

CITY OF PHILADELPHIA
LAW DEPARTMENT

MEMORANDUM

TO: Frank Breslin, Revenue Commissioner

CC: Rebecca LopezKriss, Deputy Revenue Commissioner
Tilahun Afessa, Director of Policy
Joseph F. Procopio, Jr., Manager – Technical Staff

FROM: Frances Ruml Beckley, Revenue Chief Counsel

DATE: March 28, 2028

SUBJECT: Amendment to Section 407 of the Real Estate Tax Regulations to clarify the requirements of the Longtime Owner-Occupant Program, especially for Taxpayers with Equitable Title

I have reviewed the attached amendment to Section 407 of the Real Estate Tax Regulations to clarify the requirements of the Longtime Owner-Occupant Program, especially for taxpayers with equitable title. I find the amendment to be legal and in proper form. In accordance with Section 8-407(a) of The Philadelphia Home Rule Charter, you may now forward the amendment to the Department of Records where it will be made available for public inspection.


Frances Ruml Beckley

Section 407 of the Real Estate Tax Regulations is being amended to clarify the requirements of the Longtime Owner-Occupant Program, especially for taxpayers with equitable title.

CITY OF PHILADELPHIA

REAL ESTATE TAX REGULATIONS

ARTICLE IV

DISCOUNTS AND ADDITIONS TO TAX; EXEMPTIONS FROM REAL ESTATE TAXES

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.
 - (2) “Eligible Property.” The Principal Residence and domicile of an eligible taxpayer under §19-3903 of the Code and under subsection (b) of this section.
 - (3) *“Application Date.” The date that an application for an exemption under this section is submitted to the City.*
 - ~~(3)~~ (4) “Homestead Exclusion.” As described in §19-1301.1 of the Code and in §202 of these regulations.
 - (4) ~~(5)~~ “Household Income.” Household income shall mean all income received by the Longtime Owner-Occupant and members of his or her household while residing in the taxpayer’s Principal Residence, during the year immediately preceding the tax year for which the real estate tax exemption is requested.
 - ~~(5)~~ (6) “Income.” As defined at 24 Code of Federal Regulations (CFR) §5.609 (referred to as “Part 5 annual income”), income includes but is not limited to:
 - (A) The full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services;
 - (B) The net income from the operation of a business or profession (see 24 CFR §5.609(b)(2) for details);

- (C) Interest, dividends, and other net income of any kind from real or personal property (see 24 CFR §5.609(b)(3) for details);
- (D) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in 24 CFR §5.609(c)(14) – see for details);
- (E) Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay (except as provided in 24 CFR §5.609(c)(3) – see for details);
- (F) Welfare assistance payments made under Temporary Assistance for Needy Families (“TANF”). Welfare assistance payments made under the TANF program are included in annual income only to the extent such payments:
 - (i) qualify as assistance under the TANF program definition at 45 CFR §260.31; and
 - (ii) are not otherwise excluded under 24 CFR §5.609(c);
 (See 24 CFR §5.609(b)(6) for details).
- (G) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- (H) All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided under 24 CFR §5.609(c)(7) – see for details); and
- (I) Such other items of income as described at 24 CFR §5.609.

Income shall not include items specifically excluded under 24 CFR §5.609(c), such as: Income of Children; Foster Care Payments; Inheritance and Insurance Income; Medical Expense Reimbursements; Income of Live-in Aides; **Income of Disabled Persons**, Student Financial Aid; Armed Forces Hostile Fire Pay; Self-Sufficiency Program Income; Gifts; Reparations; Income from Full-time Students; Adoption Assistance Payments; Social Security & SSI Income; Property Tax Refunds; Home Care Assistance; **and** Other Federal Exclusions (see 24 CFR §5.609(c) for details).

