

# CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE 2015 BUSINESS INCOME & RECEIPTS TAX



# **2015 BIRT**

For business conducted in and out of Philadelphia

**DUE DATE: APRIL 18, 2016 City Account Number** Taxpayer Name and Address EIN SSN **Taxpayer E-mail Address** If this is a change of address, check this box: If your business terminated in 2015, enter the termination date AND file a CHANGE FORM. YOU MUST COMPLETE WORKSHEET "S" and SCHEDULE "C-1" If this is an amended return place an "X" here: **COMPUTATION OF TAX DUE OR OVERPAYMENT** 1. NET INCOME PORTION OF TAX (from Schedule B, Line 13 or .00 Schedule A, Line 15. If there is no tax due, enter "0"..... 2. GROSS RECEIPTS PORTION OF TAX (from Schedule D, Line 13). .00 If there is no tax due, enter "0"..... .00 3. Tax Due for the 2015 Business Income & Receipts Tax (Line 1 plus Line 2)..... .00 4. MANDATORY 2016 BIRT Estimated Payment (See Instructions)..... .00 5. Total Due by **4/18/2016** (Line 3 plus Line 4)..... **ESTIMATED PAYMENTS AND OTHER CREDITS** 6a. Include any estimated and/or extension payments of 2015 BIRT previously made, .00 .00 .00 7. Net Tax Due (Line 5 less Line 6c). .00 If Line 6c is greater than Line 5, enter "0"..... 8. Interest and Penalty .00 Refer to web site for current percentage..... TOTAL DUE including Interest and Penalty (Line 7 plus Line 8). .00 Use payment coupon. Make check payable to: "City of Philadelphia"..... **OVERPAYMENT OPTIONS** If Line 6C is greater than Line 5, enter the amount to be: .00 .00 .00 Under penalties of perjury, as set forth in 18 PA C.S. §§ 4902-4903 as amended, I swear that I have reviewed this return and accompanying statements and schedules, and to the best of my knowledge and belief, they are true and complete.

Taxpayer Signature

Date

Phone #

Preparer Signature\_\_\_\_\_\_\_ Date\_\_\_\_\_\_Phone #\_\_\_\_\_

#### CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE

## 2015 BIRT SCHEDULE B



| City Account Number |  |  |  |  |  |  |  |
|---------------------|--|--|--|--|--|--|--|
|                     |  |  |  |  |  |  |  |
|                     |  |  |  |  |  |  |  |

#### COMPUTATION OF TAX ON NET INCOME (METHOD II)

Reminder - You <u>must</u> use the same method (METHOD I or METHOD II) that you elected on the first Business Income & Receipts Tax return filed. If you are using Schedule B, do not complete or file Schedule A.

Note: If any entry on this schedule exceeds \$999,999,999 - See special mailing instructions below Schedule A.

|     | Place "X" in box to indicate a lo  | oss. y |  |     |
|-----|--|--------|--|-----|
| 1.  | Net Income (Loss) as properly reported to the Federal Government   | 1.     |  | .00 |
| 2.  | ADJUSTMENTS (Per BIRT Reg. 404 and Public Law 86-272)  |        |  |     |
|     | (a) Income net of interest expense attributable to direct obligations of the Federal Government, Pennsylvania or the political subdivisions of Pennsylvania.  (If less than zero, enter zero on this line)   | 2a.    |  | .00 |
|     | (b) Net Income (Loss) from certain port related activities. (Reg. 302 (T))   | 2b.    |  | .00 |
|     | (c) Net Income (Loss) from specific PUC and ICC business activities. (Reg. 101 (D)(3))   | 2c.    |  | .00 |
|     | (d) Net Income (Loss) from Public Law 86-272 activities  | 2d.    |  | .00 |
|     | (e) Receipts by corporations of dividends, interest and royalties received from other corporations in the same affiliated group and/or from other corporations of which the receiving corporation owns at least 20% of the stock and/or BIRT Regulation §404 (B)(5) adjustments (Reg. 302 (O)) | 2e.    |  | .00 |
|     | (f) Line 1 minus Lines 2a through 2e   | 2f.    |  | .00 |
|     | (g) All other receipts from other corporations of the same affiliated group. (Reg. 302 (N))  | 2g.    |  | .00 |
|     | (h) Gross Receipts per BIRT Regulation §404(B)(5)(e)   | 2h.    |  | .00 |
|     | (i) Divide Line g by Line h and enter the result here  | 2i.    |  |     |
|     | (j) Multiply Line f by Line i and enter the result here  | 2j.    |  | .00 |
| 3.  | ADJUSTED NET INCOME (LOSS) (Line 2f minus Line 2j)   | 3.     |  | .00 |
| 4.  | Total Nonbusiness Income (Loss)  | 4.     |  | .00 |
| 5.  | Income (Loss) to be apportioned (Line 3 minus Line 4)  | 5.     |  | .00 |
| 6.  | Apportionment Percentage from Schedule C-1, Line 3   | 6.     |  |     |
| 7.  | Income (Loss) apportioned to Philadelphia (Line 5 times Line 6)  | 7.     |  | .00 |
| 8.  | Nonbusiness Income (Loss) allocated to Philadelphia  | 8.     |  | .00 |
| 9.  | Current year Income (Loss) (Line 7 plus Line 8)  | 9.     |  | .00 |
| 10  | Statutory Net Income Deduction from Worksheet S, Line S5. (Must complete Schedule C-1.)  | 10.    |  | .00 |
| 11. | Loss Carry Forward, if any   | 11.    |  | .00 |
| 12. | Taxable Income (Loss). (Line 9 minus Line 10 minus Line 11)  | 12.    |  | .00 |
| 13. | TAX DUE (Line 12 times .0641) If Line 12 is a loss, enter zero   | 13.    |  | .00 |

