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2 COUNCIL OF THE CITY OF PHILADELPHIA
3 COMMITTEE ON COMMERCE and ECONOMIC DEVELOPMENT
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6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Wednesday, December 8, 2010, 10:09 a.m.
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11 Bill No. 100787: An ordinance amending
12 Chapter 19-2600 of the Philadelphia Code,
13 entitled "Business Privilege Taxes," by
14 extending the "Special Tax Credit Opportunity
15 for Job Creation," under certain terms and
16 conditions.
17

18 COMMITTEE MEMBERS PRESENT:
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20 W. Wilson Goode, Jr. Chair
21 Blondell Reynolds Brown, Vice Chair
22 Darrell L. Clarke
23 Frank DiCicco
24 Curtis Jones, Jr.
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COUNCILMAN GOODE: Good

morning. This hearing is called to
order. This is the public hearing of the
Commerce and Economic Development
Committee meeting on Bill No. 100787.
The Rules Committee hearing will follow.

My name is W. Wilson Goode,
Jr., the chair of this committee. I note
that a quorum present: To my left, far
left, is Councilwoman Blondell Reynolds-
Brown, vice chair of the committee; to my
immediate left is Councilman Darrell
Clarke; to my immediate right is
Councilman Curtis Jones.

The title of Bill No. 100787
is: An ordinance amending Chapter
19-2600 of the Philadelphia Code,
entitled "Business Privilege Taxes," by
extending the "Special Tax Credit
Opportunity for Job Creation," under
certain terms and conditions.

Our first and only witness is
Mr. Afessa from the Revenue Department.
Please come forward.

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2 (Witness comes forward.)

3 MR. AFESSA: Good morning.

4 COUNCILMAN GOODE: Good

5 morning. Please state your name for the

6 record and proceed with your testimony.

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

9 COUNCILMAN GOODE: Please
10 proceed with your testimony.

11 MR. AFESSA: Good morning,
12 Councilman Goode and members of the
13 Committee on Commerce and Economic
14 Development. My name is Tilahun Afessa,
15 and I'm the Director of Policy Planning
16 and Outreach for the Department of
17 Revenue.

18 I'm here today to testify in
19 support of Bill 100787. This bill
20 proposes to amend the Business Privilege
21 Tax Job Creation Tax Credit Program by
22 extending the special tax credit
23 opportunity for the job creation to
24 calendar year 2012 and 2013.

25 The proposed amendment provides

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2 the tax credits in the amount of \$3,000
3 for each new job created in calendar year
4 2012 or 2017. This special opportunity
5 established by Bill No. 090012 is already
6 available for jobs that would be created
7 in calendar year 2010 or 2011 in
8 connection with applications filed after
9 June 24, 2009.

10 In its report issued in October
11 of 2009, the Mayor's Task Force on Tax
12 Policy and Economic Competitiveness
13 stated that employment grows is the only
14 option to prevent further deterioration
15 to the quality of life for
16 Philadelphians. We agree with this
17 assessment. We believe that the job
18 creation tax credit program established
19 in 2002 to encourage businesses to expand
20 employment within the City of
21 Philadelphia helped us to achieve this
22 purpose.

23 The annual amount of credit
24 available under this program is limited
25 to 1 percent of the prior-year business

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2 privilege tax collection. So far, the
3 total credits that have been awarded each
4 year have been far less than the limit.

5 It is with this understanding
6 that we support the extension of the
7 increase in the tax credit from \$1,000 to
8 \$3,000 for each new job created in 2012
9 or 2013.

10 We also agree in limiting the
11 extension to a given number of years.
12 Establishing a sunset to the extension
13 will allow us to assess the effectiveness
14 of this amendment.

15 We recommend a change to the
16 provision of the bill to make it clear
17 that this bill provides a special credit
18 only for applications filed after the
19 approval date of this bill. This change
20 would make it clear that those who have
21 already applied to take advantage of the
22 special tax credit opportunity for job
23 creation in 2010 or 2011 have to submit
24 another application if they want to take
25 advantage of the extension.

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We have prepared and have submitted a draft of the clarifying amendment that we would like to see in this bill for your consideration.

Thank you again for giving me the opportunity to testify today. I'm ready to answer any questions you may have regarding this bill and regarding our recommendation to make a clarifying amendment to the bill.

COUNCILMAN GOODE: Thank you for your testimony, Mr. Afessa.

Let me note for the record that Councilman DiCicco, a member of the committee, is also present; and Councilwoman Miller is joining us as well.

Are there questions for this witness?

(No questions.)

COUNCILMAN GOODE: Seeing none, is there anyone else here to testify on this bill?

(No response.)

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2 COUNCILMAN GOODE: Seeing none,
3 we will move from our public hearing into
4 our public meeting to consider Bill No.
5 100787. The amendment Mr. Afessa
6 referred to is our in committee packet.

7 The Chair recognizes
8 Reynolds-Brown for a motion on the
9 amendment to Bill No. 100787.

10 COUNCILWOMAN BROWN:
11 Mr. Chairman, I make a motion that Bill
12 No. 100787 be amended.

13 COUNCILMAN GOODE: Is there a
14 second?

15 (Motion duly seconded.)

16 COUNCILMAN GOODE: Those in
17 favor?

18 Those opposed?

19 The amendment passes.

20 The Chair recognizes Blondell
21 Reynolds-Brown for a motion on Bill No.
22 100787, as amended.

23 COUNCILWOMAN BROWN:
24 Mr. Chairman, I move that Bill
25 No. 100787, as amended, be reported out

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2 of committee with a favorable
3 recommendation and further move that the
4 rules of Council be suspended so as to
5 permit first reading of this bill at our
6 next session of Council.

7 (Motion duly seconded.)

8 COUNCILMAN GOODE: All in
9 favor?

10 Those opposed?

11 Bill No. 100787, as amended, is
12 reported out of committee with a
13 favorable recommendation and a request
14 for a suspension of the rules to allow
15 for first reading at our next Council
16 session.

17 This concludes our public
18 meeting.

19 The Rules Committee will start
20 shortly.

21 (Proceedings end at 10:15 a.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the
proceedings of the City of Philadelphia
Council Committee Commerce and Economic
Development are contained fully and accurately
in the stenographic notes taken by me on
Wednesday, December 8, 2010, and that this is
a true and correct statement of same.

JOSEPHINE CARDILLO

Registered Professional Reporter

(The foregoing certification of
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