- (6) (7) “Longtime Owner-Occupant.” Any person who (as of July 1 of the year immediately preceding the tax year), has owned and occupied the same dwelling as a Principal Residence and domicile within the City of Philadelphia for at least ten (10) continuous years; or any person who (as of July 1 of the year immediately preceding the tax year), has owned and occupied the same dwelling as a Principal Residence and domicile within the City of Philadelphia for at least five (5) continuous years, if that person received assistance in the acquisition of the property as part of a government or non-profit housing

program (“Housing Assistance”). *References to ten (10) years throughout these regulations shall be replaced with five (5) years in cases where that is the relevant time period because of Housing Assistance.*

(7) (8) Longtime Owner-Occupants Program (“LOOP”). The real estate tax exemption program authorized under Chapter 19-3900 of the Code and granting tax exemptions for Longtime Owner-Occupants of residential properties.

(8) (9) “Owner.” Owner shall mean:

- (A) The owner of record, as recorded with the Department of Records;
- (B) An equitable owner, defined as a person, *other than the record owner*, who has inherited an interest in the property from the deceased owner of record; a person who has entered into an installment land contract to purchase the property from the owner of record; a person who was the owner of record before a fraudulent conveyance of the property occurred; or a person who can demonstrate some other ownership interest in the property;
- (C) Where the owner of record either is deceased or cannot be located, a person who has registered his or her name with the Department as the person to whom tax bills should be sent and who has been paying such bills for at least the preceding ten years;
- (D) Where the owner of record acquired the property from a spouse, due to death or divorce, or from a life partner, due to death or termination of the life partnership, the owner of record shall be deemed to have been the owner of record throughout the period of ownership of the transferring spouse or life partner; or
- (E) Where the owner of record or equitable owner: (i) acquired the property from a spouse, life partner, parent, stepparent, child, brother, sister, aunt, uncle, grandparent or step-grandparent; (ii) as of July 1 of the year immediately preceding the tax year, has been resident in the property for at least ten (10) years; and (iii) has paid the majority of the expenses (including property taxes, maintenance, and utilities bills) for the property during those ten (10) years, that owner shall be deemed to have been the owner throughout the period of his or her residence in the property.

(9) (10) “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.

(a.1) LOOP Documentation Requirements for Equitable Owners. To qualify for LOOP, an equitable owner must establish status as a Longtime Owner-Occupant at a Principal

Residence. The Department of Revenue shall accept a photocopy of any document listed in this subsection, except where a certified or sealed document is specified:

(1) Ownership. To establish an ownership interest under this section, a taxpayer who is not the record owner of his or her homestead must submit at least one (1) of the documents or, where specified, a combination of documents listed below. A taxpayer who establishes residency does not need to have sole ownership of the homestead to qualify for LOOP. Where appropriate, a taxpayer may submit documents from multiple categories listed in this subparagraph to show his or her ownership interest in the property. For example, if her mother is deceased, she can provide documentation from subparagraph (a.1)(1)(I) (proving the rent to own agreement) and from subparagraphs (a.1)(1)(G) (proving her relationship with her mother). As provided in the definition of "Longtime Owner-Occupant" above, the relevant period is five (5) rather than ten (10) years in some cases involving Housing Assistance.

(A) If a taxpayer was the owner listed on the deed, but a fraudulent deed was recorded taking title out of his or her name, the taxpayer shall provide:

(i) A police report that has been filed for the fraudulent deed ("property theft"); or

(ii) Proof that a court action (e.g. a "Complaint") has been filed to remove the fraudulent deed.

(B) If a taxpayer's relative (or someone else through whom the taxpayer has a claim to the property) was the owner listed on the deed ("the original owner"), but a fraudulent deed was recorded taking title out of the original owner's name, the taxpayer must provide:

(i) [1] The deed where the original owner had title; and [2] the death certificate of the original owner showing that the original owner died over ten (10) years before the Application Date and before the fraudulent deed was created, and [3] documentation from one of the categories listed in subparagraphs (C)-(I) showing the taxpayer's connection to the original owner; or

(ii) [1] A police report that has been filed for the fraudulent deed ("property theft"), and [2] documentation from one of the categories listed in subparagraphs (C)-(I) showing the taxpayer's connection to the original owner; or

(iii) Proof that a court action (e.g. a "Complaint") has been filed to remove the fraudulent deed.

