Due Date: April 15, 2005

CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
www.phila.gov/revenue

2004 NPT

2004 Net Profits Tax Return

Corporations are not subject to the Net Profits Tax.

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GENERAL INFORMATION

Complete Net Profits Tax Regulations are available at phila.gov/revenue.

Who must file -- Every individual **residing** in Philadelphia during 2004 and operating a business or other activity within or outside of Philadelphia and **non-residents** of Philadelphia, if engaged in such activities within Philadelphia, are subject to the Net Profits Tax.

Every partnership, limited partnership, association, or other group of two or more persons operating a business within Philadelphia, whether residents or non-residents of Philadelphia, is subject to the Net Profits Tax.

Every estate or trust is subject to the Net ProfitsTax if the estate or trust is engaged in any business which is subject to the Net Profits Tax per Income 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.

Labels -- Your tax account number and address of record are printed on labels in the tax package mailed to you. Place a label on Page 1 of the return to facilitate proper processing. **Do not make changes to a name or address on the label; use a Change Form. Write your City Account Number in the space provided on the return.**

Federal Employer Identification and **Social Security** numbers must be entered on Page 1 of the return. Social Security and Employer Identification numbers are used to identify taxpayers and to ensure compliance with all City tax laws and will be treated as confidential.

Do not staple or fold the tax return. Do not submit photocopies of the tax return. To obtain additional returns, schedules and instructions, refer to the contact information below.

Coupons -- All payments of tax due with the return are to be made with a payment coupon. Preprinted coupons have been enclosed with the tax booklet(s) mailed to existing business accounts. The blank coupons located in the back of this booklet should be used only if the preprinted coupons are not available.

Change Form -- If your business terminated, changed address or entity, complete a Change Form. A single Change Form can be used for all tax types for which you are liable. For a change of entity (e.g., individual proprietorship to corporation) during the period covered by this return, you need a new Philadelphia Tax Account Number and Business Privilege License (a $250 one-time fee). Refer to the contact information below to obtain an application. The application can also be filed on-line and payment made with MasterCard or Visa credit cards.

Contact Information -- Inquiries can be made by calling 215-686-6600 or send an e-mail to **revenue@phila.gov**. Tax account applications, returns, schedules and instructions can be downloaded from our web site at **phila.gov/revenue** and require Acrobat Reader version 4 or later to be viewed and printed. Additional Department of Revenue information is available on our web site.

Federal Tax Return Schedules -- Only include **appropriate** Federal schedules. **Do not submit blank schedules.** Worksheets are to be retained for your records.

Federal Form #1099 -- Copies of Federal Form #1099 should be sent to:

Philadelphia Department of Revenue
Forms Processing Unit
Concourse - Municipal Services Building
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102

There is no transmittal form for filing Form #1099. Employers with 50 or more Federal #1099 forms must file those forms on magnetic media, preferably on a Compact Disc (CD). The record format is the same as the format used by the Internal Revenue Service.

WHEN AND WHERE TO FILE

2004 Business Privilege Tax and 2004 Net Profits Tax returns are due by April 15, 2005 and must be filed using the following procedures:

I. TAX PAYMENTS

Payment of tax MUST be made separately from the filing of the tax returns. Coupons for each tax must be included with a check or money order payable to the City of Philadelphia and mailed to:

City of Philadelphia
Department of Revenue
P.O. Box 1529
Philadelphia, PA 19105-1529

Entities that are currently registered with the City of Philadelphia Department of Revenue have received a POSTAGE PAID envelope and PREPRINTED coupons for this purpose.

If Net Profits Tax estimated payments are required (see Page 2, Worksheet C), there are two payments due. The 1st estimated tax payment is due April 15, 2005 and the 2nd estimated tax payment is due June 15, 2005. **Estimated tax payments are not due on September 15, 2005 or January 15, 2006.**

ACH Debits and Credits are accepted for payment of Business Privilege and Net Profits Tax.
To register for this program, call the Electronic Filing Unit at 215-686-6519 or visit our web site.

II. TAX RETURNS

Remove both perforated labels from the envelope flap and choose the label that applies to either of the following situations.

