

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON COMMERCE AND ECONOMIC
DEVELOPMENT

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, January 24, 2013
9:10 a.m.

PRESENT:

COUNCILMAN W. WILSON GOODE, JR., CHAIR
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN CURTIS JONES, JR.
COUNCILWOMAN BLONDELL REYNOLDS BROWN

BILL 121039 - An ordinance amending Chapter
19-2600 of The Philadelphia Code, entitled
"Business Income and Receipts Taxes," by
further revising the "Special Tax Credit
Opportunity for Job Creation," under certain
terms and conditions.

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COUNCILMAN GOODE: Good

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morning. This hearing is called to

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order. This is a public hearing of the

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Commerce and Economic Development

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Committee on Bill No. 121039. My name is

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W. Wilson Goode, Jr., Chair of the

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Committee.

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I note that a quorum is

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present. To my right is Councilwoman

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Jannie Blackwell. To my left is

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Councilwoman Blondell Reynolds Brown, and

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also Majority Leader Councilman Curtis

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Jones makes a quorum for the Committee.

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The title of the Bill No.

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120139, an ordinance amending Chapter

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19-2600 of The Philadelphia Code,

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entitled "Business Income and Receipts

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Taxes," by further revising the "Special

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Tax Credit Opportunity for Job Creation,"

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under certain terms and conditions.

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Our first witness is from the

23

Revenue Department.

24

(Witness approached witness

25

table.)

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2 COUNCILMAN GOODE: Good

3 morning, Mr. Afessa. Please state your
4 name for the record and proceed with your
5 testimony.

6 MR. AFESSA: My name is Tilahun
7 Afessa.

8 Good morning, Chairman Goode
9 and members of the Committee on Commerce
10 and Economic Development. My name is
11 Tilahun Afessa. I'm the Director of
12 Policy, Planning, and Outreach for the
13 Department of Revenue. I'm here today to
14 testify in support of Bill No. 121039.

15 Bill No. 121039 amends Chapter
16 19-2600 of The Philadelphia Code,
17 entitled "Business Income and Receipts
18 Taxes," by further revising the "Special
19 Tax Credit Opportunity for Job Creation"
20 in 2012 and 2013 that was made available
21 by ordinance of the City Council Bill No.
22 120012. Bill No. 121039 makes this
23 "Special Tax Credit Opportunity"
24 available for job creation in 2012 and
25 each year thereafter by permitting a

1 1/24/13 - COMMERCE - BILL 121039
2 business to claim a tax credit in the
3 amount of \$5,000 for each new job created
4 up to the maximum job creation amount
5 specified in the commitment letter the
6 business executes with the Department of
7 Revenue.

8 As I testified before this
9 Committee on November 14 of last year in
10 support of Bill No. 120855, which
11 increased the total amount of job
12 creation tax credit available in any tax
13 year beginning with tax year 2013 from
14 one percent to two percent of the prior
15 year business income and receipt tax
16 collection, we believe employment growth
17 is the key to remaining economically
18 viable in our increasingly competitive
19 region. I testified at that time that
20 our records indicate fewer than the
21 number of jobs hoped to be created have
22 actually been created over the years and
23 that, in our opinion, the decline in the
24 national economy has been the main reason
25 for the low fulfillment of the

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2 commitments to create new jobs. I also
3 testified at that time that if the
4 increase in recent months of inquiries
5 about the program and the continuing
6 improvement in the national economy are
7 indications, we expect more businesses to
8 participate in the program with
9 commitments to create more jobs and with
10 a better chance to fulfill their
11 commitments than in the past. It is with
12 this spirit that we support Bill No.
13 120855. We believe the amendment
14 proposed by Bill No. 121039 complements
15 the change made by Bill No. 120855.

16 Thank you again for giving me
17 the opportunity to testify today. I am
18 ready to answer any questions you may
19 have regarding this bill.

20 COUNCILMAN GOODE: Thank you
21 for your testimony.

22 Any questions for this witness?
23 (No response.)

24 COUNCILMAN GOODE: Seeing none,
25 we will move from our public hearing into

1 1/24/13 - COMMERCE - BILL 121039

2 our public meeting.

3 The Chair recognizes
4 Councilwoman Reynolds Brown for a motion
5 on Bill No. 121039.

6 COUNCILWOMAN BROWN:

7 Mr. Chairman, I move that Bill No. 121039
8 be reported out of Committee with a
9 favorable recommendation and further move
10 that the rules of Council be suspended so
11 as to permit first reading at our next
12 scheduled session.

13 (Duly seconded.)