(C) A deed from at least ten (10) years before the Application Date that

puttitle into taxpayer's name that is notarized but which has not been recorded at the Recorder of Deeds.

- (D)** *A divorce decree, or other family court order, from at least ten (10) years before the Application Date that gives the taxpayer title to the property.*
- (E)** *Letters Testamentary or Letters of Administration from at least ten (10) years before the Application Date that name the taxpayer as the executor/administrator of the property owner's estate [either a certified copy or a copy with the Register of Wills' seal on it may be used].*
- (F)** *The property owner's death certificate from at least ten (10) years before the Application Date, and [2] a marriage certificate that shows that taxpayer and the property owner were married [certified copies, photocopies with the Pennsylvania Department of Health's seal, or comparably verified documents from another state or country's equivalent agency may be used].*
- (G)** *The property owner's death certificate from at least ten (10) years before the Application Date, and [2] a taxpayer's birth certificate that lists the property owner as taxpayer's mother or father [either certified copies, photocopies with the Pennsylvania Department of Health's seal, or comparably verified documents from another state or country's equivalent]. A taxpayer may provide a series of birth and death certificates as proof that they inherited an interest in the property pursuant to state law.*
- (H)** *The property owner's will that leaves the property to taxpayer, and [2] the property owner's death certificate from at least ten (10) years before the Application Date [the death certificate must be either a certified copy, a photocopy with the Pennsylvania Department of Health's seal, or comparably verified document from another state or country's equivalent agency]. If a property owner's will leaves the property to someone else and that person left a will leaving the property to the taxpayer, the taxpayer should provide both wills and both death certificates.*
- (I)** *A rent-to-own agreement from at least ten (10) years before the Application Date (a.k.a. lease/purchase agreement or installment land contract) signed by the property owner, and [2] documentation showing that the taxpayer has made payments to the property owner in at least six different years before the Application Date or otherwise has attempted to comply with the agreement.*
- (J)** *A letter of representation from an attorney who is helping the taxpayer establish legal title to the property. The letter should be on the law firm's letterhead; explain the facts and taxpayer's legal claim to the property; state that the attorney is representing the taxpayer to help them obtain title;*

state that the attorney will notify the City if they stop representing the taxpayer; and include the attorney's Pennsylvania attorney identification number.

(2) *Residency. To establish residency as a Longtime Owner-Occupant under this section, a taxpayer must submit documents proving [1] current residency at the property and [2] residency for the ten (10) years prior to the Application Date (longtime residency). As provided in the definition of Longtime Owner-Occupant under subsection (a) of this section, the relevant period for longtime residency is five (5) years rather than ten (10) years in some cases involving Housing Assistance. Documentation must include the taxpayer's name and the property address.*

(A) *Current Residency. To establish current residency, a taxpayer must submit one (1) document from any two (2) separate categories below proving residency at the property. Acceptable documents to establish current residency include, but are not limited to:*

(i) *Government-issued ID that has not expired:*

a. *Photo ID issued by the U.S. Federal Government, the Commonwealth of Pennsylvania (including the Department of State Voter ID Card), or the City of Philadelphia;*

b. *PA Driver's License or Non-Driver's License Photo ID;*

c. *U.S. Passport;*

d. *U.S. Military ID, including active duty and retired military [military or veteran's ID must designate an expiration date or designate that the expiration date is indefinite; a military dependents ID must contain an expiration date.]; or*

e. *Employee Photo ID issued by the U.S. Federal Government, the Commonwealth of Pennsylvania, a Pennsylvania County, or a Municipal government.*

