

CITY OF PHILADELPHIA
NET PROFITS TAX - 1999

Failure to file this return by the due date could result in the imposition of fines and legal costs. Taxpayers unable to pay the tax due with the 1999 Net Profits Tax regular return should still file the return and contact the Taxpayer Services Unit, Concourse Level - Municipal Services Building, 1401 John F. Kennedy Blvd., Philadelphia, PA 19102 or call 215-686-6600 to discuss entering into a payment agreement.

Phone numbers: At the bottom of Page 1, include the taxpayer and preparer daytime phone numbers in case a question arises while processing the return.

WHO MUST FILE

- Every individual who was a **resident** of Philadelphia during 1999 and operated a business or other activity either within or outside of Philadelphia and **non-residents** of Philadelphia if they engaged in such activities within Philadelphia are subject to the Net Profits Tax.
- Every partnership, limited partnership, association, or any other group of two or more persons engaged in a business within Philadelphia, whether residents or non-residents of Philadelphia, is subject to the Net Profits Tax.
- Every estate or trust (whether the fiduciary is an individual or a corporation) is subject to the Net Profits Tax if the estate or trust is engaged in any business which is subject to the Net Profits Tax per Income Tax Regulation 220 (a) (3).
- Corporations are not subject to the Net Profits Tax. A partnership comprised solely of corporate partners must file a Net Profits Tax return even if no tax liability exists.

GENERAL INFORMATION

Page 1: This is the summary page for the Net Profits Tax return. This will be optically scanned. Print numbers legibly. Photocopies are not acceptable. Do not use correction fluids. An entry on line 12A indicates a potential refund; this amount will be verified under normal refund procedures. If a refund is due, a check will be sent to you; however, if other liabilities exist, any overpayment will be offset against those liabilities.

Page 2: Worksheets "A" and "B".

Worksheet A: Used by Philadelphia residents to determine the taxable profit (loss) from a business. Review the instructions on Worksheet A for further details.

Worksheet B: Used by non-residents to calculate the taxable profit (loss) from a business.

Page 3: Worksheets "C", "D", and "E".

Worksheet C: Used to determine whether estimated tax payments for the 2000 Net Profits Tax return are needed. Please review the notes on Worksheet "C" for further details.

Worksheet D: Allocates the BPT credit for partnerships with corporate members. Partnerships, which do not have any CORPORATE partners, DO NOT have to complete Worksheet D.

Worksheet E: This form is a summary of payments made and other credits.

Page 4: Worksheet K: This form must be used to calculate the Business Privilege Tax credit against the Net Profits Tax.

Note: If you are liable for both Business Privilege Tax and Net Profits Tax, you may find it easier to prepare the Business Privilege Tax return first. If applicable, the Worksheet "K" credit, which is included on page 4 of this booklet, will reduce your Net Profits Tax liability.