

## General information for 2024 Business Income & Receipts Tax (BIRT) and Net Profits Tax (NPT)

Tax regulations and forms are available at [www.phila.gov/revenue](http://www.phila.gov/revenue)

**STOP!** You are **not** required to file the BIRT return if you have \$100,000 or less in Philadelphia taxable gross receipts. Instead, visit the Philadelphia Tax Center at [tax-services.phila.gov](http://tax-services.phila.gov) to file a “No Tax Liability” or NTL form. You will need to create a username and password to use the system. You may still be liable for the NPT return.

**When and How to File:** The 2024 BIRT and NPT taxes are due by April 15, 2025. If an overall loss is incurred, taxpayers should consider filing a return to preserve “Loss Carryforwards.” Failure to file a BIRT return, BIRT NTL, or NPT return, by the due date could result in fines, legal costs, non-filer penalties, and/or tax clearance issues.

Visit [tax-services.phila.gov](http://tax-services.phila.gov) to file and pay these taxes. You will need to create a username and password to use the system to file returns. But taxpayers can make payments without a username and password using eCheck (free!) or credit or debit card (fee). Paper payment vouchers are also available. Do not enclose payments when mailing your tax return. Send payments separately to the mailing address in this document.

If all business is conducted or located within Philadelphia, file a BIRT-EZ return.

If business is conducted and/or located both in and out of Philadelphia, file a regular BIRT return with the appropriate combination of Schedules A through E.

Trade show vendors should file a BIRT EZ form. More information for Trade show vendors is available at [www.phila.gov/revenue/birt](http://www.phila.gov/revenue/birt).

**Please neatly print or type all information. Do not staple fold or submit photocopies of the tax return. Do not submit copies of Federal returns. File only required schedules.**

**For Tax Due Greater Than \$5,000:** Taxpayers with BIRT or NPT due of \$5,000 or more must pay electronically. Visit [tax-services.phila.gov](http://tax-services.phila.gov) to create a username and password to file and pay. Electronic payments can be made without a username and password. **eCHECK IS FEE FREE.**

**Mailing Information for Paper Returns:** If your return includes a refund request for either BIRT or NPT, both returns **must** be mailed together to P.O. Box 1137 to receive proper credit and to enable prompt processing of your refund request. If both returns are not mailed together your refund request may be denied.

(For faster processing, taxpayers can always request a refund on the Philadelphia Tax Center at [tax-services.phila.gov](http://tax-services.phila.gov).)

### Mail Payments to:

City of Philadelphia Department of Revenue  
P.O. Box 1393  
Philadelphia, PA 19105-1393

### Mail Returns Requesting a Refund to:

City of Philadelphia Department of Revenue  
P.O. Box 1137  
Philadelphia, PA 19105-1137

### Mail Returns Not Requesting a Refund to:

City of Philadelphia Department of Revenue  
P.O. Box 1660  
Philadelphia, PA 19105-1660

**Returned Checks:** If your check is returned unpaid for insufficient or uncollected funds, (1) you authorize the City of Philadelphia, or its agent, to make a one-time electronic funds transfer from your account to collect a fee of \$20; and (2) The City of Philadelphia, or its agent, may re-present your check electronically to your bank for payment.

### **How to Update Your Account Information:**

Complete a change form, found at [phila.gov/tax-change](https://phila.gov/tax-change), if your business:

- Closed
- Changed organization or entity type
- Has updated contact information
- Needs to open or close tax accounts

If you maintain a Commercial Activity License but did not actively engage in business during the year and wish to close your accounts, complete a Change Form. **If you plan to continue your business (and keep the accounts open), you are required to file an NTL and an NPT return.**

If you have closed your account and wish to resume a business again with the same Employer Federal Identification (EIN) or Social Security Number (SSN) you can reinstate your account. If there was a change to your federal identification number, you will need a new tax account number and Commercial Activity License. To report a change of address, check the box on page one of the return and file a Change Form.

### **Estimate Instructions**

**Jump Start Philly Participants:** All business that have been approved as a “new business” as defined under Philadelphia Code 19-3800 and has subsequently met or will meet the employment requirements, use Worksheet N to complete the BIRT and NPT returns.