(ii) *Voter Registration Card.*

(iii) *Utility Bills. The Department shall accept PGW, Water Revenue Bureau, PECO, cable, or landline telephone bills as proof of residency if the taxpayer presents at least two (2) bills from at least two (2) different months from within the last six (6) months. The two (2) bills may be for the same utility service or for different utility services.*

(iv) *Employment/Income Tax records:*

- a. *At least two (2) pay stubs from current employer from the last six (6) months;*
 - b. *The most recent year's W-2 form; or*
 - c. *The most recent year's state or federal income tax records.*
- (v) *Government-issued benefit or award letter (federal, state, or local) from the last twelve (12) months:*
- a. *Social Security, SSI, DPW, or SNAP (food stamp) benefit award letter or COMPASS printout;*
 - b. *Unemployment compensation award letter;*
 - c. *LIHEAP award letter;*
 - d. *Homestead Exemption award letter or OPA print-out showing Homestead Exemption has been approved.*
- (vi) *At least two (2) mortgage statements from the last six (6) months.*
- (vii) *At least two (2) student loan billing statements from the last six (6) months.*
- (viii) *At least two (2) bank statements from the last six (6) months.*

(B) *Longtime Residency. To establish longtime residency, the taxpayer may submit a combination of documents from any of the categories listed below so long as the documents include: [1] one document bearing a date at least ten (10) years prior to the application date and [2] five other documents each bearing a date from a different year within the ten-year period before the application date. In cases involving Housing Assistance, the taxpayer must submit: [1] one document bearing a date at least five (5) years prior to the application date and [2] three other documents each bearing a date from a different year within the five-year period before the application date. The Department shall implement these documentation requirements in a reasonable manner. Acceptable documents to establish longtime residency include but are not limited to:*

- (i) *Utility Bills for the property. Copies of utility bills, records from utility companies documenting bills in the taxpayer's name, records from utility companies documenting payments made by the taxpayer, or other similar documentation. The Department shall accept PGW, Water Revenue Bureau, PECO, cable, or landline telephone bills or records as proof for purposes of this subsection.*
- (ii) *Real Estate Tax Records. Cancelled checks or other documentation that the taxpayer has been paying the real estate taxes at the property. Applications for or other documentation related to payment*

agreements or other tax relief programs for the property.

- (iii) Employment/Income Tax Records. Paystubs or other documentation from an employer. Federal, state, or local income tax records or other documentation related to income taxes.*
- (iv) Other federal, state, or local records. Any document received from a federal, state, or local agency, including award letters or program eligibility determinations.*
- (v) Court records. Any court filing or other judicial record.*
- (vi) Government-issued ID:*
 - a. Photo ID issued by the U.S. Federal Government, the Commonwealth of Pennsylvania (including the Department of State Voter ID Card), or the City of Philadelphia;*
 - b. PA Driver's License or Non-Driver's License Photo ID;*
 - c. U.S. Passport;*
 - d. U.S. Military ID, including active duty and retired military;*
 - e. Employee Photo ID issued by the U.S. Federal Government, the Commonwealth of Pennsylvania, a Pennsylvania County, or a Municipal government;*
- (vii) Voter Registration Card.*
- (viii) Mortgage, student loan, or credit card statements or other similar documentation submitted to or received from any creditor or debt collector.*
- (ix) Bank statements or other documentation from a financial institution.*
- (x) Medical records or other documentation regarding medical care, including bills or health insurance documents.*

