



FIRST JUDICIAL DISTRICT  
OF PENNSYLVANIA

## MEMORANDUM

June 27, 2005

To: First Judicial District of Pennsylvania Court Appointed Counsel

From: Kevin A. Cross, Deputy Court Administrator for Financial Services. 

**Subject: Business Privilege Tax**

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The City of Philadelphia Revenue Department requires all businesses and professions engaged in commercial activity in the City of Philadelphia to file a Business Privilege Tax Return.

Information provided by the City Controller's Office indicates a significant number of court appointed counsel are currently on 'tax hold'. Many of these 'tax-holds' were issued in the last six months.

A tax hold occurs when vendors who provide services to City departments are not current with the registering, filing or payment of Business Privilege Taxes. Payments to First Judicial District court-appointed counsel are issued by the City of Philadelphia. If a court appointed counsel is on a "tax-hold", no payments for their services will be issued by the City. All counsel fee payment invoices are submitted for payment regardless of tax status.

If you are a new court appointed counsel, you must register with the Revenue Department. If you are an existing assigned counsel, you must file your Business Privilege Tax forms and pay any tax due.

Please be aware that the Counsel Fee Unit is current with payments and process all attorney invoices. If you have submitted invoices for payment and have not received payment, please check with the Revenue Department to determine your tax status. The telephone number is 215.686.6600 and their office is located in the Concourse Level of the Municipal Services Building, 1401 JFK Blvd.

Excerpts from the City Tax Guide are provided as a reference and the entire document is available at <http://citynet.phila.gov/revenue/>.

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Every individual, partnership, association and corporation engaged in a business, profession or other activity for profit within the City of Philadelphia must file a Business Privilege Tax Return, whether or not they earned a profit during the preceding year.

Rental activities are usually considered to be business activities.

Every estate or trust, (whether the fiduciary is an individual or a corporation) must file a Business Privilege Tax Return if the estate or trust is engaged in any business or activity for profit within the City of Philadelphia.

The Business Privilege Tax is based on both gross receipts and net income. Both parts must be filed.

Returns for this tax are due by April 15.

### Note

If you maintain a Business Privilege License but do not actively engage in business, you must file the Business Privilege Tax return and indicate that no business occurred. If you do not file a return, you will receive a non-filer notice and court costs could be imposed.

Section 103 of the Business Privilege Tax Regulations provides information relating to what constitutes doing business in Philadelphia. Businesses which meet certain standards qualify for "Active Presence" treatment and would be subject to tax on Gross Receipts only.