

Instructions for Trade Show Vendors – Tax Year 2023 BIRT-EZ and 2023 NPT Returns

Effective for Tax Year 2021 and thereafter, the Revenue Department has discontinued the use of the *Business Tax Return for Use by Trade Show Vendors*. Trade Show Vendors who have attended trade show events within Philadelphia in 2022 and have sold merchandise or performed services at the event(s) are required to now file using the 2023 Business Income and Receipts Tax – EZ Form and (if un-incorporated) to also file the 2023 Net Profits Tax return.

Trade Show Vendors are exhibitors or other ancillary businesses that aside from attending the trade show event(s) are not doing regular and systemic business activity within the City of Philadelphia but have sold sell products or performed services within the Philadelphia Convention Center or other venues within Philadelphia during the event(s).

The Revenue Department permits the use of separate accounting to compute taxable receipts and net income for the specific event(s) within the City of Philadelphia. That is, Trade Show Vendors can compute a separate Profit & Loss/ Income Statement for the specific event(s) that reports the gross receipts generated and a computation of net income after deducting the ordinary, reasonable and necessary expenses related to the event(s). The gross receipts for the event(s) are to be reported on the 2023 BIRT-EZ Page 2 Line 7a (i.e. sales of product) or Line 7b (i.e. performance of services) as applicable. The net income computed for the event(s) are to be reported on the 2023 BIRT-EZ Page 2 Line 1. For those un-incorporated Trade Show Vendors who are also subject to the Net Profits Tax, report the computed net income on the 2023 NPT Page 1 Line 6 (Non-residents of Philadelphia) and compute the Net Profits Tax on Line 7. Do not attached the Profit & Loss /Income Statements to the BIRT-EZ or the NPT returns. It is recommended that these statements be maintained in the Trade Show Vendors tax files to be available if requested by the Department.

How to file

A) Register for a City Tax Account Number: Each business must register with the City of Philadelphia Department of Revenue. Please disregard this step if you have already registered and have a city account number. Follow these steps to register your business on the [Philadelphia Tax Center](#):

- Go to <https://tax-services.phila.gov> and select "Register a new taxpayer" under the "New taxpayers" panel on the homepage.
- The site asks if you are a tax professional registering on behalf of a client. If you are, select "Yes." Everybody else should select "No."
- Follow the on-screen prompts to complete registration. The last step is to create a username and password.

B) Obtain a Commercial Activity License: Each business must obtain a Commercial Activity License with the City of Philadelphia. Please disregard this step if you have already registered

your business and have a Commercial Activity License. Please contact your local show administrator for the Commercial Activity License form. The Commercial Activity License can also be obtained directly from the City of Philadelphia Department of Licenses and Inspections at:3.

- Go to the webpage www.phila.gov/li.
- Select "Commercial Activity License" from the drop-down menu on the left of the page under - "**APPLY: Common Licenses and Permits.**"
- Once at the **Obtaining a Commercial Activity License webpage**, locate the following link on the webpage: "**If you already have a City of Philadelphia Tax Account Number, and need only the Commercial Activity License, [apply online](#).**" Selecting this link will connect you to the license application process screen.
- Once at the Commercial Activity License application process screen, click on: "APPLY FOR COMMERCIAL ACTIVITY LICENSE."
- On the online application screen, fill in all information boxes located within the webpage. Be sure to use all information used when applying for a Philadelphia Tax Account Number. You **MUST** already have a Philadelphia Tax Account Number to complete this step.
- Once completed, select the "Continue" link located at the bottom right of the webpage. Once completed, a Commercial Activity License will be issued instantaneously that may be printed from your computer. The license should be kept with records and displayed when instructed to do so.

C) Use the BIRT-EZ form to File a Trade Show Tax Return

Trade Show Tax Returns must be filed in April each year for prior year activity. If you participate in multiple shows throughout the year (2022), all gross receipts and expenses must be added and filed on April 15th, 2023. You may also be responsible to file Net Profits Tax returns on April 15 for prior year activity.