(b) LOOP 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.
- (B) The property is the Principal Residence and domicile of the Longtime Owner-Occupant.
- (C) The property is located in an eligible long-established residential area or an area of deteriorated, vacant, or abandoned homes and properties as defined by §19-3904 of the Code and subsection (c) of this section.
- (D) All real estate taxes on the property are current or subject to a payment agreement that is not in default, except in the following circumstances:
 - (i) A taxpayer shall not be found ineligible pursuant to this subparagraph while the taxpayer has an application for a payment agreement pending determination by the Department.
- (E) *Conditions related to previous abatements:*
 - (i) For applications filed in or before calendar year 2018: The property has not previously received an abatement of taxes under §19-1303(2), §19-1303(3), §19-1303(4), or §19-1303(5) of the Code or under Section 402, Section 403, Section 404, or Section 405 of these regulations.
 - (ii) For applications filed in or after calendar year 2019: The property has not received an abatement under § 19-1303(2), § 19-1303(3), § 19-1303(4), or § 19-1303(5) of the Code or under Section 402, Section 403, Section 404, or Section 405 of these regulations, during the time in which the property was owned by the current owner or—where the owner qualifies as an owner under § 19-3903(3)(d) or (e)—during the time in which the property was owned by the spouse, life partner, parent, stepparent, child, brother, sister, aunt, uncle, grandparent, or step-grandparent from which whom the current owner acquired the property.
 - (iii) This condition of eligibility shall not apply to a property the owner of which received or benefited from assistance provided in connection with the acquisition of the property as part of a government or non-profit subsidized low or moderate income housing program.
- (F) For each year, 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 (“HUD”) in its most recent publication for Philadelphia County.

EXAMPLE:

Area Median Income for Philadelphia County as determined by HUD for Fiscal Year 2013 is \$79,200;

Household Size	1	2	3	4	5	6	7	8
Maximum Income (150% of Area Median Income)								
	\$83,200	\$95,050	\$106,950	\$118,800	\$128,350	\$137,850	\$147,350	\$156,850

- (G) Where the owner is not the owner of record, **and** the owner makes a good faith effort to obtain record title within three (3) years of applying for the exemption provided for by this section. Upon a determination that the owner has not made the required good faith effort, the ~~OPA Department~~ may notify the owner in writing that the exemption is being revoked. The ~~OPA Department~~ shall not revoke an ~~exemption~~ unless the ~~OPA Department~~ had previously notified the owner in writing of this obligation at the time of the owner's application or thereafter, and at least three (3) years prior to the revocation.
- (2) **Additional Documentation for Proof of Eligibility.** The ~~OPA Department~~ may request, at its discretion, that an owner submit **additional** documentation for proof of eligibility i.e., ownership, residency.
- (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.
- (d) Benefit Determinations.
- (1) For purposes of calculating City and School District **Real Estate Taxes**, upon application pursuant to **subsection (e) ("Application Process")**:
- (A) If the Certified Market Value of an eligible property for any tax year through and including 2018, minus any Homestead Exclusion, is more than three (3) 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 (3) times the Certified Market Value of such property for the immediately preceding tax year, and no further Homestead Exclusion shall be allowed.
- (B) If the **Certified Market Value** of an eligible property for any tax year after tax year 2018, minus any Homestead Exclusion, is more than one and a half (1.5) 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 one and a half (1.5) times the Certified Market Value of such property for the immediately preceding tax year, and no further Homestead Exclusion shall be allowed, provided that:

(i) For tax year 2019 only: the taxes exempted by this subparagraph (B) shall be paid in full in tax year 2019, as if there were no exemption, and shall be credited against the taxes owing by the taxpayer for tax year 2020; provided further, that, if the property is no longer the Principal Residence and domicile of the Longtime Owner-Occupant on January 1, 2020, no credit shall be provided and the credit shall immediately expire.

(C) For purposes of this subsection, regardless of whether the property is subsequently assessed at a lower or higher market value, the foregoing deemed Certified Market Value shall remain the deemed Certified Market Value as long as the eligible taxpayer remains eligible; until such property is sold, transferred, or is no longer the Principal Residence of the eligible taxpayer; or until the eligible taxpayer voluntarily opts out of the program.

