

City of Philadelphia

Department of Revenue

FOR DEPARTMENT USE ONLY

Application No. _____

Date Received _____

Time Received _____

APPLICATION FOR JOB CREATION TAX CREDIT (SECTION 19-2604 OF THE PHILADELPHIA CODE)

1. Applicant's Name _____

2. Applicant's Address _____

3. Philadelphia Address (If different from Applicant's Address) _____

4. Contact Person (**PLEASE PRINT**) _____

5. Telephone Number / Email Address _____

6. Federal Employee Identification Number/
Social Security Number _____

7. Applicant's Philadelphia Tax Account Number _____

8. Date Business Began in Philadelphia _____

9. Desired Start Date for New Jobs in Philadelphia _____

10. Type of Business

Retail ☐

Wholesale ☐

Manufacture ☐

Service ☐

Other ☐ _____

11. NAIC Code _____ NAIC Description: _____

12. Number of New Jobs to be created in Philadelphia _____

13. Number of new jobs for Returning Citizens to be created in Philadelphia _____

14. Gross Receipts for the Four Years Prior to the Start Date

15. Net Income for the Four Years Prior to the Start Date

YEAR

RECEIPTS

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

YEAR

NET INCOME

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

16. Type of Entity

Sole Proprietorship ☐

Partnership ☐

S Corporation ☐

C Corporation ☐

Other ☐ _____ If Disregarded Entity, Owner: _____

17. Applicants Fiscal Year _____

18. Give a brief description of the nature of the applicant's business activity.

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19. Description of the project that will create the new jobs.

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20. Amount of private capital investment in the project.

21. Amount of public investment in the project.

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Certification: To be signed by an authorized representative of the applicant.

I hereby certify that all information contained in this application and attachments are true and correct to the best of my knowledge.

Signature of Representative: _____

Print Name of Representative: _____

Title of Representative: _____

Applicant's Name: _____

Representative's Address: _____

Mail Completed Application To:

Revenue Commissioner
City of Philadelphia
Municipal Services Building
Room 630
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102

Checklist – Make sure your application includes the following items: (Reference the attached instructions for detailed requirements)

Business Information:

- ☐ Business Narrative - brief history of the business and/or the operating entity creating the new jobs.

Financial & Other Information:

- ☐ Philadelphia Tax Account Number
- ☐ Desired Start Date for Job Creation – make sure it is the first day of the calendar year quarter in which the application is submitted
- ☐ Project Investment – description of the investment (including amount) that the business is undertaking that will create the new jobs for which tax credits are being requested.
- ☐ Financial Statements (i.e., Income Statement, Balance Sheet, Cash Flow) for the last 3 years – even if company was not located in Philadelphia prior to desired start date for job creation
- ☐ Affirmation – a brief narrative that the decision to expand or locate in the City of Philadelphia is due in large part to the availability of the tax credit.
- ☐ Employment Affidavit (Attachment A) – Completed and signed attesting to the full-time Philadelphia employment numbers at the desired start date and for the three years prior to the desired start date.

Attachment A: Employment Affidavit

Applicants for Job Creation Tax Credits are required to complete and sign this affidavit.

Indicate below the number of full-time employees based at your location in Philadelphia for each item requested. Begin with the desired start date and work backward three years. Do not go by the calendar year. Also include the average hourly wage to be paid to the new hires, excluding benefits.

This affidavit will be reviewed to determine the base employment. The full-time employment numbers provided for the three years preceding the desired start date (base period) will be averaged. The higher of the averaged number of the base period employment or the employment at the time of the start date will result in the base employment. Businesses must either create 25 new full-time jobs in Philadelphia or increase the base employment by 20% within Philadelphia to qualify for Job Creation Tax Credits.

	All Full-Time Jobs	Full-Time Jobs Paying More Than 150% of Federal Federal Minimum Wage
Employment at the time of the desired start date:	_____	_____
Employment 1 year prior to the desired start date:	_____	_____
Employment 2 years prior to the desired start date:	_____	_____
Employment 3 years prior to the desired start date:	_____	_____
Average hourly wage to be paid to new employees, excluding benefits:		\$ _____/hour

Under penalties of perjury, I declare that I have compiled the information contained in this schedule, and to the best of my knowledge and belief, it is true, correct and complete.

Preparer's Name

Preparer's Title

Preparer's Signature

Date

Instructions For The Application of Jobs Creation Tax Credit

Section I – General

A. Introduction

- (1) The Job Creation Tax Credit program was established for the purpose of securing job creating economic development opportunities through the expansion of existing businesses and the attraction of economic development prospects for the City of Philadelphia.
- (2) The Job Creation Tax Credit program is available to eligible businesses that, within five years from a negotiated start date, create twenty-five (25) or more jobs or increase employment by 20%. Every new full-time job, up to a set maximum, which meets certain minimum wage standards, will result in either a business privilege tax credit in an amount equal to 2% of the annual wages for each new full-time job, or \$1,000 for each new full-time job (or \$5,000 per new job created in the case of new employment opportunities for returning citizens), whichever is higher. The business may claim these credits only after the jobs are created for 12 months. A minimum of 25% of all tax credits available to be awarded each year will be allocated to businesses that employ fewer than twenty-five (25) employees or to create employment for returning citizens.
- (3) A new job is defined as a full time job with an hourly rate, excluding benefits, of at least 150% of the federal minimum wage created by a company within the City and County of Philadelphia. Employment opportunities for returning citizens must be contracted for a minimum period of at least 180 days.
- (4) Returning citizens are persons previously convicted of a felony, or who were incarcerated for any conviction, or who is currently on probation or parole for any conviction or who is currently in a work release program or programmed for work release.

