



Committee of Seventy

Clean and effective government. Fair elections. Informed citizens.

13 December 2010

The Honorable Bill Green
Philadelphia City Council
Room 599, City Hall
Philadelphia, PA 19107

The Honorable Maria Quiñones Sánchez
Philadelphia City Council
Room 592, City Hall
Philadelphia, PA 19107

Dear Bill and Maria:

The Committee of Seventy urges you to ask that action be withheld on Bill No. 100635 – regarding changes in the Business Privilege Tax -- rather than seeking to move the bill out of the Committee of the Whole on Wednesday.

We applaud your initiative and share your desire to see tax policies that encourage job creation in Philadelphia. But there are too many questions, and too many differences between you and the Nutter administration and the city controller, on the potential effects of this bill, for the Committee of Seventy to embrace your proposal at this point. While these issues are being clarified, we urge City Council and the administration to move forward on certain enticing ideas in which there does seem to be common interest.

Those ideas include:

- Exempting small businesses and start-ups earning less than a specified amount from the gross receipts portion of the BPT.
- Establishing a simplified and easier-to-administer BPT filing process.
- Changing the three-part apportionment formula in the net income portion of the BPT and exploring other tax incentives for locally-based firms.
- Identifying strategies that will induce companies that do business here, but are based outside the city, to pay their fair share of taxes.
- Ensuring “revenue neutrality” so city government’s fragile finances are not further threatened.

Philadelphia needs to make these moves and others – perhaps including the radical change in business tax policy you propose -- to enable the city to better compete in the global economy.

Sincerely,

Zachary Stalberg
President and CEO