

PHILADELPHIA'S

BUSINESS AND WAGE TAX

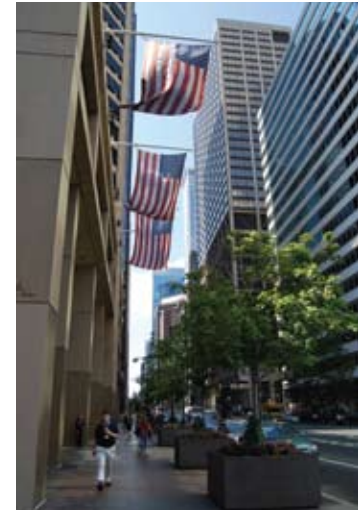
Make it Center City Philadelphia...

REDUCTIONS

WAGE TAX

Since 1995, the City of Philadelphia through three mayoral administrations has committed to annual reductions in the wage tax in order to make the city a more competitive place to work and live. Currently, the wage tax rate for residents is 3.98% and for non-residents 3.54% marking the first time the resident wage tax has fallen below 4% in 30 years. Legislation has already been enacted to reduce the City wage tax to 3.6% for residents and 3.25% for non-residents by 2012, with even greater decreases planned for future years.

- 75% of suburban municipalities in southern Pennsylvania have at least a 1% wage or earnings tax so the differential between city and suburbs has grown much smaller in the last decade.
- New Jersey residents who work in Philadelphia receive a credit on New Jersey state income taxes, and are thus unaffected by the City wage tax.

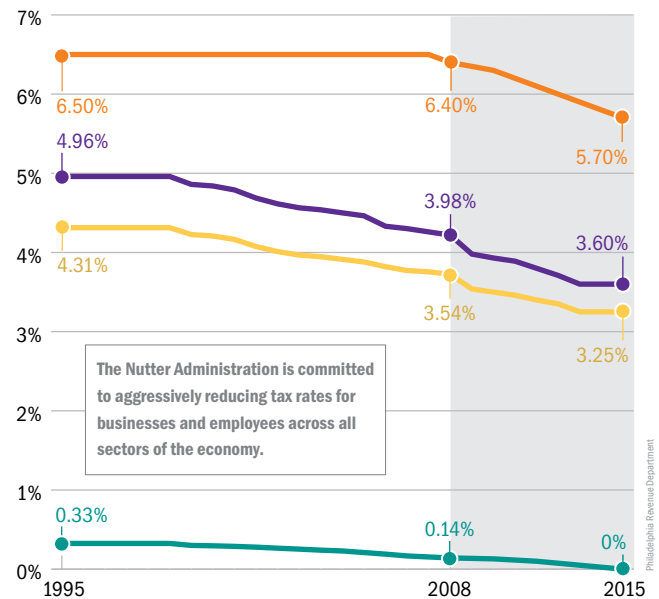


BUSINESS PRIVILEGE TAX

The City's Business Privilege Tax (BPT) is the combination of a company's gross receipts and net income. Rates are now 0.1415% on gross receipts and 6.4% on net income. The Nutter Administration plans to phase out the gross receipts portion of the Business Privilege Tax (BPT) completely by the year 2018 and to reduce the net income portion of the BPT to 6.25% by 2012, with future reductions planned.



PHILADELPHIA BUSINESS PRIVILEGE AND WAGE TAX REDUCTIONS



- Business Privilege Tax on Net Income
- Resident Wage and Net Profits Tax
- Non-Resident Wage and Net Profits Tax
- Business Privilege Tax on Gross Receipts