

Instructions for Trade Show Vendors Tax Year 2022 BIRT-EZ and 2022 NPT Returns

Effective for Tax Year 2021 and thereafter, the Revenue Department discontinued the use of the Business Tax Return for Use by Trade Show Vendors. Trade Show Vendors who have attended trade show events within Philadelphia in 2022 and have sold merchandise or performed services at the event(s) are required to now file using the 2022 Business Income and Receipts Tax (BIRT) – EZ Form and (if unincorporated) to also file the 2022 Net Profits Tax (NPT) return.

For Trade Show Vendors only, Philadelphia permits the use of separate accounting to compute taxable receipts and net income for the specific event(s) within the City of Philadelphia. That is, Trade Show Vendors can compute a separate Profit & Loss/ Income Statement for the specific event(s) that reports the gross receipts generated and a computation of net income after deducting the ordinary, reasonable and necessary expenses related to the event(s).

NOTE: Philadelphia exempts the first \$100,000 of gross receipts from BIRT and a proportional share of net income from the BIRT. If you have gross receipts less than \$100,000 you do not have a BIRT liability. However, we recommend you file a “No Tax Liability” (NLT) form. Additionally, even if you do not have a BIRT liability, you may still owe the Net Profits Tax.

How to file - save time, file online on the Philadelphia Tax Center

- 1) **Register for a City Tax Account Number:** Each business must register with the City of Philadelphia Department of Revenue. Disregard this step if you have already registered and have a city account number. Follow these steps to register your business on the Philadelphia Tax Center:
 - Go to tax-services.phila.gov and select "Register a new taxpayer" under the "New taxpayers" panel on the front page.
 - The site asks if you are a tax professional registering on behalf of a client. If you are, select "Yes." All others should select "No."
 - Follow the on-screen prompts to complete registration. The last step is to create a username and password.

- 2) **Obtain a Commercial Activity License:** Each business must obtain a Commercial Activity License with the City of Philadelphia. Disregard this step if you have already registered your business and have a Commercial Activity License. Please contact your local show administrator for the Commercial Activity License form. The Commercial Activity License can also be obtained directly from the City of Philadelphia Department of Licenses and Inspections at www.phila.gov/li.
 - Go to the webpage www.phila.gov/li.
 - Select "Commercial Activity License" from the drop-down menu on the left of the page under - "APPLY: Common Licenses and Permits."

What is a Trade Show Vendor?

Trade Show Vendors are exhibitors or other ancillary businesses that aside from attending the trade show event(s) are not doing regular and systemic business activity within the City of Philadelphia but have sold products or performed services within the Philadelphia Convention Center or other venues within Philadelphia during event(s).



- At the “Obtaining a Commercial Activity License” page, select "If you already have a City of Philadelphia Tax Account Number, and need only the Commercial Activity License, apply online." Selecting this link will connect you to the license application process screen.
- Select "APPLY FOR COMMERCIAL ACTIVITY LICENSE" and follow the prompts to complete the license registration. You must already have a Philadelphia Tax Account Number to complete this step.
- Once completed, select "Continue" at the bottom-right of the page. The system issues a Commercial Activity License instantaneously that may be printed from your computer. The license should be kept with records and displayed when instructed to do so.

3) Use the BIRT-EZ form to File a Trade Show Tax Return

Trade Show Tax Returns must be filed in April each year for prior year activity. If you participate in multiple shows throughout the year (2022), all gross receipts and expenses must be added and filed on April 18, 2023. You may also be responsible to file Net Profits Tax returns on April 18, 2023 for Tax Year 2022.

If using the paper BIRT form:

- Report the gross receipts for the event(s) on the 2022 BIRT-EZ Page 2 Line 7a (i.e. sales of product) or Line 7b (i.e. performance of services) as applicable.
- Report the net income computed for the event(s) on the 2022 BIRT-EZ Page 2 Line 1.
- Unincorporated Trade Show Vendors are subject to the Net Profits Tax on the net income that they earn for the Tax Year. Report the computed net income on the 2022 NPT Page 1 Line 6 (Non-residents of Philadelphia) and compute the Net Profits Tax on Line 7. Do not attached the Profit & Loss /Income Statements to the BIRT-EZ or the NPT returns. We recommend that these statements be maintained with the Trade Show Vendor’s books and records to be produced to the Philadelphia Revenue Department if requested.

For questions about Philadelphia tax accounts and/or tax payments, please email revenue@phila.gov or call **(215) 686-6600** to discuss your questions with a **Taxpayer Services Representative**.

For questions about how to complete a tax return, the explanation of a line on a tax return, what to enter on a line of a tax return, then please contact the Revenue Audit Division by emailing: revenueaudit@phila.gov or calling 215-686-6500 to discuss your questions with the person on tax assistance duty. This Unit operates by providing tax assistance Monday - Friday from 8:30am-5pm.