ENTER HERE AND ON THE PAGE 1, LINE 1 OF THIS RETURN.

CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE
2015 BIRT SCHEDULE C-1



| City | Accou | nt Num | ber |
|------|-------|--------|-----|
|      |       |        |     |
|      |       |        |     |

For business conducted in and out of Philadelphia

#### **Important Change for Tax Year 2015**

The Department has adopted a **Single Sales/Receipts Factor Apportionment** methodology for BIRT Tax Year 2015. The Property and Payroll Factors are <u>no longer used</u> in the calculation of the Philadelphia Apportionment percentage. The Single Sales/Receipts Factor Apportionment percentage is the ratio of **Philadelphia Sales/Receipts** to **Total Sales/Receipts** everywhere.

The <u>sourcing</u> of sales/receipts is the <u>same as it has been</u> in prior years. *Receipts* and *Taxable Receipts* are defined at *Philadelphia Code* § 19-2601 and explained in Article III of the BIRT Regulations.

http://www.phila.gov/Revenue/Regulations/BIRT%20Regulations%20Compilation.pdf

#### Market-Based Sourcing of Service/Sales for Software Companies

A **Software Company** (as defined by BIRT Regulations Section 101DD) is to source sales/receipts (for both the Receipts and Net Income bases) in accordance with **Market-based sourcing.** That is, the sale of products and the performance of services will be deemed to be the location where the recipient receives the benefit of the products and services.

This schedule must be completed in order to receive the deduction from Worksheet S.

COMPUTATION OF APPORTIONMENT FACTOR TO BE APPLIED TO APPORTIONABLE NET INCOME. YOU MUST COMPLETE SCHEDULE C-1 IF YOU ARE APPORTIONING YOUR INCOME. FAILURE TO INCLUDE THIS SCHEDULE WITH YOUR RETURN MAY RESULT IN THE DISALLOWANCE OF YOUR APPORTIONMENT AND YOU MAY BE BILLED.

| 1. | Philadelphia Sales/Receipts   | 1. |     |  |  | .00 |
|----|---|----|-----|--|--|-----|
| 2. | Gross Sales/Receipts Everywhere   | 2. |     |  |  | .00 |
| 3. | Single Sales/Receipts Factor Apportionment Percentage (Line 1 divided by 2) | 3. | ] . |  |  |     |

ENTER THE PHILADELPHIA RECEIPTS FACTOR APPORTIONMENT PERCENTAGE ON SCHEDULE A, LINE 8 OR SCHEDULE B, LINE 6.

DO NOT FILE THIS RETURN if Line 3 is equal to 100%. Use the BIRT-EZ return which is available at www.phila.gov/revenue.

Do not submit Schedule C-1 with the BIRT-EZ return.

CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE

#### 2015 BIRT SCHEDULE D **COMPUTATION OF TAX ON GROSS RECEIPTS**



The following taxpayers should not file Schedule D.

