



## City of Philadelphia - Job Creation Tax Credit

The Job Creation Tax Credit is just one part of the City of Philadelphia's portfolio of business development and attraction initiatives. With an increase to the credit in 2012, businesses can reduce business tax liability even further.

**Businesses that create jobs in Philadelphia, may be eligible for a credit of \$5,000 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, eligible businesses may claim a credit of an amount equal to \$5,000 or 2% of the annual wages paid, whichever is higher, for each qualified new full-time job created in the City of Philadelphia.

### ELIGIBILITY

To qualify for the credit, a business must demonstrate the ability to create at least 25 new full-time jobs, or increase fulltime workforce by at least 20% within the required 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 5 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. The job must be created in Philadelphia within five years of the start date, which is defined as the date upon

which a business may begin creating eligible jobs. The credit is available for a period of five years after a business receives the tax credit certificate, but in no case longer than eight years from the start date. The credit may be recaptured in the event that the business fails to create the required number of jobs or maintain existing operations.

### 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 on-line at: <http://www.phila.gov/revenue>.

Contact the Department of Revenue for additional information about the Job Creation Tax Credit at:

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Department of Revenue  
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