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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON COMMERCE

5

AND ECONOMIC DEVELOPMENT

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, February 24, 2005
1:10 p.m.

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10 BILL 050064 - An Ordinance amending Chapter
11 19-1500 of The Philadelphia Code...

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12 RESOLUTION 040827 - Resolution authorizing
13 the Committee on Commerce and Economic
14 Development to hold hearings to review the
15 findings and recommendations of The
16 Philadelphia 21st Century Economic
17 Development Summit...

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PRESENT:

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18 COUNCILMAN W. WILSON GOOD, JR., Chair
19 COUNCILWOMAN MARIAN B. TASCIO
20 COUNCILWOMAN BLONDELL REYNOLDS BROWN
21 COUNCILMAN JUAN RAMOS
22 COUNCILMAN DARRELL CLARKE

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V A R A L L O Incorporated
Litigation Support Services
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

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I N D E X

BILL 050064	PAGE
NANCY KAMMERDEINER, Revenue.....	3

1 02/24/05 - COMMERCE - BILL 050064

2 COUNCILMAN GOODE: Good afternoon.

3 This hearing is called to order. This is a
4 public hearing of the Commerce and Economic
5 Development Committee on Bill No. 050064 and
6 Resolution No. 040827. My name is W. Wilson
7 Goode, Jr., Chair of this Committee. I note
8 that a quorum is present. To my far left is
9 Councilwoman Marian Tasco, also Councilwoman
10 Blondell Reynolds Brown; to my right is
11 Councilman Juan Ramos and Councilman Darrell
12 Clarke.

13 The Resolution No. 040827 is not
14 being considered today, but will be recessed
15 until next Thursday, March 3rd at 2:00 p.m.
16 when the Commerce Director will present the
17 Economic Development Blueprint summary that
18 was released yesterday and take questions.

19 The title of Bill No. 050064, an
20 ordinance amending Chapter 19-1500 of the
21 Philadelphia Code, entitled "Wage and Net
22 Profits Tax," by providing for the calculation
23 of the credit against net profits tax based
24 upon net income tax liability, where a credit
25 is received against net income tax for

1 02/24/05 - COMMERCE - BILL 050064

2 contributions to community development
3 corporations undertaking economic development
4 activities within the City of Philadelphia;
5 all under certain terms and conditions.

6 Our only witness today is the
7 Revenue Commissioner. If she will come
8 forward, approach the witness table.

9 Commissioner, please state your name
10 for the record.

11 COMMISSIONER KAMMERDEINER: Good
12 afternoon, Councilman and Members of the
13 Committee on Commerce and Economic
14 Development. My name is Nancy Kammerdeiner,
15 the Revenue Commissioner. I'm pleased to be
16 with you today to present testimony regarding
17 Bill No. 050064.

18 This bill would add a new provision
19 to Section 19-1500 of the Philadelphia Code
20 entitled "Wage and Net Profits Tax." This new
21 provision is intended to permit a business
22 partner that's been approved to participate in
23 a community development corporation
24 contribution tax credit program to continue to
25 receive the full 60 percent business privilege

1 02/24/05 - COMMERCE - BILL 050064

2 tax credit without regard to any reduction in
3 the business privilege tax actually paid to
4 the City.

5 You may recall that on January 27th,
6 I came before this Committee to testify about
7 Bill 041072 that place similar language in the
8 BPT section of the Philadelphia Code. At that
9 time, I described the CDC Credit Program and
10 outlined the issue that had been raised about
11 whether an unincorporated entity could
12 continue to receive credit against the net
13 profits tax in the amount of 60 percent of the
14 net income portion of its BPT liability if
15 that BPT liability had been offset by a CDC
16 credit and not actually paid in cash. Bill
17 041072 was designed to verify that these
18 businesses should indeed receive that full
19 credit. At the conclusion of my testimony
20 that day, I requested that, and I quote, "If
21 you approve this bill, you should also approve
22 a parallel provision for the NPT in Section
23 19-1506, 'Credit Against Tax.' It is this
24 section of the Philadelphia Code that includes
25 the phrase "and paid" amending the BPT and not

1 02/24/05 - COMMERCE - BILL 050064

2 the NPT could lead to more ambiguities instead
3 of the clarification that is sought."

4 Since then, Bill 041072 was approved
5 by this Committee and by City Council and it's
6 now pending approval by Mayor Street.

7 The Bill before you today will
8 address the concern I raised about having a
9 parallel provision in the NPT section of the
10 Code to ensure that there's no confusion about
11 the acceptance of the full credit in the NPT
12 filing.

13 This concludes my testimony. And
14 I'll be happy to answer any questions that you
15 might have.

16 COUNCILMAN GOODE: Thank you for
17 your testimony, Commissioner.

18 Any questions from members of the
19 Committee?

20 (No response.)

21 COUNCILMAN GOODE: Is there anyone
22 else to testify?

23 (No response.)

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

1 02/24/05 - COMMERCE - BILL 050064
2 public meeting to consider Bill No. 050064.
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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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COMMITTEE ON COMMERCE

5

AND ECONOMIC DEVELOPMENT

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Thursday, February 24, 2005

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Public meeting conducted by the
Committee on Commerce and Economic
Development, held in Room 400, City Hall,
Philadelphia, Pennsylvania, on the above date,
to consider action on the following:

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BILL 050064.

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PRESENT:

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COUNCILMAN W. WILSON GOOD, JR., Chair

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COUNCILWOMAN MARIAN B. TASCO

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COUNCILWOMAN BLONDELL REYNOLDS BROWN

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COUNCILMAN JUAN RAMOS

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COUNCILMAN DARRELL CLARKE

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1 02/24/05 - COMMERCE - PUBLIC MEETING

2 COUNCILMAN GOODE: The Chair
3 recognizes Councilwoman Tasco for a motion on
4 Bill 050064.

5 COUNCILWOMAN TASCO: Mr. Chairman, I
6 move that Bill 050064 be reported out of
7 Committee with a favorable recommendation and
8 that the Rules of Council be suspended so this
9 bill could have its first reading at the next
10 Session of Council.

11 (Duly seconded.)

12 COUNCILMAN GOODE: All in favor?

13 (Aye.)

14 COUNCILMAN GOODE: Those opposed?

15 (No response.)

16 COUNCILMAN GOODE: Bill No. 050064
17 is reported out of this Committee with a
18 favorable recommendation with suspension of
19 the Rules to allow first reading at our next
20 Council Session.

21 The hearing on Resolution No. 040827
22 is being recessed to Thursday, March 3rd, at
23 2:00 p.m.

24 This concludes our public meeting.

25 Thank you, Commissioner and members

1 02/24/05 - COMMERCE - PUBLIC MEETING
2 of the Committee.

3 (Council adjourned at 1:20 p.m.)

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C E R T I F I C A T I O N .

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Thursday, February 24, 2005,
were reported fully and accurately by me, and
that this is a correct transcript of the same.

RE: COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

Lisa C. Bradley, RPR