

2022 City of Philadelphia BUSINESS INCOME & RECEIPTS TAX

FOR BUSINESS CONDUCTED IN AND OUT OF PHILADELPHIA

Entity Classification (MUST select one):

☐ Individual/ Sole Proprietor ☐ Corporation ☒ Partnership ☐ Estate ☐ Trust

Business Name

Partner Test 1 / SC Schedule

First Name

MI

Last Name

Street Address

Apt / Suite

City

State

Zip / Postal Code

Taxpayer E-mail Address

Check Box If Applies:

☐ Address Change

☐ Amended Return

☐ Final Return:

(add Cease Date)

2022 BIRT

DUE DATE: APRIL 18, 2023

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YOU MUST COMPLETE WORKSHEET "S" and SCHEDULE "C-1"

COMPUTATION OF TAX DUE OR OVERPAYMENT

1. NET INCOME PORTION OF TAX (from Schedule B, Line 13 or Schedule A, Line 15).
If there is no tax due, enter "0".....
2. GROSS RECEIPTS PORTION OF TAX (from Schedule D, Line 15).
If there is no tax due, enter "0".....
3. Tax Due for the 2022 Business Income & Receipts Tax (Line 1 plus Line 2).....
4. Credit from Special Credit Schedule (SC). (Cannot exceed amount on Line 3).....
5. Tax Due 2022. (Line 3 minus Line 4).....
6. **MANDATORY** 2023 BIRT Estimated Payment (See Instructions).....
7. Total Due by 4/18/2023 (Line 5 plus Line 6).....

1.

2.

3.

4.

5.

6.

7.

ESTIMATED PAYMENTS AND OTHER CREDITS

8. Include any estimated and/or extension payments of 2022 BIRT previously made,
and any credit from overpayment of the 2021 BIRT and/or 2022 NPT return.....
9. Net Tax Due (Line 7 less Line 8).
If Line 8 is greater than Line 7, enter "0".....
10. Interest and Penalty
Refer to web site for current percentage.....
11. **TOTAL DUE** including Interest and Penalty (Line 9 plus Line 10).
Use payment coupon. Make check payable to: "City of Philadelphia".....

8.

9.

10.

11.

OVERPAYMENT OPTIONS If Line 8 is greater than Line 7, enter the amount to be:

- 12a. Refunded. Do not file a separate Refund Petition.....
- 12b. Applied to the 2022 Net Profits Tax Return.....
- 12c. Applied to the 2023 Business Income & Receipts Tax.....

12a.

12b.

12c.

Under penalties of perjury, as set forth in 18 PA C.S. §§ 4902-4903 as amended, I swear that I have reviewed this return and accompanying statements and schedules, and to the best of my knowledge and belief, they are true and complete.

Taxpayer Signature _____ Date _____ Phone # _____

Preparer Signature _____ Date _____ Phone # _____




2022 BIRT SCHEDULE B**COMPUTATION OF TAX ON NET INCOME (METHOD II)**

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Reminder - You must use the same method (METHOD I or METHOD II) that you elected on the first Business Income & Receipts Tax return filed. **If you are using Schedule B, do not complete or file Schedule A.**

Place "X" in box to indicate a loss. 

| | | | |
|---|-----|--------------------------------|--|
| 1. Net Income (Loss) as properly reported to the Federal Government..... | 1. | <input type="text"/> | <input type="text" value="2,500,000"/> |
| 2. ADJUSTMENTS (Per BIRT Reg. 404 and Public Law 86-272) | | | |
| (a) Income net of interest expense attributable to direct obligations of the Federal Government, Pennsylvania or the political subdivisions of Pennsylvania. (If less than zero, enter zero on this line)..... | 2a. | <input type="text"/> | <input type="text"/> |
| (b) Net Income (Loss) from certain port related activities. (Reg. 302 (T))..... | 2b. | <input type="text"/> | <input type="text"/> |
| (c) Net Income (Loss) from specific PUC and ICC business activities. (Reg. 101 (D)(3))..... | 2c. | <input type="text"/> | <input type="text"/> |
| (d) Net Income (Loss) from Public Law 86-272 activities..... | 2d. | <input type="text"/> | <input type="text"/> |
| (e) Receipts by corporations of dividends, interest and royalties received from other corporations in the same affiliated group and/or from other corporations of which the receiving corporation owns at least 20% of the stock and/or BIRT Regulation §404 (B)(5) adjustments (Reg. 302 (O))..... | 2e. | <input type="text"/> | <input type="text"/> |
| (f) Line 1 minus Lines 2a through 2e..... | 2f. | <input type="text"/> | <input type="text"/> |
| (g) All other receipts from other corporations of the same affiliated group. (Reg. 302 (N))..... | 2g. | <input type="text"/> | <input type="text"/> |
| (h) Gross Receipts per BIRT Regulation §404(B)(5)(e)..... | 2h. | <input type="text"/> | <input type="text"/> |
| (i) Divide Line g by Line h and enter the result here..... | 2i. | <input type="text" value="."/> | <input type="text"/> |
| (j) Multiply Line f by Line i and enter the result here..... | 2j. | <input type="text"/> | <input type="text"/> |
| 3. ADJUSTED NET INCOME (LOSS) (Line 2f minus Line 2j)..... | 3. | <input type="text"/> | <input type="text" value="2,500,000"/> |
| 4. Total Nonbusiness Income (Loss)..... | 4. | <input type="text"/> | <input type="text"/> |
| 5. Income (Loss) to be apportioned (Line 3 minus Line 4)..... | 5. | <input type="text"/> | <input type="text" value="2,500,000"/> |
| 6. Apportionment Percentage from Schedule C-1, Line 3..... | 6. | <input type="text" value="."/> | <input type="text"/> |
| 7. Income (Loss) apportioned to Philadelphia (Line 5 times Line 6)..... | 7. | <input type="text"/> | <input type="text"/> |
| 8. Nonbusiness Income (Loss) allocated to Philadelphia..... | 8. | <input type="text"/> | <input type="text"/> |
| 9. Current year Income (Loss) (Line 7 plus Line 8)..... | 9. | <input type="text"/> | <input type="text"/> |
| 10. Statutory Net Income Deduction from Worksheet S, Line S5. (Must complete Schedule C-1.)..... | 10. | <input type="text"/> | <input type="text"/> |
| 11. Loss Carry Forward, if any..... | 11. | <input type="text"/> | <input type="text"/> |
| 12. Taxable Income (Loss). (Line 9 minus Line 10 minus Line 11)..... | 12. | <input type="text"/> | <input type="text"/> |
| 13. TAX DUE (Line 12 times .0599) If Line 12 is a loss, enter zero..... | 13. | <input type="text"/> | <input type="text"/> |