14 COUNCILMAN GOODE: All in
15 favor?

16 (Aye.)

17 COUNCILMAN GOODE: Those
18 opposed?

19 (No response.)

20 COUNCILMAN GOODE: Bill No.
21 121039 is reported out of this Committee
22 with a favorable recommendation and
23 suspension of rules to allow first
24 reading at our next Council session.

25 Thank you very much. This

1 1/24/13 - COMMERCE - BILL 121039

2 concludes our public meeting.

3 (Committee on Commerce and
4 Economic Development concluded at 9:15
5 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter, and that this is a true and
correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

(The foregoing certification of this
transcript does not apply to any reproduction
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direct control and/or supervision of the
certifying reporter.)

A accurately 8:5 Afessa 3:3,6,7,11 allow 6:23 amending 1:14 2:16 amendment 5:13 amends 3:15 amount 4:3,4,11 and/or 8:22 answer 5:18 apply 8:20 approached 2:24 available 3:20,24 4:12 Aye 6:16 a.m 1:8 7:5	6:3 Chairman 3:8 6:7 chance 5:10 change 5:15 Chapter 1:14 2:16 3:15 City 1:2,7 3:21 claim 4:2 Code 1:15 2:17 3:16 collection 4:16 Commerce 1:3 2:5 3:1,9 4:1 5:1 6:1 7:1,3 commitment 4:5 commitments 5:2 5:9,11 Committee 1:3 2:6,8,14 3:9 4:9 6:8,21 7:3 competitive 4:18 complements 5:14 concluded 7:4 concludes 7:2 conditions 1:17 2:21 contained 8:5 continuing 5:5 control 8:22 correct 8:8 Council 1:2 3:21 6:10,24 Councilman 1:11 1:12 2:2,13 3:2 5:20,24 6:14,17 6:20 Councilwoman 1:11,12 2:10,12 6:4,6 create 5:2,9 created 4:3,21,22 creation 1:16 2:20 3:19,24 4:4,12 credit 1:16 2:20 3:19,23 4:2,12 Curtis 1:12 2:13	D decline 4:23 Department 2:23 3:13 4:6 Development 1:4 2:5 3:10 7:4 direct 8:22 Director 3:11 Duly 6:13 E Economic 1:3 2:5 3:10 7:4 economically 4:17 economy 4:24 5:6 employment 4:16 entitled 1:15 2:18 3:17 evidence 8:4 executes 4:6 expect 5:7 F favor 6:15 favorable 6:9,22 fewer 4:20 first 2:22 6:11,23 foregoing 8:7,19 fulfill 5:10 fulfillment 4:25 fully 8:5 further 1:16 2:19 3:18 6:9 G giving 5:16 Good 2:2 3:2,8 Goode 1:11 2:2,7 3:2,8 5:20,24 6:14,17,20 growth 4:16 H Hall 1:7 hearing 2:3,4 5:25 hoped 4:21	I improvement 5:6 income 1:15 2:18 3:17 4:15 increase 5:4 increased 4:11 increasingly 4:18 indicate 4:20 indications 5:7 inquiries 5:4 J Jannie 1:11 2:11 January 1:8 job 1:16 2:20 3:19 3:24 4:3,4,11 jobs 4:21 5:2,9 Jones 1:12 2:14 Jr 1:11,12 2:7 K key 4:17 L L 8:14 Leader 2:13 left 2:11 letter 4:5 low 4:25 M main 4:24 Majority 2:13 matter 8:7 maximum 4:4 means 8:21 meeting 6:2 7:2 members 3:9 MICHELE 8:14 months 5:4 morning 2:3 3:3,8 motion 6:4 move 5:25 6:7,9 MURPHY 8:14 N name 2:6 3:4,6,10 national 4:24 5:6	new 4:3 5:2 note 2:9 notes 8:6 November 4:9 number 4:21 O objections 8:4 opinion 4:23 opportunity 1:16 2:20 3:19,23 5:17 opposed 6:18 order 2:4 ordinance 1:14 2:16 3:21 Outreach 3:12 P participate 5:8 Pennsylvania 1:7 percent 4:14,14 permit 6:11 permitting 3:25 Philadelphia 1:2 1:7,15 2:17 3:16 Planning 3:12 Please 3:3 Policy 3:12 present 1:10 2:10 prior 4:14 proceed 3:4 proceedings 8:4 program 5:5,8 proposed 5:14 public 2:4 5:25 6:2 7:2 8:15 Q questions 5:18,22 quorum 2:9,14 R reading 6:11,24 ready 5:18 reason 4:24 receipt 4:15 Receipts 1:15
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