

**CITY OF PHILADELPHIA – DEPARTMENT OF REVENUE**  
**AMENDMENTS TO SECTION 101 OF THE CITY OF PHILADELPHIA’S BUSINESS**  
**INCOME AND RECEIPT TAX REGULATIONS**

*Section 101 Definition of “Business” (D) is amended as follows:*

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(9) For tax year 2012 and thereafter, the activities of (i) an investment company (no matter how organized) as defined in subsection 3(a) of the Investment Company Act of 1940, without regard to the exceptions set forth at subsections 3(c)(1), 3(c)(3) with respect to common trusts or similar funds, 3(c)(5)(C), 3(c)(7), 3(c)(9), 3(c)(10), 3(c)(11) or 3(c)(14) of said Act; (ii) an entity or natural person directly or indirectly owning a general partnership interest or managing member interest in a limited liability company in an entity described in subsection (i) that is not publicly traded, to the extent that the activities consist of the exercise of management responsibilities of a general partner or of a managing member in a limited liability company and result in income, gross, net or otherwise, that is measured by or otherwise based on the financial performance of the entity; ~~and~~ (iii) an entity that manages the investments of an investment company described in subsection (i), which investment company has made an election under section 53(a) of the Investment Company Act of 1940 to qualify as a business development company, to the extent that the activities of the managing entity result in the receipt by such entity from the investment company of income, gross, net or otherwise, that is measured by or otherwise based on the financial performance of the investment company, including such income conditioned upon such financial performance; *and (iv) an entity that manages or advises an entity described in subsection (i) that receives income from such entity, gross, net or otherwise, that is measured by or otherwise based on financial performance of the entity.* Such performance-based income shall not be included in the gross receipts or net income taxable under these regulations of a person or entity with an ownership interest in an entity described in subsection (iii) *or (iv).* Except as otherwise provided by law, the activities of any such entity or natural person other than the activities described above shall not be excluded from the definition of “business.”

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***Bold italics denotes new matter.***

**~~*Strikethroughs denotes deletions.*~~**

Date: December 30, 2024

  
Kathleen McColgan  
Revenue Commissioner