

# City of Philadelphia Department of Revenue

FOR DEPARTMENT USE ONLY	
Application No.	_____
Date Received	_____
Time Received	_____

## EMPLOYER APPLICATION TO PARTICIPATE IN THE PHILADELPHIA RE-ENTRY EMPLOYMENT PROGRAM

Applicant's Name \_\_\_\_\_

Business Address _____	Philadelphia Address (If different from Business Address) _____
Contact Person ( <b>PLEASE PRINT</b> ) _____	Telephone Number _____
Federal Employer Identification Number/ Social Security Number _____	Philadelphia Business Account Number _____
Date Business Began in Philadelphia _____	E-Mail Address _____

Type of Business

Retail <input type="checkbox"/>	Wholesale <input type="checkbox"/>
Manufacture <input type="checkbox"/>	Service <input type="checkbox"/>

Gross Receipts Subject to Philadelphia Business Income and Receipts Tax for the four most recent years

Net Income Subject to Philadelphia Business Income and Receipts Tax for the four most recent years

<u>YEAR</u>	<u>RECEIPTS</u>	<u>YEAR</u>	<u>NET INCOME</u>
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

Type of Entity

Sole Proprietorship <input type="checkbox"/>	Partnership <input type="checkbox"/>
S Corporation <input type="checkbox"/>	C Corporation <input type="checkbox"/>

Other (Specify)  \_\_\_\_\_

Provide a brief description of the nature of the applicant's business activity.

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Description of the project that will create the new jobs.

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**Certification:** To be signed by an authorized company representative.

I hereby certify that all information contained in this document and attachments are true and correct to the best of my knowledge.

**Signature:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_ **Representing:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_

**Date:** \_\_\_\_\_

## Section I – General

### A. Introduction

- (1) The Philadelphia Re-Entry Employment Program (PREP) was established for the purpose of securing job creating economic development opportunities for Returning Citizens through the expansion of existing businesses and the attraction of economic development prospects for the City of Philadelphia.
- (2) Beginning in tax year 2008, an employer who hires a Returning Citizen can elect to claim a PREP tax credit against their Business Privilege Tax. Effective May 1, 2012, the Business Privilege Tax was renamed Business Income and Receipts Tax. A business could receive up to \$10,000 tax credit each year for three years for each Qualifying Full-time Employee hired for at least six (6) months; up to \$5,000 for each Qualifying Part-time Employee. The maximum amount of tax credit a business may receive for any one Qualifying Full-time Employee over all tax years is \$30,000. The maximum amount of credit a business may receive for any one Qualifying Part-time Employee is \$15,000.
- (3) Beginning in tax year 2010, a business who makes a contribution of at least \$10,000 in a given tax year to a “Qualifying Exempt Organization” may claim a tax credit up to \$7,000 for each “Qualifying Full-Time Employee” or a tax credit up to \$3,500 for each “Qualifying Part-Time Employee” employed by the Qualifying Exempt Organization for at least six (6) months. A Qualifying Exempt Organization cannot receive a contribution from more than one business for each Qualifying Employee employed by the organization.
- (4) A “Qualifying Employee” is a Returning Citizen who is employed full-time or part-time and certified as a Qualifying Employee by Office of Reentry Partnerships (ORP). (Refer to Section 19-2604(9)(a)(ii) of the Ordinance for the criteria)

### B. Eligibility

In order to be eligible to receive PREP Tax Credits, a business must have executed a PREP Tax Credit Agreement with the Revenue Department and be in full compliance with applicable Philadelphia tax laws, ordinances and regulations.

## Section II – The Application Process

### A. Application Submission and Approval Procedure

- (1) The completed application should be returned to the Department of Revenue at the address listed on the application. (*The “Qualifying Exempt Organization” **does not complete** or submit this application.*)
- (2) In addition to the application, the business must provide financial Statements (i.e. Income Statement, Balance Sheet, and Cash Flow) for the last three years.
- (3) Upon approval of an application, the Department of Revenue will prepare a PREP Tax Credit Agreement which will be mailed to the applicant.
- (4) **Upon acceptance of the conditions listed in the PREP Tax Credit Agreement, the business must sign the agreement and return it to the Department of Revenue within thirty (30) days of the date of the cover letter.**
- (5) After a business has executed a PREP Tax Credit Agreement with the Department of Revenue, it shall make application to ORP on a form required by ORP for each employee it wishes to have certified as a Qualifying Employee.
- (6) **After** a business has a fully executed Agreement with the Department of Revenue **and** after the business has received certification from ORP for the employment of each Qualifying Employee, the business may then make a request, in writing, to the Department of Revenue for determination of and for issuance of the PREP tax credit. (No business may claim or receive a tax credit unless the business is in full compliance with applicable Philadelphia tax laws, ordinances and regulations.)

- (7) ***An organization shall make an application to ORP on a form required by ORP, stating that it wishes to be certified as a Qualifying Exempt Organization.***

### **Section III – Penalties**

- A. **Failure to maintain operations.** A business which receives PREP Tax Credits related to employment of Qualifying Employees or to contributions made to a Qualifying Exempt Organization and either the business or the Qualifying Exempt Organization fails to substantially maintain existing operations, and the operations related to the tax credits, in the City of Philadelphia for a period of five (5) years from the date the business executes a PREP Tax Credit Agreement shall be required to refund to the City of Philadelphia the total amount of credit or credits granted.
- B. **Waiver.** The Department of Revenue may waive the penalties outlined in subsection (A) above if the Department determines that failure to substantially maintain operations was because of circumstances beyond the business' or Qualifying Exempt Organization's control, including natural disasters, acts of terrorism, unforeseen industry trends, loss of a major supplier or market, or unforeseen social or economic trends.

### **Section IV – Contact**

- A. Program inquiries should be directed to:

**Department of Revenue**  
**Tax Credit & Assistance Programs**  
**unit Phone: (215) 686-6435**

#### **Mail Completed Application To:**

**Department of Revenue**  
**Attn: Tax Credit & Assistance Programs unit**  
**Municipal Services Building - Room 480**  
**1401 John F. Kennedy Blvd.**  
**Philadelphia, PA 19102**

**OR**

**Apply on-line using the [Philadelphia Tax Center](#)**