



CITY OF PHILADELPHIA

DEPARTMENT OF REVENUE
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FRANK BRESLIN, CPA
Revenue Commissioner
Chief Collections Officer

June 28, 2018

The Honorable James F. Kenney
Mayor
City of Philadelphia
215 City Hall
Philadelphia, PA 19107

Dear Mayor Kenney:

I am pleased to transmit herewith a report summarizing the City's experience in 2017 regarding the Life Partner and Transgender Care Health Benefits Tax Credits Program, as required by Section 19-2604(14)(h) of The Philadelphia Code. Copies of this report are being sent to the President and the Chief Clerk of City Council as required.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Frank Breslin".

Commissioner Frank Breslin
Chief Collections Officer

mnm

Enclosure

cc: Council President Darrell Clarke
Michael Decker, Chief Clerk of Council
Rob Dubow, Finance Director

CITY OF PHILADELPHIA



LIFE PARTNER AND TRANSGENDER HEALTH CARE BENEFITS TAX CREDITS

2017 ANNUAL REPORT

Submitted by:
The City of Philadelphia, Department of Revenue
June 2018

As required by Section 19-2604(14)(h) of The Philadelphia Code

Life Partner and Transgender Care Health Benefits Tax Credits **2017 Annual Report**

The ordinance creating the Life Partner and Transgender Care Health Benefits Tax Credits (Bill No. 130224) was passed by City Council on April 25, 2013 and signed by Mayor Michael A. Nutter on May 8, 2013. Two (2) credits are authorized. A business may apply for either credit or for both credits. Eligibility for each credit is determined independently.

For any full year in which a business continuously meets the eligibility criteria set forth in Philadelphia Code § 19-2604(14) and Business Income and Receipts Tax ("BIRT") Regulations Section 509, the business shall be eligible to claim a non-refundable tax credit against its BIRT liability for such tax year. Tax Year 2013 was the first BIRT return for which the credits were available.

Life Partner Health Benefits Tax Credit

In order to be eligible for the Life Partner Health Benefits Tax Credit, the business must make health insurance coverage available for the Life Partners of its employees and children of such Life Partners, on the same basis and to the same extent as such business makes health insurance coverage available for spouses of employees, and children of such spouses. During the three tax years immediately prior to the tax year for which the business first claims a credit, the business cannot have made health insurance coverage available for the Life Partners of its employees, and children of such Life Partners, on the same basis and to the same extent as such business made health insurance coverage available for spouses of employees, and children of such spouses. The Life Partner Health Benefits Tax Credit is the lesser of \$4,000 or 25% of the amount expended by the business during the tax year to purchase health benefits for the Life Partners of its employees and the children of such Life Partners. No business may claim the tax credit in more than two (2) years and the years must be consecutive. No business will receive a tax credit if the business is not in full compliance with all applicable Philadelphia tax ordinances and regulations. Unused tax credits may not be carried forward. A business must repay any Life Partner Health Benefits Tax Credits claimed for a tax year if, at any time within three years from the end of such tax year, the business ceases to make health benefits available for the Life Partners of its employees, and children of such Life Partners, on the same basis and to the same extent as the business makes such benefits available for spouses of employees, and children of such spouses.

Transgender Care Health Benefits Tax Credit

In order to be eligible for the Transgender Care Health Benefits Tax Credit, the business must make health insurance coverage available for transgender care on the same basis and to the same extent as the business makes health insurance coverage available for other medically-

necessary treatment. The term "transgender care" means medically necessary treatment for gender dysphoria and gender identity disorder, including office visits, laboratory tests, prescription drugs, hormone treatments, counseling, and transitional surgeries necessary for the treatment of either. During the three tax years immediately prior to the tax year for which the business first claims a credit, the business cannot have made health insurance coverage available for transgender care on the same basis and to the same extent as such business made health insurance coverage available for other medically necessary treatments. The Transgender Care Health Benefits Tax Credit is the lesser of \$4,000 or 25% of the amount expended by the business during the tax year to include transgender care coverage in the health insurance coverage provided to employees. No business may claim the tax credit in more than two (2) years and the years must be consecutive. No business will receive a tax credit if the business is not in full compliance with all applicable Philadelphia tax ordinances and regulations. Unused tax credits may not be carried forward. A business must repay any Transgender Care Health Benefits Tax Credits claimed for a tax year if, at any time within three years from the end of such tax year, the business ceases to make transgender care benefits available on the same basis and to the same extent as the business makes health insurance coverage available for other medical needs.

2017 Activity

There were no applicants in calendar year 2017 for the Life Partner Health Benefits Tax Credit. Since the inception of this program, there have been no applicants for this credit.

Revenue received the first application for the Transgender Care Health Benefits Tax Credit on August 10, 2017. The entity requested the credit on their 2016 BIRT return. The application was approved based on the submitted documentation. An amended 2016 BIRT return was filed posting the credit of \$211.00 to their account. No additional applications have been received for this credit.