A. If a return you are filing requests a refund, use the label marked "Refund Due" and mail ALL returns to:

Refund Due
City of Philadelphia
Department of Revenue
P.O. Box 1137
Philadelphia, PA 19105-1137

B. If you are not requesting a refund on any of your filings, mail ALL returns to:

City of Philadelphia
Department of Revenue
P.O. Box 1660
Philadelphia, PA 19105-1660

Important: Do not use P.O. Box 1660 to remit payments; P.O. Box 1660 is only used for tax returns.
All payments should be sent to P.O. Box 1529 as noted above.

If you maintain a Business Privilege license but did not actively engage in business during 2004, you must complete the Change Form in this booklet and indicate that you are not in business. **Do not file the 2004 Business Privilege or 2004 Net Profits Tax returns.** If you begin a business again with the same Federal Identification or Social Security number, you should reinstate your Philadelphia tax account number. In this scenario, you will not have to pay for an additional Business Privilege Tax license.

Failure to file a return by the due date could result in the imposition of fines and legal costs. Taxpayers unable to pay the tax due with the return must file the return and contact the Taxpayer Services Unit, Public Service Concourse, Municipal Services Building, 1401 John F. Kennedy Boulevard, Philadelphia, PA 19102, or call 215-686-6600 to discuss entering into a payment agreement.

Filing the Net Profits Tax extension coupon does not extend the time to pay the tax. Interest and penalty shall be added to the amount of tax not paid by the statutory due date. See the computation of interest and penalty chart on Instruction Sheet III.

FREQUENTLY ASKED QUESTIONS

Question 1: Does Philadelphia allow as a deduction the special first year depreciation allowance on certain property acquired after September 10, 2001 and before September 11, 2004?

Answer: No. This special allowance depreciation is not allowed as a deduction in determining taxable net income for Business Privilege and Net Profits tax purposes. See **Page 5** for more information on this "Depreciation Decoupling".

Question 2. If I have incurred an overall loss, must I file a Net Profits Tax Return?

Answer. Yes. A return must be filed even if an overall loss is incurred. If no return is filed, non-filer penalties could be imposed.

Question 3. Can I send one check for the Net Profits Tax, Business Privilege Tax and estimated Net Profits Tax returns?

Answer. Yes, write your account number on the check and include the appropriate coupons in the postage paid envelope provided in your tax package.

Question 4. What is the Business Privilege Tax Credit?

Answer. Taxpayers who file and pay the Business Privilege Tax are entitled to take a credit against their Net Profits Tax liability, of an amount equal to 60% of the Business Privilege Tax paid on Net Income. This credit, however, may not exceed the amount of the Net Profits Tax liability. See Page 3, Worksheet K, to compute this credit.

Question 5. I have filed for a Federal automatic extension but I do not believe I will owe any Net Profits Tax. Should I still file an extension coupon?

Answer. Yes, an extension coupon must be filed with "0" entered in the "Tax Due" box.

Question 6: Are Limited Liability Companies (LLC's) subject to the Net Profits Tax?

Answer: The City of Philadelphia follows the Federal tax treatment for LLC's. If the LLC chose corporate tax treatment, it would not be liable for Net Profits. If the LLC chose to be treated as a partnership or a disregarded entity treated for federal filing purposes as an individual, it would be liable for Net Profits Tax.

COMPUTATION OF INTEREST AND PENALTY

Month after Due Date	Returns Filed After Due Date	Interest	Penalty	Combined Interest & Penalty	Cumulative Interest & Penalty
1st	04/16/05 thru 05/15/05	1%	1%	2%	2%
2nd	05/16/05 thru 06/15/05	1%	1%	2%	4%
3rd	06/16/05 thru 07/15/05	1%	1%	2%	6%
4th	07/16/05 thru 08/15/05	1%	2%	3%	9%
5th	08/16/05 thru 09/15/05	1%	2%	3%	12%
6th	09/16/05 thru 10/15/05	1%	2%	3%	15%
7th	10/16/05 thru 11/15/05	1%	3%	4%	19%
8th	11/16/05 thru 12/15/05	1%	3%	4%	23%
9th	12/16/05 thru 01/15/06	1%	3%	4%	27%
10th	01/16/06 thru 02/15/06	1%	4%	5%	32%
11th	02/16/06 thru 03/15/06	1%	4%	5%	37%
12th	03/16/06 thru 04/15/06	1%	4%	5%	42%

For each additional month or fraction thereof, after the 12th month, add 1% for interest and 1¼% for penalty.

