

## **FREQUENTLY ASKED QUESTIONS**

### **Institution and Service Privilege Tax**

- **Who Is Taxed On Gross Income?** – Entities covered include hospitals, libraries, universities, colleges, “schools, other than secondary or elementary”, fraternal organizations and other organizations with status 501 (C)(3), nursing homes, veterans organizations, health organizations, charitable organizations and day care providers.
- **Who Is Not Taxed On Gross Income?** – Political subdivisions, any agent of Federal, State or Local government, a true public charity in respect to transactions directly related to its principal charitable purpose.

The Pittsburgh Code imposes a tax rate of six mills (0.006) or two mills (0.002) depending on the type of revenue on each dollar of volume of the gross annual of any foundation, partnership, association, corporation, s-corporation, any other type of organization operating under a non-profit organization or organized as a non-profit entity. Any type of service, income, rental, sale of drinks, food and dance activity conducted by the non-profit charter to the general public or to a selected or limited number thereof is taxable and due.