
MEMORANDUM

To: Frank Breslin, Revenue Commissioner

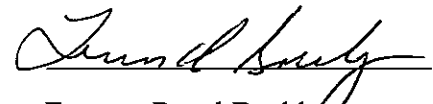
CC: Rebecca LopezKriss, Deputy Revenue Commissioner

From: Frances Ruml Beckley, Chief Revenue Counsel

Date: August 10, 2023

Re: *Amendments to Real Estate Tax Regulations – Section 404 – Exemption from Real Estate Taxes on New Construction of Residential Properties.*

I have reviewed the attached amendments to Section 404 of the Real Estate Tax Regulations to incorporate the amendments to Philadelphia Code Section 19-1303(4), entitled “Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties,” made by Bill No. 200366, signed by the Mayor on December 15, 2020. I find the amendments to be legal and in proper form. In accordance with Section 8-407(a) of the Philadelphia Home Charter Rule, you may now forward the amendment to the Department of Records where it will be made available for public inspection.


Frances Ruml Beckley

Section 404 of the Real Estate Tax Regulations are being amended to incorporate the amendments of Philadelphia Code Section 19-1303(4), entitled "Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties," by modifying the start date of certain changes to tax abatements with respect to new residential construction, all under certain terms and conditions, made by Bill. No. 200366 and signed by the Mayor on December 15, 2020.

**CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE**

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

**ARTICLE IV: DISCOUNTS AND ADDITIONS TO TAX; EXEMPTIONS FROM REAL
ESTATE TAXES**

**Section 404. Exemption from Real Estate Taxes on New Construction of Residential
Properties.**

(a) Exemption Schedule.

- (1) *With respect to applications for exemption initially applied for on or before December 31, 2021, one hundred percent of the assessable amount of the construction costs shall be exempted from real estate taxes for a period of ten years immediately following the date on which settlement is made, and a required certificate of use and occupancy is issued on an eligible dwelling unit. After the tenth year, the exemption shall terminate.*
- (2) *With respect to applications for exemption initially applied for after December 31, 2021, the assessable amount of the construction costs shall be exempted from real estate taxes for a period of ten years immediately following the date on which settlement is made, and a required certificate of use and occupancy is issued on an eligible dwelling unit, as follows: one hundred percent (100%) of the assessable amount of the construction costs shall be exempted in the first year; ninety percent (90%) in the second year; eighty percent (80%) in the third year; seventy percent (70%) in the fourth year; sixty percent (60%) in the fifth year; fifty percent (50%) in the sixth year; forty percent (40%) in the seventh year; thirty percent (30%) in the*

eight year; twenty percent (20%) in the ninth year; and ten percent (10%) in the tenth year. After the tenth year, the exemption shall terminate.

(2)(3) The exemption from taxes granted under this ordinance shall be upon the property and shall not terminate upon the sale or exchange of the property, so long as the dwelling units retain their eligibility.

(3)(4) If an eligible dwelling unit is granted tax exemption pursuant to this ordinance, the value of the improvement shall not, during the exemption period, be considered as a factor in assessing the value of other properties in the same area.

Bold italics denotes new matter

~~Strikethrough denoted deletion~~

Date: August 10, 2023



Frank Breslin, Revenue Commissioner