

**Resolved,** that PSATS seek legislation to amend the Sterling Act (Act 45 of 19) and amend DCED policy to adopt the Apportionment procedure for calculating the Philadelphia Tax Credit: wherein any TCC, TCC Tax Appeals Board, and the TCC-appointed Tax Collector shall honor credits for wage tax paid to Philadelphia to the extent such credits are accurately calculated using Apportionment; and, the Philadelphia Tax Credit shall not be used to reduce or eliminate EIT owed to any school district or municipality in a TCD on income that is not earned within Philadelphia; and, no credit against EIT owed to any school district or municipality in a TCD shall be allowed by any TCC, TCC Tax Appeals Board, or the TCC-appointed Tax Collector to the extent such credit is claimed based on the Super Credit procedure.

**Explanation of Need for Resolution:**

The Super Credit is a loophole that allows certain taxpayers to earn income outside of Philadelphia without having to pay any local tax on the income. The Super Credit is inconsistent with the PA Constitution, the Act 32 uniform system of EIT collection, relevant court decisions, and other legal authorities.

Because the Super Credit is unfair and unlawful, allowing it would result in the needless loss of school and municipal EIT revenue and would unfairly spread the tax burden among other taxpayers who do not receive any “Super Credits” or other special treatment.