

City of Philadelphia

Department of Revenue

FOR DEPARTMENT USE ONLY

Application No. _____

Date Received _____

Time Received _____

EMPLOYER APPLICATION TO PARTICIPATE IN THE CREDIT FOR EMPLOYMENT of RETURNING VETERANS of the ARMED FORCES

Philadelphia Code §19-2604(13)

Applicants Name: _____

Business Address: _____

Philadelphia Address (If different from Business Address): _____

Contact Person: (PLEASE PRINT) _____

Telephone Number: _____

Federal Employer Identification
Number/ Social Security Number: _____

Philadelphia Business Account Number: _____

Date Business Began in Philadelphia: _____

E-Mail Address: _____

Work Location(s) for Veteran(s): _____

(If same as Business Address – Check Here ☐)

Type of Business:

Retail ☐ Wholesale ☐ Manufacturing ☐ Service ☐

Type of Entity:

Sole Proprietorship ☐ Partnership ☐ S Corporation ☐ C Corporation ☐

Other (Specify) ☐ _____

Please answer “Yes” or “No” the following questions:

1. Will the veteran's wages be subject to the Philadelphia City Wage Tax (i.e., tax imposed under Chapter 19-1500 of The Philadelphia Code and the Department's Income Tax Regulations)? _____
2. Will the majority (i.e., 51% or more) of the nonresident Veteran's wages be subject to the Philadelphia City Wage Tax? _____
3. Will the veteran receive 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? _____

4. Was (or will) the veteran (be) hired between July 1, 2012 and June 30, 2020 inclusive? _____
5. Is the veteran a person who has received an honorable discharge from any branch of the United State Armed Forces; who has served a minimum of six (6) months in active full-time duty within (10) 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)? _____
6. Is the veteran considered a "Qualified Veteran" as defined by Internal Revenue Code Section 51(d)(3) (i.e., 26 USC §51(d)(3)) for purposes of computing the Federal Work Opportunity Credit? _____
7. Are you seeking (or have you received) the Federal Work Opportunity Credit as amended by the Vow to Hire Heroes Act of 2011 (i.e., U.S. P.L. 112-56) for the veteran(s)? _____

Please provide the following information:

1. The total (or expected) number of veterans for which the Credit for Returning Veterans of the Armed Forces is being (will be) sought. _____
 2. Of the total, how many are (will be) full-time employees (i.e., work at least 37.5 hours per week)? _____
 3. How many are (will be) part-time employees (i.e., work at least 20 hours per week, but fewer than 37.5 hours per week)? _____
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Please attach a copy of Federal Form 8850 Pre-Screening Notice and Certification Request for the Work Opportunity Credit that has been filed with the applicable State Workforce Agency ("SWA") for each veteran.

If available on the date of this application, please also attach a copy of the applicable SWA's certification of the veteran or veterans for which you are seeking the Federal Work Opportunity Tax Credit ("WOTC").

NOTE: The SWA certification must be submitted to the Department of Revenue before a business will receive the Credit for Employment of Returning Veterans of the Armed Forces.

Certification: To be signed by an authorized company representative.

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

Signature: _____

Title: _____

Print Name: _____

Date: _____

E-mail Address: _____

Telephone Number: _____

Section I – General

A. Introduction

- (1) The Federal Vow to Hire Heroes Act was signed into law in November 2011 whereby employers who hire veterans would receive a tax credit and veterans would receive additional benefits for education and training. Resolution No. 120096 was adopted by the Council of the City of Philadelphia on February 16, 2012 to investigate the establishment of a tax incentive and veterans' assistance program that would allow employers to be eligible for a local tax credit for hiring veterans. The Credit for Employment of Returning Veterans of the Armed Forces, as a result of Bill No. 120491 signed by the Mayor on June 27, 2012, was established for the purpose of allowing employers to be eligible for a local tax credit upon hiring Veterans of the United States military thereby increasing the profile of a ready workforce in the City of Philadelphia and making Philadelphia more attractive to global organizations wanting to establish a presence in the region.
- (2) A "Qualifying Employee" is a "Veteran" who: (a) is employed by a business in a position where he or she earns wages subject to the tax under Chapter 19-1500 of The Philadelphia Code ("Code") and the Department of Revenue's ("Department") Income Tax Regulations – for purposes of this tax credit, the majority of the wages earned by a nonresident must be subject to the tax under Chapter 19-1500 and the Department's Income Tax Regulations; (b) receives compensation that is either (i) equivalent to those wages and benefits, afforded regular employees in comparable positions as part of the Employer's regular payroll process; or, if comparable position does not exist, (ii) at 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, 2020, inclusive.
- (3) A "Veteran" is a person who has received an honorable discharge from any branch of the United States Armed Forces or the United States Army National Guard, United States Army Reserve, United States Marine Corps Forces Reserve, United States Navy Reserve, United States Air National Guard, United States Air Force Reserve, or United States Coast Guard Reserve; who has served a minimum of six months in active 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).
- (4) A "Qualifying Full-Time Employee" is a Qualifying Employee who is employed by a business for at least 37.5 hours per week. A "Qualifying Part-Time Employee" is a Qualifying Employee who is employed for at least 20 hours per week, but fewer than 37.5 hours per week.