- Taxpayers registered under the Pennsylvania Securities Act of 1972;
  Persons subject to a tax imposed pursuant to Article VII, VIII, IX or XV of the Tax Reform Code of 1971 (Banks, Title Insurance Companies, Trust Companies, Insurance Companies and Mutual Thrift Institutions)
- Other Financial Businesses

These industries should file Schedules H-J, available on our website at www.phila.gov/revenue.

## Do not report negative numbers on this schedule.

| 1.    | Gross Receipts from sales and/or rentals of tangible personal property, dividends, interest, royalties, and gains on sale of stocks, bonds and business capital assets | 1.    | .0  | 00 |
|-------|--|-------|-----|----|
| 2.    | Gross Receipts from services   | 2.    | .0  | 00 |
| 3.    | Gross Receipts from rentals of real property   | 3.    | .0  | 00 |
| 4.    | Total of Lines 1 through 3   | 4.    | .0  | 00 |
| 5.    | Less exclusions from: 5a. Sales delivered outside of Philadelphia  | 5a.   | .0  | 00 |
|       | 5b. Services performed outside of Philadelphia   | 5b.   | .0  | 00 |
|       | 5c. Rentals of real property outside of Philadelphia   | 5c.   | .0  | 00 |
|       | 5d. Other (specify)  | 5d.   | .0  | 00 |
| 6.    | Net Taxable Receipts before Statutory Exclusion (Line 4 minus Lines 5a through 5d)   | 6.    | .0  | 00 |
| 7.    | Statutory Exclusion (Lower of Line 6 or \$75,000.00)   | 7.    | .0  | 00 |
| 8.    | Net Taxable Receipts after Statutory Exclusion (Line 6 minus Line 7)   | 8.    | .0  | 00 |
| 9.    | Receipts on which tax is to be computed by the Alternate Method. (Enter here and on Schedule E, Line 1, 5 or 10.)  | 9.    | .0  | 00 |
| 10.   | Receipts subject to tax at the regular rate (Line 8 minus Line 9)  | 10.   | .0  | 00 |
| 11.   | TAX DUE at the regular rate. (Line 10 times .001415)   | 11.   | .0  | 00 |
| 12.   | TAX DUE using the Alternate Method from Schedule E, Line 15, if applicable   | 12.   | .0  | 00 |
| 13.   | TOTAL TAX DUE (Line 11 plus Line 12)   | . 13. | .0  | 00 |
| Works | neet S - Use to calculate Statutory Net Income Deduction   |       |     |    |
|       | Enter the lower of Line 6 above or \$75,000  | S1.   | .0. | 00 |
| S2.   | Enter Current Year Income from Line 11 of Schedule A or Line 9 of Schedule B.  If loss, enter zero   | S2.   | .0  | 00 |
| S3    | Enter Net Taxable Receipts from Line 6 above   | S3.   |     | 00 |
|       |  |       |     |    |
| S4.   | Divide Line S2 by Line S3. (Cannot be greater than 1.0000)   | 54.   |     |    |
| S5.   | Statutory Net Income Deduction (Line S1 times Line S4. Cannot exceed \$75,000) Senter here and on Line 12 of Schedule A or Line 10 of Schedule B.                      | S5.   | 0   | 00 |
|       |  |       |     |    |



#### CITY OF PHILADELPHIA - DEPARTMENT OF REVENUE

#### 2015 BIRT SCHEDULE A



| City Account Number |  |  |  |  |  |  |  |  |
|---------------------|--|--|--|--|--|--|--|--|
|                     |  |  |  |  |  |  |  |  |
|                     |  |  |  |  |  |  |  |  |

COMPUTATION OF TAX ON NET INCOME (METHOD I)

To be used by taxpayers electing to report net income from the operation of a business in accordance with their accounting system, after subtracting from gross receipts the cost of goods sold and all ordinary and necessary expenses of doing business, rather than as reported to and ascertained by the Federal Government.

Reminder - You <u>must</u> use the same method (METHOD I or METHOD II) that you elected on the first Business Income & Receipts Tax return filed. If you are using Schedule A, do not complete or file Schedule B.

