

The following amendments of the Real Estate Tax Regulations are made to reflect various amendments made by ordinances of the City Council ( Bills No.150165, 150265, 150445, 150533 (enacted on June 18, 2015) and 160012 (enacted on March 17, 2016).

CITY OF PHILADELPHIA

REAL ESTATE TAX REGULATIONS FOR CITY OF PHILADELPHIA AND SCHOOL DISTRICT OF PHILADELPHIA

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ARTICLE II IMPOSITION AND RATE OF TAX

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Section 201. Real Estate Taxes.

(a) For each of the following years, the Real Estate Taxes imposed by the City of Philadelphia (under §19-1301) and by the School District of Philadelphia (primarily under §19-1801) is levied at the following respective rates on each one hundred (100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the year immediately preceding the stated year:

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(c) For Tax Year 2014 and thereafter:

- (1) For Tax Year 2014 and 2015, [A] a Real Estate Tax is levied at the rate of 1.34%, of which the Tax Rate levied by the City constitutes 0.6018% and by the School District 0.7382%.
(2) For Tax Year 2016 and thereafter, a Real Estate Tax is levied at the rate of 1.3998, of which he Tax Rate levied by the City constitutes 0.6317% and by the School District 0.7681%.

[2] (3) The tax shall be calculated for all taxable real property in the City, by multiplying the Tax Rate by the Net Taxable Value of the property. Net Taxable Value shall be calculated by subtracting the amount of Homestead Exclusion, if any, provided for in § 19-1301.1 of the Code, from the assessed value of the property returned by the OPA in the year immediately preceding the tax year, but in no event may Net Taxable Value be less than zero.

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ARTICLE III

INSTALLMENT PAYMENTS AND DEFERRAL OF TAXES

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**Section 302. Payment Agreements, Waiving Additions to Tax and Abating Interest and Penalties Otherwise Due, and Requiring Commencement of Enforcement Action.**

(a) Definitions. As used in this Section:

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(d) Prohibited Conduct.

(1) False Statements. No person shall intentionally make any false statement when applying to enter into an Agreement. If it is determined that a taxpayer entered into an Agreement on the basis of an intentionally false statement, the Agreement shall be null and void. The Department shall send taxpayer written notice if it determines a false statement has been submitted and therefore an Agreement is null and void. Such a determination shall be subject to appeal pursuant to subsection (e) of this Section.

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(5) Commencement of Enforcement Action. In the case of taxpayers who do not enter into a payment agreement or otherwise satisfy outstanding liabilities by December 31 of the first year in which the tax is registered as delinquent, and in the case of taxpayers who Default on payment agreements, the Department shall timely take all steps as provided for in the Act of 1923, May 16, P.L. 207, No. 153, § 39.4, as amended, 53 P.S. §§ 7147 and 7193.4, or elsewhere. Pursuant to 53 Pa. C.S. § 7147, the Department shall be authorized to assign or transfer to third-parties, real estate tax claims filed or to be filed, for an amount to be determined by the Department. When proceeding under 53 Pa. C.S. § 7147 (related to assignments and transfers) the Department shall:

(A) Not transfer or assign claims valued at less than One Thousand Dollars (\$1,000.00);

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(F) In the case of Homestead Properties, pursuant to § 19-1301, require that sheriff sale of the property cannot be initiated by a lien holder until two years have passed from the date of purchase of the lien.

(G) Except for subsections (d)(5)(B) and (E) above, the restrictions in subsection (d)(5) shall not apply to the assignment or transfer of tax liens on commercial property.

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ARTICLE IV

DISCOUNTS AND ADDITIONS TO TAX; EXEMPTIONS FROM REAL ESTATE TAXES

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Section 407. Exemptions for Longtime Owner-Occupants of Residential Properties.

(a) Definitions. For purposes of this Section, the following definitions shall apply:

(1) "Certified Market Value." The assessed value of the property as certified by the Office of Property Assessment in the year immediately preceding the tax year.

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(9) "Principal Residence." The dwelling place of a person, including the principal house and lot, and such lots as are used in connection therewith which contribute to its enjoyment, comfort and convenience. For purposes of this Section, the term may also include a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the longtime owner-occupant.

(10) "Low-income longtime owner-occupant." A longtime owner-occupant whose total household income is less than or equal to eighty percent (80%) of the Area Median Income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development in its most recent publication for Philadelphia County.

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(b) Eligibility for Exemption of Real Property Taxes.

(1) Real property shall be eligible for the exemptions provided for under Chapter 19-3900 of the Code if it meets all of the following conditions:

(A) The property is owned and occupied by a Longtime Owner-Occupant on January 1 of the tax year.

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(F) ~~[The]~~ For the first ten years, the total household income is less than or equal to one hundred fifty percent (150%) of the Area Median Income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development in its most recent publication for

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Philadelphia County. For any tax year after the first ten years, the long-time owner-occupant must qualify as a low-income longtime owner-occupant.

