

List of Applicable NIZ Taxes

The NIZ act states that the following tax revenues paid by companies in the NIZ can be utilized:

- All corporate net income tax, capital stock and franchise tax, personal income tax, business privilege tax, business privilege licensing fees and earned income tax* related to the ownership and operation of any qualified business within the NIZ;
- All personal income tax, earned income tax* and local services tax withheld from its employees by a qualified business within the NIZ;
- All personal income tax, earned income tax* and local services tax withheld from employees of a qualified business that provides events, activities or services in the NIZ;
- All personal income tax, earned income tax* and local services tax to which the Commonwealth of Pennsylvania (the "Commonwealth") would be entitled from performers or other participants at an event or activity in the NIZ;
- All sales and use tax related to the operation of a qualified business within the NIZ;
- All tax paid by a qualified business to the Commonwealth related to the sale of any liquor, wine or malt or brewed beverage within the NIZ;
- The amount paid a qualified business within the NIZ of any new tax enacted by the Commonwealth following the effective date of the NIZ creation;
- All personal income tax, earned income tax* and local services tax withheld from personnel by a qualified business involved in the improvement, development or construction of the NIZ;
- All sales and use tax paid on materials and other construction costs, whether withheld or paid by the development or construction of the NIZ; and,
- An amount equal to any amusement tax paid by a qualified business operating in the NIZ. No political subdivision or other entity authorized to collect amusement taxes may impose or increase the rate of any tax on admissions to places of entertainment, exhibition, amusement, or upon athletic events in the NIZ which are not in effect on the date the NIZ is designated by the contracting authority.
- Any other state or local tax except real estate taxes.

*Local earned income taxes apply only to Allentown residents

Schedule of Typical Taxes for the Businesses in the NIZ

Taxes Base Year (2011)

Tax Description	Tax Rate Applied
Pennsylvania Corporate Net Income Tax	9.99% of corporate net income
Pennsylvania Net Income Tax	3.07% of business net income
Allentown Business Privilege Tax	0.15% retail, 0.1% wholesales, 0.3% other entities revenue
Pennsylvania Local Earned Income Tax from Allentown Residents	1.0% of total employee wages
Pennsylvania Personal Income Tax	3.07% of total employee wages
Pennsylvania Local Services Tax	\$52.00 per employee
Allentown Business License Tax	\$35.00 per business
Pennsylvania Sales and Use Tax	6.0% of revenue for business subject to tax