

DEPARTMENT OF REVENUE

AMENDMENT TO SECTION 101 OF THE CITY OF PHILADELPHIA INCOME TAX REGULATIONS

Section 101 of the City of Philadelphia Income Tax Regulations is amended to read as follows:

SECTION 101. DEFINITIONS.

For the purpose of these regulations, the following terms shall have the definitions hereinafter given:

* * *

(b) "Business" means an enterprise, activity, profession, trade or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, co-partnership, joint venture, association, not-for-profit organization or governmental body, unit or agency. To determine whether an entity will be considered to be "doing business" in the City is a factual determination to be made on a case basis. Carrying on or engaging in business contemplates activities such as but not limited to:

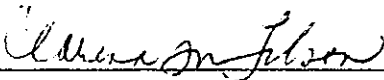
1. Making sales or performing activities which affect sales; and/or
2. Providing services or performing activities which affect providing services; and/or
3. Performing acts regularly and continuously in Philadelphia which affects a business objective; and/or
4. Maintaining an active presence in Philadelphia for the purpose of continued efforts in the pursuit of profit or gain.

[“Business shall not include a pool of cash and/or securities which pool is governed by Sections 3(a), 3(c)(1), 3(c)(3), 3(c)(5)(C), 3(c)(7), 3(c)(9), 3(c)(10), 3(c)(11) and 3(c)(14) of the Investment Company Act of 1940, as in effect on October 6, 2008. Any investment vehicle that earns income from activities other than those governed by the above sections of the Investment Company Act of 1940 shall be deemed engaged in business within Philadelphia only to the extent of its activities not involving the activities governed by the above sections of the Investment Company Act of 1940.] For taxable years beginning on or after January 1, 2012, the tax levied under § 19-1502(2)(a), § 19-1502(b) and § 19-2803(1)(b) shall not

apply to any net profits from any activity described in BIRT Regulations Section 101D.
9. (relating to certain investment companies and investment company managers).

Entities going out of business or ceasing to conduct business in the City of Philadelphia must notify the Department with a tax return reporting that the operation terminated and a copy of the order to dissolve filed with the Commonwealth, if prepared. Entities failing to give such notice to the Department shall be considered active.

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Clarena I.W. Tolson
Revenue Commissioner

Date: 5/17/13

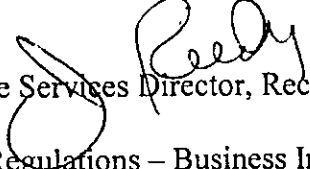
[] Brackets denote deleted matter
____ Underlining denotes new matter

MEMORANDUM

City of Philadelphia

Date: 7/12/13

TO: Shelley Smith, City Solicitor

FROM: Jeanne Reedy, Administrative Services Director, Records Dept. 

SUBJECT: Advertisement of Proposed Regulations – Business Income and Receipts
Tax / Income Tax Regulations – Amendments to Sections 101 –
Investment Companies

The above Regulations promulgated by the Department of Revenue were received in the Department of Records on 6/11/13 for filing and advertising.
Inasmuch as there were no requests for hearings, these Regulations became effective midnight 7/11/13.

CC: Clarena I. W. Tolson, Revenue Commissioner
Joseph F. Procopio., CPA, Manager, Technical Advisory Staff