

CITY OF PHILADELPHIA



LIFE PARTNER AND TRANSGENDER HEALTH CARE BENEFITS TAX CREDITS

2018 ANNUAL REPORT

Submitted by:
The City of Philadelphia, Department of Revenue
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As required by Section 19-2604(14)(h) of The Philadelphia Code

Life Partner and Transgender Care Health Benefits Tax Credits
2018 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

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

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.

2018 Activity

There were no applicants in calendar year 2018 for the Life Partner Health Benefits Tax Credit. Since the inception of this program, there have been no applicants for this credit. There were no applicants in calendar year 2018 for the Transgender Care Health Benefits Tax Credit. Since the inception of this program, one applicant received this credit in tax year 2017. A \$211 credit was posted to their 2016 BIRT account.