



Philadelphia City Wage Tax Reduced Effective 7/1/2017

Effective July 1, 2017, Philadelphia will reduce the City Wage Tax Rate.

If you live or work in the city of Philadelphia, keep an eye out for some changes in the city wage tax. A scheduled reduction in the City Wage Tax will take effect July 1, 2017 as part of an ongoing process to reduce the strain on residents and increase the appeal to work in the city.

Effective July 1, 2017:

- **NEW RATE REDUCTION:** 3.8907% for Philadelphia residents
- **NEW RATE REDUCTION:** 3.4654% for non-residents

July 1, 2016—June 30, 2017:

- 3.9004% for Philadelphia residents
- 3.4741% for non-residents

July 1, 2015—June 30, 2016:

- 3.9102% for Philadelphia residents
- 3.4828% for non-residents

Tax Rate History

The first city wage tax was decided at 1.5% on December 13, 1939. Which is a huge leap from the highest point in 1985, when it was 4.96%. Since then, it has been a mission of the mayors to work at gradually decreasing this tax.

There is discussion that we are going to continue to experience a downward trend for residents, in the city wage tax rate starting 7/1/2017 through 2022; its proposed that by 2022 the rate will be as low as 3.2953%

If you have questions about how this rate affects you or your business, contact McCloskey Partners, LLC, your Human Resources/ Recruiting & Training Provider.

Office: 215-716-3035 **Email:** service@mccloskeypartners.com.

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