Note: Payments made with returns filed after the due date that do not include applicable interest and penalty will be automatically pro-rated between principal, interest, and penalty. You will be subsequently billed for the remaining tax balance and associated interest and penalty.

CITY OF PHILADELPHIA
NET PROFITS TAX RETURN

DUE BY APRIL 15, 2005

MAKE NO MARKS IN THIS AREA

N P 0 4

DO NOT STAPLE THIS RETURN

2004 NPT

CITY ACCOUNT NUMBER

Always enter your account number

FEDERAL IDENTIFICATION NUMBER

-

SOCIAL SECURITY NUMBER

- -

TAXPAYER NAME & ADDRESS PLACE LABEL HERE

Use the Change Form to indicate a change of address. Refer to Instruction Sheet I.

If your business terminated in 2004, enter the termination date here:

m m - d d - y y y y

If applicable, enter percentage from Page 3, Worksheet D, Line 3..... %

If this is an amended return place an "X" here.....

CORPORATIONS ARE NOT SUBJECT TO THIS TAX. **Darken box to indicate a net loss.**

1. Residents Taxable Income or loss from Page 2, Worksheet A, Line 4.....1. , , .00
2. Line 1 X .044625. **Do not calculate and enter an amount if Line 1 is a loss!**.....2. , , .00
3. Non-Residents Taxable Income or loss from Page 2, Worksheet B, Line 6.....3. , , .00
4. Line 3 X .038801. **Do not calculate and enter an amount if Line 3 is a loss!**.....4. , , .00
5. Total Tax Due (Line 2 plus Line 4).....5. , , .00

6a. 60% Business Privilege Tax credit from Page 3, Worksheet K, Line 4.....6a. , , .00

6b. Estimated payments and other credits from Page 3, Worksheet E, Line 4.....6b. , , .00

6c. Total payments and credits (Line 6a plus Line 6b).....6c. , , .00

7. Amount of Tax Due (Line 5 less Line 6c); if Line 6c is greater than Line 5 enter difference on Line 10.....7. , , .00
8. Interest and Penalty (Cumulative % from Instruction Sheet III multiplied by Line 7).....8. , , .00
9. **TOTAL DUE** including Interest and Penalty (Line 7 plus Line 8). **Make check payable to: "City of Philadelphia"**.....9. , , .00
10. Tax Overpaid. If Line 6c is greater than Line 5, enter difference here and on the Estimated Tax Coupon (ENP-1), Page 8, Line 2.....10. , , .00
11. Enter 50% of Page 2, Worksheet C, Line 3. **This line is not used to remit estimated payments**.....11. , , .00
12. If Line 10 is greater than Line 11, enter the difference as the:
    A. Amount to be refunded to the taxpayer. **Do not file a separate Refund Petition**.....12A. , , .00
    B. Amount of overpayment to be applied, up to the tax due, to the 2004 Business Privilege Tax Return.....12B. , , .00
    C. Amount of overpayment to be applied to the 2005 Net Profits Tax.....12C. , , .00

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 #_____

DO NOT STAPLE THIS RETURN

WORKSHEETS A, B and C 2004 NET PROFITS TAX RETURN	These are worksheets only. Do not file these worksheets with your return.

Instructions for Worksheets A and B

See Depreciation Decoupling explanation on Page 5.

Enter on Line 1 the net income or loss from the appropriate Federal Tax return(s) or if applicable, the Profit and Loss Statement.

Examples of Line 2 adjustments (not all inclusive): Federal Form 1040, Schedule "C" filers - add back to net income any taxes based on net income which have been deducted in arriving at reported net income, e.g., prior year Net Profits Tax **(the Business Privilege Tax paid is deductible)**. Federal Form 1065 filers - add back to net income any taxes based on net income, capital gains, and guaranteed payments to partners; deduct from net income IRC section 179 expense. Non-residents may take an income exclusion for Public Law 86-272 activity.

Line 3 includes taxable income from the sale of business capital assets, income from estates or trusts, and income from patents and royalties.