(2) **Opting out of the Program.** An eligible taxpayer who is participating in the program authorized by Chapter 19-3900 of the Code 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 §19-1301.1 of the Code.

(A) EXAMPLE 1

The Certified Market Value (“CMV”) of the taxpayer’s property (Principal Residence) for tax year 2014 is \$350,000 and the Homestead Exclusion is \$30,000; the CMV for tax year 2013 is \$100,000. Determination of the benefit would be as follows:

- $\$350,000 - \$30,000 = \$320,000$; $\$320,000/\$100,000 = 3.2$
- The deemed (i.e., recalculated) CMV for tax year 2014 would be:
 $3 \times \$100,000 = \$300,000$

(B) EXAMPLE 2

The CMV of the taxpayer’s property (Principal Residence) for tax year 2014 is \$350,000 and the Homestead Exclusion is \$0 because the taxpayer either did not apply for the Homestead Exclusion or did not timely file an application for such exclusion; the CMV for tax year 2013 is \$100,000. Determination of the benefit would be as follows:

- $\$350,000 - \$0 = \$350,000$; $\$350,000/\$100,000 = 3.5$

- The deemed (i.e., recalculated) CMV for tax year 2014 would be: $3 \times \$100,000 = \$300,000$

Provided all of the eligibility conditions as described in subsection (b) of this section are met, the taxpayer in Examples 1 and 2 would be entitled to an exemption because the CMV of the eligible property for tax year 2014, minus the Homestead Exclusion, is more than three times the CMV of such property for tax year 2013. No further Homestead Exclusion would be allowed. The \$300,000 CMV deemed for tax year 2014 would remain the deemed CMV until the property is sold, transferred, or is no longer the Principal Residence of the eligible taxpayer ~~for a maximum of ten (10) years~~ , *or until the eligible taxpayer voluntarily opts out of the program.*

(C) EXAMPLE 3

The CMV of the taxpayer's property (Principal Residence) for tax year 2014 is \$300,000 and the Homestead Exclusion is \$30,000; the CMV for tax year 2013 is \$100,000. Determination of the benefit would be as follows:

- $\$300,000 - \$30,000 = \$270,000$; $\$270,000/\$100,000 = 2.7$

The property is not eligible because the CMV for the property for tax year 2014 minus the Homestead Exclusion is not more than three times the CMV of such property for tax year 2013. The property cannot be enrolled in LOOP, but the taxpayer can still take advantage of the Homestead Exclusion.

(D) EXAMPLE 4 – For Tax Year 2019 only

The CMV of the taxpayer's Principal Residence for tax year 2018 was \$300,000. The CMV for tax year 2019 is \$520,000 and the Homestead Exclusion is \$40,000.

Determination of the tax benefit is as follows:

- $\$520,000 - \$40,000 = \$480,000$; $\$480,000/\$300,000 = 1.6$

The property is eligible for the benefit since the 2019 CMV less the Homestead Exclusion (i.e. \$480,000) is more than one and a half (1.5) times the CMV of the property for tax year 2018 (i.e. $\$300,000 \times 1.5 = \$450,000$). However, as required under subparagraph 1(B) of this subsection, the Real Estate Tax for 2019 will be paid in full (as if the benefit did not exist) based on the taxable value of \$480,000 (\$520,000 CMV - \$40,000 Homestead Exclusion). The $\$480,000 - \$450,000 = \$30,000$ benefit that was not used in tax year 2019 will be credited to tax year 2020 provided that the property remains to be the Principal Residence of the Longtime Owner- Occupant on January 1, 2020. However, the new CMV for tax year 2019 is \$450,000.

(E) EXAMPLE 5 – For Tax Years 2020 and later

The CMV of the taxpayer's Principal Residence for tax year 2019 was

\$300,000. The CMV for tax year 2020 is \$520,000 and the Homestead Exclusion is \$45,000.

