

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

Room 400, City Hall
Philadelphia, Pennsylvania
Monday, June 4, 2012
9:25 a.m.

PRESENT:

COUNCILMAN W. WILSON GOODE, JR., CHAIR
COUNCILMAN DAVID OH
COUNCILMAN BRIAN J. O'NEILL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILWOMAN MARIAN B. TASCO

BILL 120491 - An ordinance amending Chapter
19-2600 of The Philadelphia Code, entitled
"Business Income and Receipts Taxes," by
providing for a tax credit for employment of
veterans of the armed forces, 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. 120491.

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My name is W. Wilson Goode,

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Jr., Chair of the Committee. I note that

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a quorum is present. To my left is

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Councilwoman Marian Tasco, a member of

11

the Committee. To my immediate right is

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Councilwoman Blondell Reynolds Brown, and

13

to my left also is Councilman Brian

14

O'Neill.

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The title of the Bill No.

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120491, amending Chapter 19-2600 of The

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Philadelphia Code, entitled "Business

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Income and Receipts Taxes," by providing

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for a tax credit for employment of

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veterans of the armed forces, under

21

certain terms and conditions.

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Our first witness is from the

23

Revenue Department. Please come forward.

24

(Witness approached witness

25

table.)

1 6/4/12 - COMMERCE - BILL 120491

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, Councilman Goode
9 and members of the Committee on Commerce
10 and Economic Development. My name is
11 Tilahun Afessa and I'm the Director of
12 Policy, Planning and Outreach for the
13 Department of Revenue. I am here today
14 to testify in support of Bill No. 120491,
15 with a recommendation to make some
16 changes in its provisions.

17 Bill No. 120491 provides for a
18 tax credit against the total Business
19 Income and Receipts Tax liability for
20 employment of returning veterans of the
21 United States Armed Forces, under certain
22 terms and conditions, and our
23 recommendation for change is in regard to
24 some of these terms and conditions.

25 As we testified on May 14th of

1 6/4/12 - COMMERCE - BILL 120491
2 this year regarding Resolution No.
3 120096, which authorizes to investigate
4 the establishment of a tax credit and
5 veterans' assistance program for the
6 veterans, we believe providing a tax
7 incentive to local employers who hire
8 veterans would be beneficial to both
9 employers and veterans. In our
10 testimony, we also expressed our
11 willingness to work with Councilman Oh in
12 formulating the actual provisions of an
13 ordinance that would establish a tax
14 credit program for this purpose. We are
15 proposing several amendments to the
16 ordinance for the Committee
17 consideration, which are the following:

18 One, to establish a sunset on
19 the program by limiting its duration to
20 two years, restricting its application
21 only to veterans hired on and after July
22 1st, 2012 and before July 1st, 2014;

23 Two, to eliminate the tuition
24 support requirement;

25 Three, to add a provision

1 6/4/12 - COMMERCE - BILL 120491

2 specifically requiring filing an
3 application to participate in the
4 program;

5 Four, to reduce the credit for
6 hiring a qualifying full-time employee
7 from 5,000 to 2,000 per year and a
8 qualifying part-time employee from 2,500
9 to 1,000 per year;

10 Five, to reduce the
11 availability of credit from a total of 36
12 months to 24 months of employment of a
13 qualifying employee;

14 Six, to specifically provide
15 for condition under which the
16 certification of a qualifying employee
17 shall expire;

18 Seven, to require the business
19 to notify the Department of Revenue
20 within a specified time when a qualifying
21 employee is no longer employed.

22 I want to thank Councilman Oh
23 for inviting the Department of Revenue
24 and for initiating a discussion on the
25 bill prior to this hearing.

1 6/4/12 - COMMERCE - BILL 120491

2 This concludes my testimony.

3 Thank you for giving me the opportunity
4 to testify. I am available to answer any
5 questions you may have at this time.

6 COUNCILMAN GOODE: Thank you,
7 Mr. Afessa.

8 Questions from members of the
9 Committee?

10 (No response.)

11 COUNCILMAN GOODE: I have only
12 one question. People who qualify for the
13 federal tax credit, do they also qualify
14 for this tax credit?

15 MR. AFESSA: Yes.

16 COUNCILMAN GOODE: Thank you.
17 Any other questions?

18 (No response.)

19 COUNCILMAN GOODE: Seeing none,
20 is there anyone else to testify?

21 (No response.)

22 COUNCILMAN GOODE: Seeing none,
23 we will move from our public hearing into
24 a public meeting.

25 The Chair recognizes

1 6/4/12 - COMMERCE - BILL 120491

2 Councilwoman Reynolds Brown for a motion
3 on the amendment to Bill No. 120491.

4 COUNCILWOMAN BROWN: Thank you,
5 Mr. Chairman. I move that Bill No.
6 120491 be amended.

7 (Duly seconded.)

8 COUNCILMAN GOODE: All in
9 favor?

10 (Aye.)

11 COUNCILMAN GOODE: Those
12 opposed?

13 (No response.)

14 COUNCILMAN GOODE: The bill is
15 amended.

16 The Chair recognizes
17 Councilwoman Reynolds Brown for a motion
18 on the bill, as amended.

19 COUNCILWOMAN BROWN:
20 Mr. Chairman, I move that Bill No.
21 120491, as amended, be reported out of
22 the Committee with a favorable
23 recommendation and further move that the
24 rules of Council be suspended so as to
25 permit first reading at our next

1 6/4/12 - COMMERCE - BILL 120491

2 scheduled session.

3 COUNCILMAN GOODE: Do I have a
4 second?

5 (Duly seconded.)

6 COUNCILMAN GOODE: All in
7 favor?

8 (Aye.)

9 COUNCILMAN GOODE: Those
10 opposed?

11 (No response.)

12 COUNCILMAN GOODE: Bill No.
13 120491, as amended, is reported out of
14 this Committee with a favorable
15 recommendation and suspension of rules to
16 allow its first reading at our next
17 Council session.

18 This concludes our public
19 meeting. Thank you very much.

20 (Committee on Commerce and
21 Economic Development concluded at 9:35
22 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 on June 4, 2012, 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
of the same by any means, unless under the
direct control and/or supervision of the
certifying reporter.)

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