

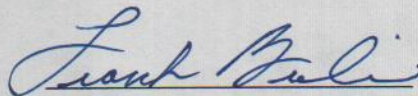
**Special Regulation of the City of Philadelphia Department of
Revenue for Use and Occupancy Tax Relief to Restaurants and
Bars Because of Occupancy Limitations Due to Covid-19
Emergency**

Restaurants and bars allowed to reopen for indoor dining under the Mayor's orders, subject to specific occupancy limits, are subject to Use and Occupancy Tax. However, for restaurants or bars restricted by Philadelphia Health Department orders to limit capacity, the Use and Occupancy Tax liability on the dining room portion of the space is now based on the allowable occupancy percentage of the dining room. This emergency policy is only in effect while the Philadelphia Health Department limits occupancy for restaurants.

For example: Starting January 16th, restaurants must operate their indoor dining rooms with 25% occupancy. For Use and Occupancy Tax purposes, 25% of the restaurant's indoor dining room space will be subject to Use and Occupancy Tax. Restaurants that qualify for higher occupancy rates, for example 50%, are subject to 50% Use and Occupancy Tax for the indoor dining room.

This emergency policy is directed at restaurants or bars subject to capacity limitation orders from the Philadelphia Health Department under specific NAICS codes and sub-codes listed under 722, including:

- 722511 Full-Service Restaurants
- 722513 Limited-Service Restaurants
- 722410 Drinking Places (Alcoholic Beverages)



Frank Breslin

Revenue Commissioner