Determination of the tax benefit is as follows:

○ $\$520,000 - \$45,000 = \$475,000$; $\$475,000/\$300,000 = 1.6$

*The property is eligible for the benefit since the 2020 CMV less the Homestead Exclusion (i.e. \$475,000) is more than one and a half (1.5) times the CMV of the property for tax year 2019 (i.e. $\$300,000 * 1.5 = \$450,000$). No further Homestead Exclusion would be allowed. The \$450,000 CMV deemed for tax year 2020 would remain the deemed CMV until the property is sold, transferred, or is no longer the Principal Residence of the eligible taxpayer.*

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

- (A) A notice clearly describing the program authorized by this ~~Chapter section~~;
- (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 Exemption, 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 Exemption, if any); and
- (D) An application for 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 form on their respective websites.

(4) **Timeliness of Application.** 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 §19-3903 of the Code and subsection (b) of this section, and who wishes to participate in the program must apply to the ~~OPA~~ **Department** for certification as a participant in the program (see subsection (e) "**Application Process**").

- (A) Effective October 1, 2014, the ~~OPA~~ **Department**, at its discretion, is authorized to grant exceptions to the deadline provided in paragraph (3) ~~of this subsection~~ (4) **above**, upon the provision that an owner of real property provide evidence of hardship or evidence of other good cause, provided that: (1) no exception to the deadline shall be granted with respect to any application received at the time of or after the certification by the ~~Department~~, **and** (2) that total exemptions equal the maximum amount permitted under subsection 19-3905(7) of the Code and paragraph (6) of this subsection. Hardship and "evidence of other good cause" may be determined based on consideration of various factors. The ~~OPA~~ **Department** shall determine whether such factors shall be considered

individually or shall be based on a combination of factors or ~~the~~ totality of such factors. The ~~OPA~~ **Department** shall promulgate such regulations and forms as are deemed necessary to effectuate the purpose of this subsection ~~(d)(3)(a)~~. The Tax Review Board is authorized to review any adverse final determination by the Department relating to an individual's application for an exception, in like manner and with the same effect as a Petition for Review, as provided in Chapter 19-1700 of the Code.

(B) Extended deadline for first year of the program. 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, 2021, subject to the following:

- (i) The owner must be eligible for the exemption as of the **Application Date** ~~date the application is actually submitted~~;
- (ii) If the ~~OPA~~ **Department** approves an application pursuant to subsection 19-3905 (3)(b) of the Code and subsection (d) ~~(3)(B)~~ (1) of this section, the resulting "deemed Certified Market Value" shall first take effect with respect to taxes due on or after the date a timely application is filed, but no sooner than tax year 2020, and shall remain the deemed Certified Market Value no longer than an exemption applied for on or before February 17, 2014;
- (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)~~ (1) of this section [for any tax year, as certified by the Department no later than forty-five (45) days after the deadline for applications under this subsection], when added to the total City and School District taxes already exempted pursuant to this section for such tax year, exceeds the maximum exemptions permitted pursuant to subparagraph (6) below, the exemptions allocated pursuant to subsection 19-3905(3)(b) of the Code and subsection (d) ~~(3)(B)~~ (1) of this section shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted do not exceed such maximum; and
- (iv) Each exemption authorized pursuant to subsection 19-3905(3)(b) of the Code and subsection (d)(1) of this section, shall in all other respects be subject to the requirements of Chapter 19-3900 of the Code.

(C) For tax year 2019 only, a property owner shall have until June 30, 2019, to apply to OPA for certification as a participant in the program.

(5) The ~~OPA~~ **Department** shall approve or deny the application and shall determine the exemption amount to which the Longtime Owner-Occupant is entitled. The ~~OPA~~ **Department** 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 §19-3903(1)(f).

- (6) Nothing in this section and Chapter 19-3900 of the Code shall be construed as a limitation on the eligibility or the amount of any special tax provisions of any Longtime Owner-Occupant who qualifies for the special tax provisions established in Chapter 19-2900 of the Code entitled, "Senior Citizen Low Income Special Tax Provisions."

