

GENERAL INFORMATION

Complete Net Profits Tax Regulations are available on our web site. See the contact information below.

WHO MUST FILE

- Every individual who was a **resident** of Philadelphia during 2001 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 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 with your tax account number and address of record are included in the tax package mailed to you. Place the label on Page 1 of the return to facilitate proper processing. **Do not make changes to a name or address on the label; use the Change Form.**

Do not staple or fold the tax return. Do not submit photocopies of this 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.

Rate Change -- The resident rate for the 2001 Net Profits tax has been **reduced** to 4.5385%. The non-resident rate for the 2001 Net Profits tax has been **reduced** to 3.9462%.

Electronic Payments -- ACH Debits and Credits are being 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.

Change Form -- If your business terminated, had a change of address, or a change of entity, use the enclosed 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 \$200 one-time fee). Refer to the contact information below to obtain an application.

Contact Information -- Call 215-686-6600 or send e-mail to revenue@phila.gov. Applications, tax returns, schedules and instructions can be downloaded from our web site at phila.gov/revenue. All forms are in Adobe Acrobat Format and require Adobe Acrobat 4.0 or later. 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.

Social Security Numbers -- Pages 1 and 6 of this booklet contain provisions for entering a Social Security number and a Federal Employer Identification number. Disclosure of Social Security numbers is required and they are treated as confidential. Social Security numbers are used to identify taxpayers and to ensure compliance with all City tax laws.

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 these forms. Employers with 50 or more Federal #1099 forms must file those forms on magnetic media. The record format is the same as transmitted to the Internal Revenue Service.