

## **Business Privilege Tax – Frequently Asked Questions**

**Q – I just received a 2002 Business Privilege Tax package. I filed a 2002 Business Privilege Tax return in April of 2002. Where is the 2003 BPT that I need to file?**

**A – The Business Privilege Tax regulations have changed. The Business Privilege Tax is now based on actual activity, not estimated activity. The Actual 2002 Business Privilege Tax return that you received is based on your actual 2002 activity and must be filed by April 15, 2003.**

**Q – The Actual 2002 Business Privilege Tax book that I received indicates that a mandatory estimate of 2003 Business Privilege Tax must be paid by April 15, 2003. My tax liability for 2003 will be much less than 2002 due to the overall weakness of the economy. Can I pay a smaller estimate?**

**A – A taxpayer may petition the Department of Revenue for the payment of less than 100% of the current year tax liability as an estimated tax for the next tax year. Such a petition may be granted in limited and specific cases where a unique or nonrecurring fact situation results in an unusually higher current year tax liability. This petition can be obtained from the Department's web site – [www.phila.gov/revenue](http://www.phila.gov/revenue) or by calling 215-686-6600.**

**Q – What if I pay the mandatory estimate for 2003 Business Privilege Tax but next year my actual tax liability for 2003 is higher than the estimate. Will I be billed interest & penalty on the difference?**

**A – No. If you paid the mandatory 100% estimate and your actual 2003 Business Privilege Tax liability is greater than the 100% estimate, no I&P will be charged on the difference if it is paid by April 15, 2004.**

**Q – I started in business in 2001. I was expecting to file a 2002 Business Privilege Tax - New Start return and a 2003 Business Privilege Tax return this April. I was only mailed an Actual 2002 BPT return. Where is the Business Privilege Tax - New Start return that I need?**

**A – Due to the change in Business Privilege Tax regulations, the Business Privilege Tax - New Start return no longer exists. The Actual 2002 Business Privilege Tax return will satisfy your filing requirements.**

**Q – I received the Actual 2002 Business Privilege Tax package and I am thoroughly confused. Who can help me?**

**A – Please read these questions and answers in addition to the instructions in the Actual 2002 Business Privilege Tax book that you received. If you still need assistance, you may choose to obtain a professional tax preparer. The Department of Revenue also provides assistance in completing the Business Privilege Tax return at the Municipal Services Building location – Concourse level – 1401 John F. Kennedy Boulevard – weekdays between 9 AM and 3 PM.**

**Q – I made a 2002 Business Privilege Tax payment in April of 2002. Do I get credit for this payment when filing the Actual 2002 Business Privilege Tax return?**

**A – Yes. On Line 6b of Page 1 or Page 3, report the amount of 2002 Business Privilege Tax that was paid in April of 2002.**

**Q – I read the instructions on how to compute the loss carry forward for the Actual 2002 Business Privilege tax. They state that the income used when filing the original 2002 Business Privilege Tax return in April of 2002 is not to be used when computing the loss carry forward for the Actual 2002 Business Privilege Tax. How can that be?**

**A – The regulations state that the loss carry forward is based on the income from the last three (3) years of Business Privilege Tax. Since 2002 is now being filed, the incomes reported on the 2001, 2000 and 1999 Business Privilege Tax returns are used to compute the Actual 2002 Business Privilege Tax loss carry forward.**

**Q – I terminated my business in 2002. I can't find the 2002 Termination Year Net Profits tax return in the Net Profits Tax booklet. How can I obtain this form?**

**A – The Termination Year Net Profit Tax return is no longer needed because of the Business Privilege Tax being filed on actual - not estimated – activity. If your unincorporated business terminated in 2002, you need to file the Actual 2002 Business Privilege Tax return and the 2002 Net Profits Tax return.**

**Q – Our corporation terminated in 2002. We already received a refund for 2002 Business Privilege Tax based on our termination date. Why was I sent this Actual 2002 Business Privilege Tax return?**

**A – Due to the change in Business Privilege Tax regulations, you must file the Actual 2002 Business Privilege Tax return based on 2002 activity. You may owe additional 2002 Business Privilege tax or you may be entitled to a greater refund, depending on the actual 2002 taxable activity.**

**Q – I inadvertently failed to file the 2002 Business Privilege return that I received in April of 2002. Will sending in the Actual 2002 Business Privilege Tax return satisfy my filing requirement for 2002?**

**A – No. You must file both the 2002 Business Privilege tax return that was due April 15, 2002 and the Actual 2002 Business Privilege Tax that is due April 15, 2003.**