

INSTRUCTIONS for the NET INCOME EXEMPTION QUESTIONNAIRE

This schedule must be completed annually by any person with Active Presence in the City of Philadelphia seeking to claim an exemption from the Net Income portion of the Business Privilege Tax and the Net Profits Tax pursuant to Public Law 86-272, Title 15, USC § 381 et Seq.

Persons must answer either “yes” or “no” to *every* question in order to determine whether or not a net income exemption may be claimed.

- 1) If *any* question is answered in the affirmative, “Solicitation-Plus” nexus is established and no income exemption is allowed.
- 2) If *all* questions are answered in the negative, this person may claim an income exemption pursuant to P. L. 86-272.

Activities beyond the protection of Public Law 86-272 require a person to file the Business Privilege Tax return and pay the appropriate tax based upon application of the four-factor Net Income apportionment formula.