residents : 3.8907%

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- (d) Refer to §19-1502 (2) (b) of the Philadelphia Code for Non-Residents Tax Rates on Net Profits Earned in Business, Professions or Other Activities.

Explanation:

___ Underline and **Bold** indicate matter added.

Frank Breslin

Date 8-1-17

Frank Breslin CPA, Revenue Commissioner

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