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(c) Eligible Areas.

(1) The following areas of the City are hereby declared to be established residential areas or areas of deteriorated, vacant or abandoned homes and properties:

(A) All wards of the City.

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(d) Benefit Determinations.

(1) For purposes of calculating City and School District real estate taxes, upon application pursuant to paragraph (3) of this subsection, if the Certified Market Value of an eligible property for any tax year, minus any Homestead Exclusion, is more than three times the Certified Market Value of such property for the immediately preceding tax year, then the Certified Market Value of such property for such tax year shall be deemed to equal three times the Certified Market Value of such property for the immediately preceding tax year, and no further Homestead Exclusion shall be allowed. Regardless of whether the property is subsequently assessed at a lower or higher market value, [T]he foregoing deemed Certified Market Value shall remain the deemed Certified Market Value until such property is sold, transferred or is no longer the Principal Residence of the eligible [taxpayer, but in no event for more than ten (10) years] taxpayer, or until the eligible taxpayer voluntarily opts out of the program, that deemed certified market value shall not continue for more than ten years, unless the taxpayer qualifies as a low-income longtime owner-occupant.

(a) Opting out of the program. An eligible taxpayer who is participating in the program authorized by this Chapter may subsequently opt out of the program, provided that such election shall be irrevocable with respect to the property being removed from the program. A taxpayer who opts out of the program may then apply for a homestead exclusion with respect to such property, which shall be evaluated according to the provisions of Section 19-1301.1.

(2) The Department of Revenue shall include with the annual property tax bill sent to each taxpayer with a property that may be eligible for LOOP (a) a notice clearly describing the program authorized by Chapter 19-3900 of the Code, the steps a taxpayer must take to enter into the program, and the

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deadline for doing so; and (b) an application form. The Department and the OPA shall post a downloadable version of the form on their respective websites.]

**(2) The Department of Revenue shall provide notice prior to the annual property tax bill to each taxpayer who could benefit from apply for or opting out of the program, including:**

**(a) A notice clearly describing the program authorized by this Chapter;**

**(b) The steps a taxpayer must take to enter into the program and the deadline for doing so;**

**(c) The steps a taxpayer must take to opt out of the program and thereafter apply for a homestead exclusion, and an explanation that if the taxpayer opts out, the real estate taxes due on the property will thereafter be based on its actual certified market value (minus any homestead exclusion, if any); and**

**(d) An application form and an opt-out form, which may be combined into one form. The Department and the OPA shall post a downloadable version of the application and opt-out forms on their respective websites.**

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**(3) Except as otherwise provided in this subsection, no later than February 17 of each tax year, the owner of any property that meets the criteria set forth in Section 19-3903 of the Code – and subsection (b) of this Section – and who wishes to participate in the program must apply to the OPA for certification as a participant in the program. (See subsection (e).)**

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**(B) Extended deadline for first year of the program.11 An owner of property who would have been eligible for the exemption of real property taxes beginning in Tax Year 2014, but who failed to submit an application by February 17, 2014, shall be deemed to have submitted a timely application if such application is submitted no later than February 17, ~~2015~~ 2017, subject to the following:**

**ii. If the OPA approves an application pursuant to subsection 19-3905 (3)(b) of the Code and subsection (d)(3)(B) of this Section, the resulting "deemed certified market value" shall first take effect with respect to ~~[Tax Year 2015]~~ taxes due on or after the date a timely application is filed and shall remain the deemed certified market value no longer than an exemption applied for on or before February 17, 2014;**

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- iii. If the total City and School District taxes exempted pursuant to subsection 19-3905(3)(b) of the Code and subsection (d)(3)(B) of this section ***for any tax year***, as certified by the Department no later than forty-five days after the deadline for applications under this subsection, when added to the total City and School District taxes already exempted [**for Tax Year 2014**] pursuant to this Section ***for such tax year***, exceeds twenty million dollars (\$20,000,000), the exemptions allocated pursuant to subsection 19-3905(3)(b) of the Code and subsection (d)(3)(B) of this section shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted do not exceed \$20,000,000; and
- iv. Each exemption authorized pursuant to subsection 19-3905(3)(b) of the Code and subsection (d)(3)(B) of this Section, shall in all other respects be subject to the requirements of Chapter 19-3900 of the Code.

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- (4) The OPA shall approve or deny the application and shall determine the exemption amount to which the Longtime Owner-Occupant is entitled. The OPA may also deny the application for lack of complete documentation with leave to refile within a stated period of time. **This may include requiring recertification of income eligibility under Section 19-3903(1)(f).**

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- Underlining and **Bold** denotes new matter
- [ ] Brackets and **Bold** denotes matter deleted

 Date 10-17-16  
**Frank Breslin, Revenue Commissioner**

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