WORKSHEET A: Business Income (Loss) for Residents

1. Net Income (Loss)	1.	
2. Federal Form 1065, Schedule K-1 and other adjustments	2.	
3. Other taxable income	3.	
4. Taxable Resident Net Income (Loss). Add Lines 1 through 3 and enter here and on Page 1, Line 1	4.	

WORKSHEET B: Business Income (Loss) for Non-Residents

Non-residents of Philadelphia may apportion all or part of their net income to their places of business located outside of Philadelphia on Line 5, using **Worksheet NR-3** on Page 4. The apportionment is based on a **three factor** formula consisting of an average of the property owned, the salaries and wages paid, and the receipts earned during the tax year. Include on Line 5 a corporate partner's share of the net income of the partnership, joint venture or association.

1. Net Income (Loss)	1.	
2. Federal Form 1065, Schedule K-1 and other adjustments	2.	
3. Other taxable income	3.	
4. Total Net Income (Loss) (Total of Lines 1 through 3)	4.	
5. Net Income apportioned outside Philadelphia from Page 4, Line 14, Worksheet NR-3	5.	
6. Taxable Non-Residents Net Income (Loss). Subtract Line 5 from Line 4. Enter here and on Page 1, Line 3	6.	

WORKSHEET C: COMPUTATION OF ESTIMATED TAX BASE

If the amount on Line 3 is $100 or less, estimated payments are not required. If the amount on Line 3 is greater than $100, enter 25% of the amount on Line 3 on the first estimated coupon (ENP-1), Line 1 and the second estimated coupon (ENP-2), Line 1. If Net Profits Tax estimated payments are required, there are two payments due. The 1st estimated tax payment is due April 15, 2005 and the 2nd estimated tax payment is due June 15, 2005. **Estimated tax payments are not required on September 15, 2005 or January 15, 2006.**

1. Net Profits Liability from Page 1, Line 5	1.	
2. Business Privilege Tax Credit from Page 1, Line 6a or Page 3, Worksheet D, Line 8	2.	
3. Estimated Payments Base (Line 1 less Line 2)	3.	

WORKSHEETS D, E and K 2004 NET PROFITS TAX RETURN	These are worksheets only. Do not file these worksheets with your return.

WORKSHEET D: ALLOCATION OF BUSINESS PRIVILEGE TAX CREDIT FOR PARTNERSHIPS, ETC., WITH CORPORATE MEMBERS (THIS SCHEDULE IS TO BE USED ONLY BY PARTNERSHIPS, JOINT VENTURES AND ASSOCIATIONS WHICH ARE COMPOSED OF ONE OR MORE CORPORATE PARTNERS, CORPORATE JOINT VENTURES, OR CORPORATE ASSOCIATES.)

1. Enter the portion of taxable income on which 2004 Business Privilege Tax has been paid, AND which represents the distributive shares of net income of ALL CORPORATE MEMBERS.....1.	
2. Enter the total taxable income of the taxpayer on which 2004 Business Privilege Tax has been paid.....2.	
3. Divide Line 1 by 2 and enter the percentage here and on Page 1.....3.	%
4. Enter the amount from Page 3, Worksheet K, Line 2.....4.	
5. Multiply the amount on Line 4 by the percentage on Line 3.....5.	
6. Subtract Line 5 from Line 4.....6.	
7. Enter the amount from Page 1, Line 5.....7.	
8. **Business Privilege Tax Credit allowed.** Enter the lesser of Line 6 or Line 7 here, and on Page 1, Line 6a.....8.	

WORKSHEET E: SUMMARY OF PAYMENTS AND OTHER CREDITS

1. 2004 Estimated Net Profits Tax Payments.....1.	
2. Payments of 2004 Net Profits Tax made with Application for Extension of Time to File.....2.	
3. Overpayment of 2004 Business Privilege Tax or 2003 Net Profits Tax to be applied to this tax return.....3.	
4. TOTAL of Lines 1 through 3. Enter here and on Page 1, Line 6b of the return.....4.	

WORKSHEET K: 60% BUSINESS PRIVILEGE TAX CREDIT 2004 NET PROFITS TAX RETURN

1. Enter the amount from Page 1, Line 1 of your 2004 Business Privilege Tax Return.....1.	
2. Enter 60% of the amount on Line 1. If your entity has corporate members, **STOP HERE** and enter this amount on Page 3, Worksheet D, Line 4.....2.	
3. Enter the amount from Page 1, Line 5 of the 2004 Net Profits Tax return.....3.	
4. Business Privilege Tax credit allowed. Enter the lesser of Line 2 or Line 3 here and on Page 1, Line 6a.....4.	