Note: If any entry on this schedule exceeds \$999,999,999 - See special mailing instructions below.

|     | Place "X" in box to indicate a le   | oss. | NI |     |
|-----|---|------|----|-----|
| 1.  | Net Income (Loss) per accounting system used plus income taxes deducted in arriving at Net Income | 1.   |    | .00 |
| 2.  | Net Income (Loss) from certain port related activities  | 2.   |    | .00 |
| 3.  | Net Income (Loss) from specific PUC and ICC business activities                                   | 3.   |    | .00 |
| 4.  | Net Income (Loss) from Public Law 86-272 activities   | 4.   |    | .00 |
| 5.  | Adjusted Net Income (Loss) (Line 1 minus Lines 2, 3 and 4)  | 5.   |    | .00 |
| 6.  | Total Nonbusiness Income (Loss)   | 6.   |    | .00 |
| 7.  | Income (Loss) to be apportioned (Line 5 minus Line 6)   | 7.   |    | .00 |
| 8.  | Apportionment Percentage from Schedule C-1, Line 3  | 8.   |    |     |
| 9.  | Income (Loss) apportioned to Philadelphia (Line 7 times Line 8)                                   | 9.   |    | .00 |
| 10. | Nonbusiness Income (Loss) allocated to Philadelphia   | 10.  |    | .00 |
| 11. | Current year Income (Loss) (Line 9 plus Line 10)  | 11.  |    | .00 |
| 12. | Statutory Net Income Deduction from Worksheet S, Line S5 (Must complete Schedule C-1.)            | 12.  |    |     |
| 13. | Loss Carry Forward, if any  | 13.  |    | .00 |
| 14. | Taxable Income (Loss). (Line 11 minus Line 12 minus Line 13)                                      | 14.  |    | .00 |
| 15. | TAX DUE (Line 14 times .0641) If Line 14 is a loss, enter zero                                    | 15.  |    | .00 |

#### Special Mailing Instructions for Schedules A and B

If your entry for any line exceeds 999,999,999., include a cover letter with your return indicating the correct entries for Schedule A or B and request manual processing of the return to assure proper entry of your accounting data.

# 2015 BIRT SCHEDULE E COMPUTATION OF TAX ON GROSS RECEIPTS



| City Account Number |  |  |  |  |  |  |  |  |
|---------------------|--|--|--|--|--|--|--|--|
|                     |  |  |  |  |  |  |  |  |
|                     |  |  |  |  |  |  |  |  |

#### ALTERNATE METHOD OF COMPUTING TAX ON GROSS RECEIPTS

(To be used by Manufacturers, Wholesalers and Retailers electing to use the Alternate Method of computation.)

SEE BUSINESS INCOME AND RECEIPTS TAX REGULATIONS (SECTION 305) AT WWW.PHILA.GOV/REVENUE.

| A. MANUFACTURERS  |       |     |
|---|-------|-----|
| Receipts on which tax is to be computed by the Alternate Method (from Schedule D, Line 9)     | 1.    | .00 |
| Cost of goods sold for the receipts reported on Line 1  | 2.    | .00 |
| 3. TAX BASE (Line 1 minus Line 2)   | . 3.  | .00 |
| 4. TAX DUE (Line 3 times .0234). If Line 3 is a loss, enter zero                              | 4.    | .00 |
| B. WHOLESALERS  |       |     |
| 5. Receipts on which tax is to be computed by the Alternate Method (from Schedule D, Line 9)  | 5.    | .00 |
| Applicable Cost of Goods for the receipts reported on Line 5:     (a) Cost of material        | . 6a. | .00 |
| (b) Cost of Labor   | 6b.   | .00 |
| 7. TOTAL APPLICABLE COST OF GOODS (Line 6a plus 6b)   | 7.    | .00 |
| 8. TAX BASE (Line 5 minus Line 7)   | . 8.  | .00 |
| 9. TAX DUE (Line 8 times .0329). If Line 8 is a loss, enter zero                              | . 9.  | .00 |
| C. RETAILERS  |       |     |
| 10. Receipts on which tax is to be computed by the Alternate Method (from Schedule D, Line 9) | 10.   | .00 |
| Applicable Cost of Goods for the receipts reported on Line 10:     (a) Cost of material       | 11a.  | .00 |
| (b) Cost of Labor   | 11b.  | .00 |
| 12. TOTAL APPLICABLE COST OF GOODS (Line 11a plus 11b)  | 12.   | .00 |
| 13. TAX BASE (Line 10 minus Line 12)  | . 13. | .00 |
| 14. TAX DUE (Line 13 times .0078). If Line 13 is a loss, enter zero                           | 14.   | .00 |
| 15. TOTAL TAX DUE (Total of Lines 4, 9 and 14)  | 15.   | .00 |
| Enter the amount from Line 15 on Schedule D, Line 12.   |       |     |