

# New sustainable businesses with employees get rewards

The Sustainable Jump Start program allows new, sustainable businesses committed to creating jobs in Philadelphia to pay a 0% rate on BIRT for the first three years.

## How does it work?

Starting in 2017, you may be exempt from paying the Business Income and Receipts Tax (BIRT) for the first three years of operations if your business is:

- A new business
- A sustainable business
- Committed to hiring at least two full-time employees within the first year of operations



### What is a new business?

A business that has not been required to pay any Philadelphia business taxes in the last five years.



### What is a “Sustainable Business”?

Only sustainable businesses qualify for Sustainable Jump Start. You can show how you are sustainable in two ways:

- Option 1) Be a certified B Corp from B Lab. More information at: [www.bcorporation.net](http://www.bcorporation.net)
- Option 2) Explain your sustainable practices in a document submitted along with this application. Instructions are on page 4.



### Employment Requirements

Within the first year of operation, approved applicants must have at least two full-time employees. These employees cannot be family members and must work in the City at least 60 percent of the time.

If employment drops below the requirement, the business is liable retroactively for all BIRT tax years. But, if the Department of Revenue determines that the employment drop is because of circumstances beyond the business' control, Revenue can adjust the amount of tax due, so long as the business meets all other conditions.

## What is a NOT a new business?

- Businesses affiliated with or sharing substantial ownership or control with a business that has filed a tax return in Philadelphia
- Businesses created through an ownership change of an entity that has filed a business tax return
- Businesses that primarily hold, sell, lease, transfer, manage or develop real estate



### Don't wait to apply

A limited number of spots are available for eligible businesses. The Department of Revenue reviews applications in the order they are received.

Before filing your first BIRT return, complete the application on the next pages and email to [BizTaxCredits@phila.gov](mailto:BizTaxCredits@phila.gov)

The Department of Revenue notifies businesses if they have been approved or denied for the program. Approved businesses must still file a BIRT return, but have a 0% rate.



### Tax Compliance

In order to participate in this program, applicants 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 \_\_\_\_\_

Date your business started \_\_\_\_\_

**3 Eligibility**

Please answer yes or no to the following questions. If the answer to any of these questions is yes, the business is not eligible for the Sustainable Jump Start program.

- YES  NO  Has your business been active within the last five years?
- YES  NO  Is your business affiliated with, or does it share ownership or control with a business that has filed a Business Income & Receipts Tax return in the past?
- YES  NO  Is this a business created through an ownership change for a business that has filed a Business Income & Receipts Tax return? This includes, but is not limited to:
- A merger, acquisition, or reorganization
  - The transfer of an existing business to a person who maintains the same or substantially similar business
  - The closing of a business and its subsequent reopening as the same or similar business
- YES  NO  Is your business primarily engaged in holding, selling, leasing, transferring, managing or developing real estate?

**4 Verify Employment Requirement**

- YES  NO  Do you agree to employ at least two full-time employees who are not family members and who work at least 60% of their time in the City of Philadelphia within the first 12 months of your business start date and continuously thereafter through the 18th month of your start date?

**Continue to the next page**

Please verify your business' sustainability certification. Complete the following pages.

**Office use only**

Taxpayer's Name

Business Name

Business Address

City, State, Zip

Phone Number

Email Address

**5 Verify Sustainable Business Eligibility**

Please select the verification option that best fits your business.

Option 1)  My business is a certified B Corporation

Option 2)  My business is a NOT certified as a B Corporation. I have attached a summary statement to explain how my business qualifies as a sustainable business. *Please use the guidelines on page 4 of this application to write this summary.*

**6 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 Name

Taxpayer Signature

Date

Preparer's Signature

Date

Preparer's Phone Number

Preparer's email

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

**or mail:**

City of Philadelphia  
Department of Revenue  
Tax Credit and Assistance Programs (TCAP) Unit  
Municipal Services Building – Room 480  
1401 John F. Kennedy Blvd.  
Philadelphia, PA 19102

**✔ Directions for Option 2—Verify Sustainable Business Status**

Please use the guidelines in this section to develop a summary document which describes why your business is eligible for Sustainable Jump Start. Please submit this summary document with your application. The Office of Sustainability will consider the following factors in determining whether an applicant is a sustainable business:

- A. Line and conduct of business, such as:
  - The products or services provided by the Applicant
  - The Applicant’s business model
  - How the Applicant interacts with its employees and community
  - The Applicant’s impact on the environment
  - Transparency in the Applicant’s corporate governance structures and processes
- B. The manner in which the Applicant’s core business purpose meet the following sustainability criteria, as applicable, such as:
  - Providing low-income or underserved individuals or communities with beneficial products or services
  - Promoting economic opportunity for individuals or communities, beyond the creation of jobs in the normal course of business
  - Preserving the environment
  - Improving human health
  - Promoting the arts, sciences or advancement of knowledge
  - Increasing the flow of capital to entities with a public benefit purpose
- C. Any sustainability certifications granted to the Applicant by an organization other than B Lab. Please also include the criteria for the certification.