ENTER HERE AND ON PAGE 1, LINE 1 OF THIS RETURN.

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CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE

2022 BIRT SCHEDULE C-1

For business conducted in and out of Philadelphia

The Department has adopted a **Single Sales/Receipts Factor Apportionment** methodology for BIRT. The Property and Payroll Factors are **no longer used** in the calculation of the Philadelphia Apportionment percentage. The Single Sales/Receipts Factor Apportionment percentage is the ratio of **Philadelphia Sales/Receipts** to **Total Sales/Receipts everywhere**.

The **sourcing** of sales/receipts is the **same as it has been** in prior years. *Receipts* and *Taxable Receipts* are defined at *Philadelphia Code § 19-2601* and explained in Article III of the BIRT Regulations.

www.phila.gov/revenue/birt-regs

Market-Based Sourcing of Service/Sales for Software Companies

A **Software Company** (as defined by BIRT Regulations Section 101DD) is to source sales/receipts (for both the Receipts and Net Income bases) in accordance with **Market-based sourcing**. That is, the sale of products and the performance of services will be deemed to be the location where the recipient receives the benefit of the products and services.

This schedule must be completed in order to receive the deduction from Worksheet S.

COMPUTATION OF APPORTIONMENT FACTOR TO BE APPLIED TO APPORTIONABLE NET INCOME. YOU MUST COMPLETE SCHEDULE C-1 IF YOU ARE APPORTIONING YOUR INCOME. FAILURE TO INCLUDE THIS SCHEDULE WITH YOUR RETURN MAY RESULT IN THE DISALLOWANCE OF YOUR APPORTIONMENT AND YOU MAY BE BILLED.

1. Philadelphia Sales/Receipts (From Schedule D line 8)..... 1.

2. Gross Sales/Receipts Everywhere (From Schedule D line 6)..... 2.

3. Single Sales/Receipts Factor Apportionment Percentage (Line 1 divided by 2)..... 3.

ENTER THE PHILADELPHIA RECEIPTS FACTOR APPORTIONMENT PERCENTAGE ON SCHEDULE A, LINE 8 OR SCHEDULE B, LINE 6.

DO NOT FILE THIS RETURN if Line 3 is equal to 100%. Use the BIRT-EZ return which is available at www.phila.gov/revenue.

Do not submit Schedule C-1 with the BIRT-EZ return.

2022 BIRT SCHEDULE D**COMPUTATION OF TAX ON GROSS RECEIPTS****The following taxpayers should not file Schedule D.**

- Taxpayers registered under the Pennsylvania Securities Act of 1972;
- Persons subject to a tax imposed pursuant to Article VII, VIII, IX or XV of the Tax Reform Code of 1971 (Banks, Title Insurance Companies, Trust Companies, Insurance Companies and Mutual Thrift Institutions)
- Other Financial Businesses

