



Written by [Michael Tennant](#) on August 24, 2010

In Philly, Blogging Brings Big Business License Bill

Philadelphia: The City of Brotherly Love. The home of Independence Hall, where the Declaration of Independence and the U.S. Constitution were drafted. The town where blogging costs \$300.

Yes, you read that correctly. According to the *Philadelphia City Paper*, anyone with a blog that has the potential to generate profits — even if it doesn't actually generate any — is required by the city of Philadelphia to pay \$300 for a business privilege license. (Bloggers can opt for the \$50 annual fee in lieu of the \$300 lifetime license.)



The report explains the city's rationale thus:

Even though small-time bloggers aren't exactly raking in the dough, the city requires privilege licenses for any business engaged in any "activity for profit," says tax attorney Michael Mandale of Center City law firm Mandale Kaufmann. This applies "whether or not they earned a profit during the preceding year," he adds.

So even if your blog collects only a handful of hits a day, as long as there's the potential for it to be lucrative — and, as Mandale points out, most hosting sites set aside space for bloggers to sell advertising — the city thinks you should cut it a check. According to Andrea Mannino of the Philadelphia Department of Revenue, in fact, simply choosing the option to make money from ads — regardless of how much or little money is actually generated — qualifies a blog as a business. The same rules apply to freelance writers.

The upshot is that some bloggers who made the mistake of reporting their meager earnings to the city were informed that they must pay for a business privilege license, plus the wage tax, business privilege tax (on top of the business privilege *license*), and net profits tax. For example, Marilyn Bess, who operates a blog called MS Philly Organic and occasionally posts on ehow.com, has made a whopping \$50 from these ventures over the last few years yet is now being forced to pony up six times that for the privilege of doing business in Philadelphia.

Sean Barry, who runs a music-oriented blog called Circle of Fits, earned a whole \$11 from it over the last two years and also got a business privilege license notice from the city. Barry, however, epitomizes the problem rather than the solution, telling the *City Paper*, "I don't think blogs should be taxed unless they are making an immense profit."

But who is to decide what constitutes an "immense profit"? At what level of income does it become acceptable for the government to force someone to fork over his own money for the privilege of working within its jurisdiction?

Is this really likely to help the city anyway? Won't it be more apt to cause bloggers either to stop accepting any profits — meaning they will have less to spend in the city — or to move to a locale that does not penalize them for being productive?



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Although, as the *City Paper* points out, a measure will soon be proposed in the city council to exempt the first \$100,000 of profit from the business privilege tax, it does nothing about the \$300 license fee, nor does it get to the root of the problem: the idea that individuals' money belongs to the government first and that individuals ought to be grateful for whatever small amount their benevolent overseers allow them to keep.

These license fees and taxes should be repealed, not reformed. Repealing them would encourage bloggers and other businessmen to operate in the city, which in turn would go a long way toward restoring that unalienable right declared in Philadelphia 234 years ago: the pursuit of happiness.



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