

Get up to \$2,000 for stocking healthy drinks in your store



CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE

The Healthy Beverages Tax Credit can reduce your Philadelphia Business Income & Receipts Taxes

How does it work?

Starting in 2017, if your store sells healthy drinks, you may be eligible for a tax credit against your Business Income and Receipts Tax. The amount of the credit is based on the dollar amount the merchant spent to purchase healthy beverages during the year, compared to the amount spent to purchase healthy beverages the previous year. The maximum credit is \$2,000 and participating stores must be located in Philadelphia.



Who is a “Qualifying Merchant”?

Only specific types of stores qualify for the Healthy Beverages Tax Credit. They are called “Qualifying Merchants.” Qualifying Merchants are stores that use the following NAICS (North American Industry Classification System) codes to describe their business on Federal Tax Forms.

- Convenience Food Stores (NAICS 44512)
- Other Specialty Food Stores (NAICS 44529)
- Gasoline Stations with Convenience Food Stores (NAICS 44711)
- Limited-Service Restaurants (NAICS 722513)



What is a “Healthy Beverage”?

Healthy Beverages are beverages that are non-alcoholic and **do not** list any form of sugar-based sweetener or non-caloric sugar-substitute as an ingredient. Some examples of caloric sugar-based sweeteners include: sucrose, glucose or high fructose corn syrup. Some examples of non-caloric sweeteners include: stevia, aspartame, sucralose, neotame, acesulfame potassium (Ace-K), saccharin, and advantame.

For a full list of these ingredients, visit www.phila.gov/businessstaxprograms



What is “Merchant Cost”?

Merchant Cost is the amount paid by the retailer to purchase Healthy Beverages for sale in their store. Merchant Cost includes all purchases of the Healthy Beverages made in the Tax Year whether or not it was sold that year. It is *not* the Cost of Goods Sold.



More Information

Visit www.phila.gov/businessstaxprograms

Example

A convenience store purchased \$15,000 worth of bottled water to sell in their Philadelphia store in 2019. They purchased \$14,000 worth of bottled water in 2018.

$$\$15,000 - \$14,000 = \$1,000$$

The convenience store can apply for a \$1,000 credit against their Business Income and Receipts Tax for Tax Year 2019.



Key Dates

January 1 – February 15

Complete the application on the other side of this page and email to BizTaxCredits@phila.gov

February 28

The Department of Revenue notifies businesses if they have been approved or denied the credit. Instructions on how to use the credit and the amount approved are included in approval letters.

April 15

Business Income & Receipts Tax returns and payments are due.



Tax Compliance

In order to receive the Healthy Beverages Tax Credit, retailers must be up to date with all taxes.



1 Taxpayer Information

Taxpayer's Name

Phone Number

Email Address

City of Philadelphia
Tax Account Number

Federal Employer Identification
Number (EIN)

2

Business Name

Address

Address Line 2

City

State

Zip Code

3 Verify

Please answer yes or no to the following questions. If the answer to any of these questions is no, the business is not eligible for the Healthy Beverages Tax Credit. Find a description of these terms on the other side of this form.

YES NO Is this business a "Qualifying Merchant"?

YES NO Does this merchant sell "Healthy Beverages"?

YES NO Was the "Merchant Cost" (i.e. purchases) of Healthy Beverages in this Tax Year more than the Merchant Cost in the last Tax Year?

4 Calculate

1. Merchant Cost for Healthy Beverages in this Tax Year

2. Merchant Cost for Healthy Beverages in last Tax Year

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3. Difference on purchases of Healthy Beverages
(Line 1. minus Line 2.)

4. Your Healthy Beverage Tax Credit (lower of Line 3. or \$2,000.)
Maximum Healthy Beverages Tax Credit Allowed is \$2,000

5 Signature

Under the penalties of perjury, as set forth in 18 PA C.S. §§ 4902-4903 as amended, I swear that this worksheet is to the best of my knowledge and belief, true, correct and complete.

Taxpayer Signature

Date

Preparer's Signature

Date

Preparer's Phone Number



Email Completed forms to: **BizTaxCredits@phila.gov**

or mail:

City of Philadelphia
Department of Revenue,
Tax Credits & Assistance Programs unit
Municipal Services Building – Room 480
1401 John F. Kennedy BLVD
Philadelphia, PA 19102