**All Other New Businesses Starting After January 1, 2019 (that do not qualify for Jump Start Philly):** When filing and paying your *first*

BIRT return (for the first year of business), no estimated tax payments are required toward your second-year return. Pay the actual tax (Line 3) for 2024 by April 15, 2025. The second year of filing, taxpayers have the option to pay the estimated payment in full or make four quarterly estimated payments toward the third-year return. For the third year BIRT filing and tax years thereafter, 100% of the estimated payment are due with the current year's return.

### **For All Other Businesses Started Before 2019:**

You must pay an estimated tax payment toward the 2024 BIRT for all businesses operating in Philadelphia. This estimate is equal to 100% of the 2024 tax liability found on Line 3, prior to the application of any tax credits. If you enter an amount on line 6 less than the amount of Line 3, you may be billed additional interest and penalty if you owe additional tax when filing.

### **Information About BIRT Schedules:**

Taxpayers must use the same method (Schedule A, Method I or Schedule B, Method II) that they elected on the first BIRT return they filed. Complete and file only Schedule A (Form 24715) **OR** Schedule B (Form 24415).

You must complete Schedule C-1 (Form 24515) if you are apportioning your income. Failure to include this schedule with the return may result in the disallowance of your apportionment and you may be billed. If Line 3 of Schedule C-1 is equal to 100%, the BIRT-EZ return must be filed instead.

An exception to the required use of the BIRT-EZ return (for a taxpayer whose business activity is 100% within the City of Philadelphia) is in the case of a manufacturer, wholesaler and/or retailer reporting the receipts base tax using the Alternate Receipts Tax Computation. The Alternative Receipts Tax Computation is calculated on BIRT Schedule E which requires the taxpayer to use 2024 BIRT (i.e. long form) with Schedule C-1 calculated to 100%. Schedule C-1 should not be completed or filed if the BIRT-EZ return is filed.

**Port Related or PUC/ICC Exclusions:**

If you are excluding certain port related activities and/or specific PUC and ICC business activities from the gross receipts schedule, you also need to exclude that amount on the net income schedule.

**Financial Businesses or Regulated Industries:**

If your business is considered a "Financial Business" under Section 101(m) of the BIRT Regulations, is registered under the PA Securities Act of 1972, OR considered a "Regulated Industry"

under Section 101(y) of the BIRT Regulations, then you will need to file a 2024 BIRT-HJ return. If you are unsure if any of these categories apply to you, please contact [revenuetaxadvisors@phila.gov](mailto:revenuetaxadvisors@phila.gov).

At this time, no tax preparer software can generate the BIRT HJ form. You can only file using the Philadelphia Tax Center at [tax-services.phila.gov](https://tax-services.phila.gov) or using the paper form found at [phila.gov/revenue](https://phila.gov/revenue) under the "forms" section.

## 2024 Net Profits Tax Information

Every Philadelphia resident is subject to the Net Profits Tax (NPT) regardless of the location of the business activity. Non- residents of Philadelphia, operating a business within Philadelphia, are also subject to the Net Profits Tax. **Corporations are not subject to the Net Profits Tax.**

Every partnership, limited partnership, limited liability company filing with the IRS as a partnership, association, or other group of two or more persons operating a business within Philadelphia, whether residents or non-residents of Philadelphia, is subject to the Net Profits Tax. A partnership comprised solely of corporate partners must file a Net Profits Tax return even if no tax liability exists.

The City of Philadelphia follows the Federal tax treatment for LLCs. If the LLC elects corporate tax treatment, it is not liable for Net Profits Tax. If the LLC is treated as a partnership or disregarded entity for federal filing purposes, it is liable for Net Profits Tax.

When determining taxable income for partnerships with corporate partners, you will need to exclude the portion attributable to the corporate partners.

Every estate or trust is subject to the Net Profits Tax if the estate or trust is engaged in any business which is subject to the Net Profits Tax per Income Regulation 220(A)(3).

**Interest, Penalties and Costs**

All Philadelphia taxes, except Real Estate) bear simple interest. The annual rate is the Federal Short-Term Rate effective January 1 of each calendar year (26 § USCA 6621 et. seq.) plus five (5) percentage points. Penalty is at the rate of 1¼% of the unpaid tax for each month or fraction thereof. For current interest rates, see [phila.gov/revenue](https://phila.gov/revenue).