B. Eligibility

In order to be eligible to receive Job Creation Tax Credits, a business must demonstrate the following:

- (1) The ability to create the number of jobs required by the Revenue Department within five (5) years from the start date.
- (2) The financial stability of the business and the projects financial viability.
- (3) The intent to maintain operations in the City of Philadelphia for a period of five (5) years from the date the company first submits a Job Creation Tax Credit Certificate to the Department of Revenue.
- (4) An **affirmation** that the decision to expand or locate in the City of Philadelphia was due in large part to the availability of a Job Creation Tax Credit program.

C. Program Requirements

- (1) The business must agree to create within Philadelphia at least twenty-five (25) new full time jobs or to increase its number of full time employees by at least twenty percent (20%) within five (5) years of the start date.
- (2) The business must agree to maintain its operation in Philadelphia for a period of five (5) years from the date the company first submits its Tax Credit Certificate to the Department of Revenue.
- (3) The start date will be the first day of the calendar quarter in which an application is submitted, unless the company request and the Department of Revenue agrees to a later start date.

Section II – The Application Process

A. Application Submission and Approval Procedure

- (1) The completed application should be returned to the Department of Revenue at the address listed on the application.
- (2) **In addition to application, please include a narrative to address the following items:**
 - i. Provide a description of the investment (including amount) that the business will undertake in order to create the new jobs for which tax credits are being requested.
 - ii. Provide financial Statements (i.e. Income Statement, Balance Sheet, Cash Flow) for the last three years.
 - iii. Indicate the desired start date for creating new jobs that may be eligible for tax credits. The start date must be the first day of a calendar quarter in which the application is submitted unless the applicant requests and the Department of Revenue agrees to a later start date.
 - iv. Provide an affirmation that the decision to expand or locate in the City of Philadelphia was due in large part to the availability of a Job Creation Tax Credit.
 - v. Include the Employment Affidavit (Attachment A), completed and signed, attesting to the employment numbers for the last three years.
- (3) Upon approval of an application, the Department of Revenue will issue a commitment letter containing the following information:
 - A description of the project.
 - The number of new jobs to be created by the business within specified period of time.
 - The amount of private capital investment in the project.
 - The maximum Job Creation Tax Credit amount the business may claim, and the period of time over which it may be claimed.
 - A signed statement that the business intends to maintain its operation in the City of Philadelphia for five (5) years from the date the business first submits its Tax Credit Certificate to the Department of Revenue.
- (4) Upon acceptance of the conditions listed in the commitment letter, the business must sign the letter and return it to the Department of Revenue within 30 days of the date of the letter.

Section III – Limitations

- A. At least 25% of all the credits approved shall be available to businesses with twenty-five (25) employees or less or to create employment opportunities for returning citizens (formerly ex-offenders).
- B. A business will not receive tax credits for jobs created prior to the start date.
- C. A business may not receive tax credits for relocating operations from a location in Philadelphia to another location in Philadelphia.
- D. The use of the credits may not be transferred to any other business or subsidiary of the business awarded tax credits.
- E. Tax credits may not be converted to cash.
- F. No business may claim or receive a tax credit unless the business is in full compliance with all Philadelphia tax laws, ordinances and regulations.

Section IV – Penalties

- A. **Failure to maintain operations.** An applicant that receives Job Creation Tax Credits and fails to substantially maintain existing operations and the operations related to the Job Creation tax Credits in the City of Philadelphia for a period of five (5) years from the date the Applicant first submits a Tax Credit Certificate to the Department shall be required to refund to the City of Philadelphia the total amount of credit or credits granted.
- B. **Failure to create New Jobs.** An Applicant that receives Job Creation Tax Credits and fails to create the approved number of New Jobs within five (5) years of the Start Date will be required to refund to the City of Philadelphia the total amount of credit or credits granted.
- C. **Waiver.** The Department may waive the penalties outlined in subsection (1) and (2) above if it is determined that an Applicant's operations were not maintained or the New Jobs were not created because of circumstances beyond its control. Such circumstances include natural disasters, acts of terrorism, unforeseen industry trends, or a loss of a major supplier or market.

Section V- Contact

- A. Program inquiries should be directed to:

Department of Revenue

Technical Staff

Phone: (215) 686-6434

- B. Regulations can be accessed on-line at www.phila.gov/Revenue. Select Tax Professional Info/Regulations