WORKSHEET NR-3 2004 NET PROFITS TAX RETURN	COMPUTATION OF APPORTIONMENT FACTORS TO BE APPLIED TO APPORTIONABLE NET INCOME OF CERTAIN NON-RESIDENTS OF PHILADELPHIA.

Calculation of Average Values of Real and Tangible Property Employed in Business:		COLUMN A OUTSIDE PHILADELPHIA	COLUMN B TOTAL EVERYWHERE
1. Inventories of Raw Materials, Work in Process and Finished Goods.	1.		
2. Land & Building Owned (At original cost).....	2.		
3. Machinery & Equipment Owned (At original cost).....	3.		
4. Other Tangible Assets Owned (At original cost).....	4.		
5. Rented Property (At 8 times the net annual rental).....	5.		
6. Total average value of Property used **OUTSIDE PHILADELPHIA**.....	6.		XXXXXXXXXX
7. Total average value of Property used **EVERYWHERE**.....	7.	XXXXXXXXXX	

Computation of Apportionment Factors:

Enter the factors on Lines 8C, 9C, 10C, 11 and 12 as a decimal.

8A. Total Average Value of Property outside Philadelphia from Column A, Line 6 above.....8A.		
8B. Total Average Value of Property Everywhere from Column B, Line 7 above.....8B.		
8C. Out of Philadelphia Property Factor (Line 8A divided by 8B).....8C.	▪	
9A. Out of Philadelphia Payroll.....9A.		
9B. Payroll Everywhere.....9B.		
9C. Out of Philadelphia Payroll Factor (Line 9A divided by 9B).....9C.	▪	
10A. Out of Philadelphia Receipts.....10A.		
10B. Gross Receipts Everywhere.....10B.		
10C. Out of Philadelphia Receipts Factor (Line 10A divided by 10B).....10C.	▪	
11. TOTAL FACTORS (Total of Lines 8C, 9C, and 10C)..... 11.	▪	
12. AVERAGE OF FACTORS (Line 11 divided by applicable number of factors).....12.	▪	
13. Enter the amount from Worksheet B, Page 2, Line 4.....13.		
14. Multiply Line 13 times Line 12. Enter here and on Worksheet B, Page 2, Line 5.....14.		

Allocation versus Apportionment of a Non-resident's Net Profits

A non-resident individual, partnership, association or other unincorporated entity conducting or carrying on any business, profession, trade, enterprise or other activity is required to pay the Net Profits Tax (NPT) on the entire net profits of the business if ***all*** activity is conducted within the City of Philadelphia. This is true despite the absence of a Philadelphia office or business location.

Where a non-resident maintains ***both*** Philadelphia and non-Philadelphia branch offices, the taxpayer ***may allocate*** net profits between or among the Philadelphia and non-Philadelphia branch locations. The taxpayer must be prepared to show the Revenue Department that each branch office or location is self-sustaining and established. This is a question of fact, depending on the particular circumstances in each case. One factor (of many) used by the Department to support a branch office is the presence of separate branch accounting books and records to support the allocation of the net profits between or among the various branch offices. Absent these separate accounting records, the non-resident taxpayer ***must apportion*** their net profits using the three-factor apportionment formula. ***Refer to Income Tax Regulation 222 at www.phila.gov/revenue.***

Note: Taxpayers cannot allocate net income for purposes of the Business Privilege Tax (BPT).

Decoupling Federal Bonus Depreciation

Policy Update - Jobs & Growth Reconciliation Act of 2003

The Federal ***Jobs and Growth Reconciliation Act of 2003*** increased the Federal additional first-year bonus depreciation allowance to fifty percent (50%) from thirty (30%) for property acquired after May 5, 2003 and placed in service before January 1, 2005. The Department of Revenue has received several inquiries concerning the effect the Federal change will have on the calculation of the City of Philadelphia's Business Privilege Tax (BPT) and Net Profits Tax (NPT).