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These industries should file BIRT-HJ Return, available on our website at www.phila.gov/revenue.**Do not report negative numbers on this schedule.**

| | | | |
|--|-----|-----------|-----|
| 1. Gross Receipts from sales and/or rentals of tangible personal property, dividends, interest, royalties, and gains on sale of stocks, bonds and business capital assets..... | 1. | 5,000,000 | .00 |
| 2. Gross Receipts from services..... | 2. | | .00 |
| 3. Gross Receipts from rentals of real property..... | 3. | | .00 |
| 4. Total of Lines 1 through 3..... | 4. | 5,000,000 | .00 |
| 5. Adjustments to Total Gross Receipts (Gross Receipts which do not meet the definition of "Business") (BIRT Reg. 101 (D)): | | | |
| 5a. Gross Receipts from certain port related activities..... | 5a. | | .00 |
| 5b. Gross Receipts from specific PUC and ICC business activities..... | 5b. | | .00 |
| 5c. Other (specify)..... | 5c. | | .00 |
| 6. Gross Sales/Receipts Everywhere (Line 4 minus Lines 5a through 5c)..... | 6. | | .00 |
| 7. Less exclusions from: | | | |
| 7a. Sales delivered outside of Philadelphia..... | 7a. | | .00 |
| 7b. Services performed outside of Philadelphia..... | 7b. | | .00 |
| 7c. Rentals of real property outside of Philadelphia..... | 7c. | | .00 |
| 7d. Other (specify)..... | 7d. | | .00 |
| 8. Net Taxable Receipts before Statutory Exclusion (Line 6 minus Lines 7a through 7d)..... | 8. | 5,000,000 | .00 |
| 9. Statutory Exclusion (Lower of Line 8 or \$100,000.00)..... | 9. | | .00 |
| 10. Net Taxable Receipts after Statutory Exclusion (Line 8 minus Line 9)..... | 10. | | .00 |
| 11. Receipts on which tax is to be computed by the Alternate Method. (Enter here and on Schedule E, Line 1, 5 or 10.)..... | 11. | | .00 |
| 12. Receipts subject to tax at the regular rate (Line 10 minus Line 11)..... | 12. | | .00 |
| 13. TAX DUE at the regular rate. (Line 12 times .001415)..... | 13. | | .00 |
| 14. TAX DUE using the Alternate Method from Schedule E, Line 15, if applicable..... | 14. | | .00 |
| 15. TOTAL TAX DUE (Line 13 plus Line 14)..... | 15. | | .00 |

Enter here and on Page 1, Line 2 of this return.

Worksheet S - Use to calculate Statutory Net Income Deduction

| | | | |
|---|-----|--|-----|
| S1. Enter the lower of Line 8 above or \$100,000..... | S1. | | .00 |
| S2. Enter Current Year Income from Line 11 of Schedule A or Line 9 of Schedule B. If loss, enter zero..... | S2. | | .00 |
| S3. Enter Net Taxable Receipts from Line 8 above..... | S3. | | .00 |
| S4. Divide Line S2 by Line S3. (Cannot be greater than 1.0000)..... | S4. | | |
| S5. Statutory Net Income Deduction (Line S1 times Line S4. Cannot exceed \$100,000)..... | S5. | | .00 |

Enter here and on Line 12 of Schedule A or Line 10 of Schedule B.

CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE
2022 BIRT SCHEDULE SC
 SPECIAL CREDIT SCHEDULE

| | |
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Important Note

Schedule SC is to be used by a taxpayer participating in any of the BIRT Tax Credit Programs (listed below) in order to claim the applicable credit on their 2022 BIRT return. A taxpayer must have made an application to participate in and been accepted into the respective program by the Revenue Department. Also, the taxpayer must fulfill all statutory and regulatory requirements to participate in the respective Tax Credit Program (e.g., entering into commitment agreements with the Department and complying with its terms and conditions, tax compliance, etc.). A taxpayer not meeting all the requirements for participation in the respective BIRT Tax Credit Program will not receive the applicable credit.

For more information on the various BIRT Tax Credit Programs, please refer to the Department's website at <http://www.phila.gov/Revenue/taxpro/Pages/TaxCredits.aspx>.

| | | |
|--|-----|-----------|
| 1. Credit for Contributions to Community Development Corporations, (Nonprofit Organizations engaged in developing and implementing Healthy Food Initiatives and Nonprofit Intermediaries)..... | 1. | |
| 2. Credit for New Job Creation..... | 2. | |
| 3. Green Roof Tax Credit..... | 3. | |
| 4. Philadelphia Re-Entry Employment Program for Returning Citizens Tax Credit ("PREP")..... | 4. | |
| 5. Sustainable Business Tax Credit..... | 5. | |
| 6. Credit for Employment of Returning Veterans of the Armed Forces..... | 6. | |
| 7. Life Partner and Transgender Care Health Benefits Tax Credits..... | 7. | |
| 8. Distressed Business Tax Credit..... | 8. | |
| 9. Keystone Opportunity Zones Tax Credits (KOZ/KOEZ/KOIZ) from KOZ Worksheet Line 10..... | 9. | 1,525,934 |
| 10. Strategic Development Area Tax Credit..... | 10. | |
| 11. Economic Development District Tax Credit..... | 11. | |
| 12. Healthy Beverage Tax Credit..... | 12. | |
| 13. TOTAL CREDITS (Add Lines 1 through 12)..... | 13. | 1,525,934 |

Enter the amount of Line 13 on Page 1, Line 4 of the 2022 BIRT or BIRT-EZ Return. (Cannot exceed amount on Page 1, Line 3.)

