



For more information, please contact a member of Amper's State and Local Tax Group:

John C. Genz CPA, MST
Partner-in-Charge, State and Local Tax
(732) 919-1400
genz@amper.com

Stephen J. Bercovitch J.D.
Director
(212) 682-1600
bercovitch@amper.com

Gary C. Bingel J.D., CPA, MBA
Director
(908) 218-5002
bingel@amper.com

Paul Weintraub CPA, MST
Senior Manager
(908) 218-5002
weintraub@amper.com

**“SEEING
BEYOND THE
numbers...”**

www.amper.com

Any tax advice in this communication is not intended or written by Amper, Politziner & Mattia to be used, and cannot be used, by a client or any other person or entity for purposes of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to another party any matters addressed herein.

All information provided is of general nature and is not intended to address the circumstances of any particular individual the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

PENNSYLVANIA: STATE AND LOCAL TAX ADVISORY

Philadelphia Wage Tax Rate Reductions

Despite hard times, Philadelphia continues its Wage Tax rate reductions. Effective July 1, 2009 through December 31, 2009, the new Philadelphia Wage Tax rates are as follows:

Residents: 3.9296%

Nonresidents: 3.4997%

Employers and employees should make sure these new rates are being taken into account when calculating their Philadelphia Wage Taxes.

Commonwealth Court Rules MRI Equipment Exempt Realty for Sales/Use Tax Purposes

In two separate cases, the Commonwealth Court overturned the Board of Finance and Revenue and found that MRI and CT scan systems were exempt realty. Consistent with its prior case law analysis, the Court looked to 1) the manner of physical attachment or installation; 2) the extent to which the systems are essential to the use of the building; and, 3) whether the systems were intended to be permanent. Thus, while these systems fell into a category of property that could be considered tangible personal property (which would be taxable), or realty (which would be exempt), based on the facts presented, these systems were found to be realty.