Pennsylvania's Act 89 of 2002 legislatively ties Philadelphia's decoupling methodology to that used by the Commonwealth of Pennsylvania for Corporation Net Income Tax (CNI) purposes. Therefore, the City of Philadelphia will require the following two (2) step adjustment for BPT/NPT purposes:

1. The amount of any IRC § 168(k) bonus depreciation for the qualified property ***must*** be added back to net income.

2. After the amount of the IRC § 168(k) bonus depreciation is added back, an additional deduction for depreciation is allowed for the qualified property. The additional deduction is equal to 3/7 of the Federal deduction allowed for depreciation of the qualified property (net of the bonus depreciation of IRC § 168(k) for the tax year). In effect, the non-bonus portion of the allowed Federal depreciation is multiplied by 3/7 to arrive at the additional CNI/BPT/NPT depreciation.

While Act 89 will normally permit the recovery of the entire amount of the 30% bonus depreciation by the time the property is fully depreciated for Federal tax purposes, an amount of the 50% bonus depreciation will not be recovered. To achieve the full recovery of the entire bonus depreciation, Act 89 permits the continued deduction of any remaining un-recovered bonus depreciation until the total amount has been claimed. The Commonwealth of Pennsylvania has stated that ***"taxpayers will be allowed to deduct any remaining unrecovered amount in the last taxable year that the property is depreciated for federal tax purposes"***. In cases where the asset is disposed of prior to the taxpayer recovering the full amount of the disallowed bonus depreciation, the taxpayer may deduct the remaining disallowed bonus depreciation in the year of disposition. ***(Refer to the Pennsylvania DOR policy at www.revenue.pa.us/revenue).***

Example for Decoupling Federal Bonus Depreciation

A calendar year taxpayer acquires a MACRS five (5) year property with an original cost basis of $100,000 on October 1, 2004. The allowable ***Federal*** depreciation on the asset (assuming the 200% declining-balance method and the mid-quarter convention) for calendar tax year 2004 is as follows:

Bonus Depreciation ($100,000 x .50)	$50,000
Annual Depreciation ($100,000 - 50,000) x 40% x 12.5%	$2,500
(A) Total Federal Depreciation	**$52,500**

Required BPT/NPT Adjustment to Taxable Net Income

Step 1 - Add back the Bonus Depreciation taken	$50,000
Step 2 - Calculate the BPT/NPT additional depreciation (Total Federal Depreciation - Bonus Depreciation) x 3/7 ($52,500 - 50,000) x 3/7 =	<$1,071>
(B) Add back to Federal Taxable Income	**$48,929**
(C) Philadelphia BPT/NPT Depreciation (Line (A) - Line (B))	**$3,571**

2004 Business Privilege Tax / 2004 Net Profits Tax Bonus Depreciation Adjustment Worksheet

1. Net Income as properly reported to the Internal Revenue Service on Form #1120, 1120S, 1065 or Schedule C (Method II) or in accordance with your Accounting System (Method I), whichever is applicable.....1.		
2. Add back the Federal Bonus Depreciation taken.....2.		
3. Calculate the BPT/NPT additional depreciation (Total Federal Depreciation - Bonus Depreciation) x 3/7.....3.		
4. Line 1 **plus** Line 2 **minus** Line 3. This is the Adjusted Net Income to be reported on the 2004 Business Privilege Tax return, Page 2, Lines 1 or 2, or Page 4, Line 1, or Page 7, Line 1 and the 2004 Net Profits Tax, Page 2, Worksheet A and/or Worksheet B, Line 1.....4.		

2005 NET PROFITS TAX - 1st ESTIMATED TAX PAYMENT

(See Instruction Sheet II)

CITY ACCOUNT NUMBER

FEDERAL EIN OR SOCIAL SECURITY #

Print name:

Address:

Phone #:

1. Enter 25% of amount from Page 2, Worksheet C, Line 3 . 0 0

2. Overpayment from Page 1, Line 10 . 0 0

3. First estimate of 2005 Net Profits Tax due (Line 1 less Line 2.) If Line 2 is greater than Line 1, enter 0. . 0 0

Due Date: 4/15/2005

DEPARTMENT OF REVENUE
CITY OF PHILADELPHIA
P.O. BOX 1529
PHILADELPHIA, PA 19105-1529

Make check payable to:
"City of Philadelphia"