B. Eligibility

In order to be eligible to receive the Credit for Employment of Returning Veterans of the Armed Forces, a business must have filed 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 §19- 2604(13) of the Code. The Veteran must be certified by the Department as a Qualifying Employee.

C. Tax Credits and Conditions

- (1) A business may receive a tax credit for each Qualifying Employee who has been employed by the business for more than six (6) months.
- (2) The tax credit is available for a total of thirty-six (36) months of employment of a Qualifying Employee. A business may receive up to \$5,000 tax credit each year for each Qualifying Full-time Employee employed by the business for more than six months; up to \$2,500 for each Qualifying Part-time Employee. The maximum amount of tax credit a business may receive for any one Qualifying Full-time Employee over all tax years is \$15,000; maximum amount for any one Qualifying Part-time Employee over all tax years is \$7,500.
- (3) A business may claim the tax credits against Business Income and Receipts Tax liability. Any unused credit may be carried forward for three (3) years from the initial date of hire of the Qualifying Employee.
- (4) A business receiving tax credits under §19-2604(7) (Credit for New Job Creation) or §19-2604(9) (Philadelphia Re-Entry Employment Program for Returning Citizens ("PREP") Tax Credit) of the Code for a given tax year shall not be eligible to receive tax credits under §19-2604(13) (Credit for Employment of Returning Veterans of the Armed Forces) for that same tax year for the same employee.

Section II – The Application and Certification Process

A. Application Submission and Approval Procedure

- (1) The completed application should be returned to the Department at the address listed below.
- (2) If, at the time a business submits its application, the business has employed a **certified** Qualifying Employee for more than six (6) months, the business may also submit (at the same time) a request for issuance of the tax credit.
- (3) The number of certified Qualifying Employees at any one time cannot exceed 500. If a business submits an application at the time the Department has certified the maximum number of certified Qualifying Employees permitted under §19-2603(13)(d) of the Code, the business, at the time the application is received by the Department, shall be notified with further instructions.

B. Certification and Issuance of Tax Credits

- (1) A business **must** submit a request to the Department for each Veteran it wishes to have certified as a Qualifying Employee.
- (2) **After** a certified Qualifying Employee(s) has (have) been employed for more than six (6) months, the business may then make a request, on a form prescribed by the Department, for issuance of the tax credit.
- (3) A business must calculate the tax credit for each certified Qualifying Full-time Employee or Qualifying Part-time Employee and submit the detail of the tax calculations which shall include the following information for each Qualifying Employee: a) Employee's name; b) Social Security Number (SSN); c) Employment location; d) Employment period dates; e) Employment status i.e., Full-time or Part-time; f) Tax credit amount calculated; g) Tax credit amount claimed; h) such other information the Department may deem appropriate.
- (4) Upon review of the tax credit calculations, a business shall be notified accordingly by the Department.
- (5) No business may claim or receive a tax credit unless the business is in full compliance with applicable Philadelphia tax laws, ordinances and regulations.
- (6) The form to request certification of Qualifying Employees and the application for issuance of the tax credit (including worksheets) can be accessed at <http://www.phila.gov/Revenue/taxpro/Pages/TaxCredits.aspx>

Section IV – Contact

- A. Program inquiries should be directed to:
Department of Revenue
Technical Advisory Staff
Phone: (215) 686-6434
- B. Applications and forms can be accessed <http://www.phila.gov/Revenue/taxpro/Pages/TaxCredits.aspx>.
The Ordinance can be accessed on-line at <http://legislation.phila.gov/attachments/13455.pdf>

Mail Completed Application To:

City of Philadelphia – Department of Revenue
Technical Advisory Staff
Municipal Services Building – Room 480
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102