

School Income Tax

The School District of Philadelphia imposes a tax on various classes of unearned income which are not subject to Philadelphia Business Privilege Tax or Wage Tax. Some examples of unearned taxable income include dividends and certain rents and royalties.

All residents of the Philadelphia School District who receive this type of income must pay the tax. If you are a Philadelphia resident for a portion of the year, the amounts are pro-rated for your period of residency.

Interest received from bonds or debt obligations of the Commonwealth of Pennsylvania or its political subdivisions or direct obligations of the Federal Government is exempt from the tax. Likewise, interest earned on savings and checking accounts is exempt.

The tax rate for the 2002 School Income Tax return is 4.5% and the return is due by April 15, 2003.