ENP-1

3a. If Line 2 is greater than Line 1, enter difference here and on Line 2 of the 2nd estimate coupon (ENP-2). Retain this coupon for your records. . 0 0

DETACH ALONG DOTTED LINE -- RETURN WITH PAYMENT

2005 NET PROFITS TAX - 2nd ESTIMATED TAX PAYMENT

(See Instruction Sheet II)

CITY ACCOUNT NUMBER

FEDERAL EIN OR SOCIAL SECURITY #

Print name:

Address:

Phone #:

1. Enter 25% of amount from Page 2, Worksheet C, Line 3 . 0 0

2. Overpayment from Form ENP-1, Line 3a . 0 0

3. Second estimate of 2005 Net Profits Tax due (Line 1 less Line 2; if Line 2 is greater than Line 1, do not file this coupon as your required estimates have already been paid.) . 0 0

Due Date: 6/15/2005

DEPARTMENT OF REVENUE
CITY OF PHILADELPHIA
P.O. BOX 1529
PHILADELPHIA, PA 19105-1529

Make check payable to:
"City of Philadelphia"

ENP-2

DETACH ALONG DOTTED LINE -- RETURN WITH PAYMENT

2004 NET PROFITS TAX PAYMENT COUPON

(See Instruction Sheet II)

CITY ACCOUNT NUMBER

FEDERAL EIN OR SOCIAL SECURITY #

Print name:

Address:

Phone #:

1. Tax Due per Page 1, Line 7 . 0 0

2. Interest & Penalty . 0 0

3. Total Due (Line plus Line 2) . 0 0

Due Date: 4/15/2005

DEPARTMENT OF REVENUE
CITY OF PHILADELPHIA
P.O. BOX 1529
PHILADELPHIA, PA 19105-1529

Make check payable to:
"City of Philadelphia"

EXTENSION WORKSHEET 2004 NET PROFITS TAX RETURN	**This is a worksheet only. Use your extension coupon to request an extension.**

This is an extension worksheet to be used when figuring the amount of Net Profits Tax you owe. You must file a 2004 NPT return by the extension due date to satisfy your filing requirements.

An automatic extension of time for filing the 2004 Net Profits Tax will be granted for 60 days by filing the extension coupon and paying 100% of the estimated tax due. If an extension of time has been obtained from the Internal Revenue Service for filing your partnership or individual tax returns, the corresponding Net Profits Tax return is due on or before the due date of the Federal extension(s) or 6/15/2005, whichever is later. **You will not receive written confirmation of your extension request.**

1. Total Estimated Net Profits Tax....(100% of estimated tax due).....1.
2. Other payments and credits you expect to report on form NPT.....2.
3. Tax balance due (subtract Line 2 from Line 1). If Line 2 is greater than Line 1, enter "0". Enter the amount from Line 3 into the "Tax Due" box on the extension payment coupon below.....3.

DETACH ALONG DOTTED LINE -- RETURN WITH PAYMENT

2004 NET PROFITS TAX EXTENSION COUPON

Print name:

Address:

Phone #:

CITY ACCOUNT NUMBER

FEDERAL EIN OR SOCIAL SECURITY #

Tax Due (From Extension Worksheet, Line 3)

. 0 0

Make check payable to: "City of Philadelphia"

Due Date: 4/15/2005

DEPARTMENT OF REVENUE
CITY OF PHILADELPHIA
P.O. BOX 1529
PHILADELPHIA, PA 19105-1529

If the tax due from the above worksheet, Line 3 is "0", you must file this coupon indicating "0" tax due.

Internet Site Highlights

www.phila.gov/revenue

What's New - highlights current important information

Subscribe for Updates - to receive automatic notification of changes to this site

Tax Guide - provides an overview of Philadelphia taxes and tax information

Search Page - search for information by topic

Tax Forms & Instructions - download any of the forms used by the Department of Revenue

Online Services - establish a tax account number and pay for a Business Privilege license; file and pay a School Income Tax return; file and pay the Annual Reconciliation of Wage Tax return. A user fee is added when paying by credit card.

Technical Rulings and Regulations - get a synopsis of court decisions and departmental rulings on various tax topics; review full text of tax regulations

Frequently Asked Questions and Tax Filing Tips - review the most frequently asked questions and their answers; get a list of tax filing tips that should eliminate common mistakes