

## Income/Franchise:

### Pennsylvania: US Supreme Court Denies Taxpayer's Request to Review Constitutionality of Philadelphia Wage Tax Scheme

*Docket No. 23-914*, US (petition for cert. denied 1/13/25). The US Supreme Court (Court) denied a City of Philadelphia, Pennsylvania (City) resident's request to review her rejected claim for an additional City wage tax credit for a portion of the Delaware state taxes incurred while she worked full-time in the City of Wilmington, Delaware. In her filed petition, she had asked the Court to consider how states credit taxpayers' out-of-state tax liabilities under the Commerce Clause. In 2023, the Pennsylvania Supreme Court denied her claim for the additional City wage tax credit and concluded that:

URL: <https://www.supremecourt.gov/search.aspx?filename=/docket/docketfiles/html/public/23-914.html>

1. State and local taxes need not be aggregated in conducting a dormant Commerce Clause analysis, and
2. The City's wage tax scheme does not discriminate against interstate commerce [see Case Nos. 20 EAP 2022 and 21 EAP 2022, Pa. (11/22/23) and *State Tax Matters*, Issue 2023-47, for details on the Pennsylvania Supreme Court's 2023 decision].

URL: <https://www.pacourts.us/assets/opinions/Supreme/out/J-5B-2023mo%20-%20105746608246962463.pdf>

URL: [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/231201\\_5.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/231201_5.html)

Specifically, the individual had asked the Court whether the Commerce Clause requires states to consider a taxpayer's burden in light of the state tax scheme as a whole when crediting a taxpayer's out-of-state tax liability "as the West Virginia and Colorado Supreme Courts have held and this Court has suggested," or whether it permits states to credit out-of-state state and local tax liabilities as "discrete tax burdens" as held by the Pennsylvania Supreme Court in this case. Please contact us with any questions.

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