



City of Philadelphia - Job Creation Tax Credit

Businesses that create jobs in Philadelphia in 2015 may be eligible for a credit of \$25,000 per job created, or 2% of the annual wages paid.

BACKGROUND

The Job Creation Tax Credit may be applied against the City's Business Income and Receipts Tax liability. Under the program, for each qualified new full-time job created in the City of Philadelphia in 2015, eligible businesses may claim a credit of \$5,000 (or 2% of the annual wages paid, whichever is higher) annually for five years for a total of \$25,000. Currently, jobs created after 2015 are eligible for a one-time, \$5,000 tax credit.

ELIGIBILITY

To qualify for the credit, a business must demonstrate the ability to create at least 25 new full-time jobs, or increase full-time workforce in Philadelphia by at least 20%, within a five-year period. The business must also demonstrate financial stability, project viability and the intention to maintain operations within the City for a period of five years from the date the tax credit certificate is submitted to the Philadelphia Department of Revenue.

In order to qualify, a new job must be full-time and have an average hourly wage at least 150% of the federal minimum wage, or for new jobs created after October 29,

2014, \$12.00 per hour adjusted for inflation. Businesses have within five years of the start date, defined in the application process, to complete their job creation. However, *only* jobs created in 2015 qualify for a \$25,000 credit. The credit is available for a period of five years after a business receives the tax credit certificate, but not longer than eight years from the start date. If the business fails to create the required number of jobs or maintain existing operations, the City may recapture the credit.

HOW TO APPLY

Businesses should submit a complete application to the Philadelphia Department of Revenue. If the application is approved, the Department will issue a commitment agreement. After the commitment agreement is fully executed, and the Department determines job creation pursuant to the agreement, the business shall receive a Job Creation Tax Credit Certificate containing the number of new jobs to be credited and the maximum job credit the business may claim.

Applications and instructions are available online at: www.phila.gov/revenue.

For additional information about the Job Creation Tax Credit, email the City of Philadelphia - Department of Revenue Technical Staff at

RevenueAdvisors@phila.gov