(7) ***Exemption Allocations.***

(A) If, for any tax year (through and including tax year 2018), the total City and School District of Philadelphia taxes exempted pursuant to the foregoing on all properties in the City [as certified by the Department no later than forty-five (45) days after the deadline for applications under Chapter 19-3900 of the Code], are in excess of twenty million dollars (\$20,000,000) then, notwithstanding subsection 19-3905(1) of the Code and this subsection, the exemptions shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted do not exceed \$20,000,000.

(B) If, for tax year 2019 or any tax year thereafter, the total City and School District taxes exempted pursuant to the foregoing on all properties in the City ~~as certified by the Department no later than forty five days after the deadline for applications under this section,~~ are in excess of twenty-five million dollars (\$25,000,000) then, notwithstanding subsection (d) above ("***Benefit Determinations***"), the exemptions shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted do not exceed \$25,000,000; provided that, for tax year 2019 only, this five million (\$5,000,000) increase in the maximum taxes exempted shall be applied instead to the following tax year, so that the total taxes exempted for tax year 2020 only, shall not exceed thirty million dollars (\$30,000,000).

(e) **Application Process.**

- (1) The owner of any property that meets the criteria set forth in subsection (b) of this section ("***LOOP Eligibility for Exemption of Real Property Taxes***") who wishes to participate in the program must apply to the **OPA Department** for certification as a participant, no later than February 17 of the tax year or ~~with~~ **submit** a request that the **OPA Department** exercise its discretion to extend the deadline. An applicant approved as a participant in the LOOP Program does not have to apply to the **OPA Department** for certification for each applicable tax year thereafter.
- (2) The application to participate in the LOOP Program shall contain the following information:

- (A) Certification statement signed by an owner (as defined in subsection (a) of this section) for whom the property is his or her Principal Residence, asserting that he or she is the owner of the property listed on the application and that all information provided on the application is true and correct;
 - (B) Owner's name and social security number (SSN) or individual taxpayer identification number (ITIN). If there are multiple owners, the SSN or ITIN must be provided for at least one owner, and that owner must be the Longtime Owner-Occupant (as defined in subsection (a) of this section);
 - (C) Property address to be enrolled in the LOOP Program;
 - (D) OPA account number – which is the real estate property number indicated on the Real Estate Tax bill;
 - (E) Telephone number;
 - (F) Date of ownership of the property;
 - (G) Number of individuals residing in the household;
 - (H) Total annual income for all individuals residing in the household;
 - (I) Such other information that the Department ~~or OPA~~ may deem necessary to determine eligibility.
- (3) Completed signed application shall be mailed to the address designated by ~~OPA~~ ***the Department***.
 - (4) An owner may be required to submit documents to verify the information provided in the application. If so, the owner will be contacted accordingly by the Department ~~or OPA~~.
 - (5) The ~~OPA~~***Department*** shall approve or deny the application. The ~~OPA~~***Department*** may also deny the application for lack of complete documentation with leave to re-file within a stated period of time.
 - (6) An applicant/owner approved for LOOP shall be required to notify the ~~OPA~~***Department*** if the owner's use of the property changes such that the property is no longer eligible, or may no longer be eligible, for the exemption.
- (f) Prohibited Conduct: Penalties and Additions.

No taxpayer shall intentionally make any false statement when making application for eligibility to receive an exemption of real property taxes. If it is determined that a taxpayer made application for the real property tax exemption program on the basis of a false statement the eligibility for the exemption provisions is null and void and the applicant shall

be required to pay the City outstanding tax liability and any additions, interest, or penalties computed as if the taxpayer had never been granted any exemption.

- (g) Review by Tax Review Board.


The Tax Review Board is authorized to review any adverse final decision or determination of the ~~OPA~~**Department** relating to a taxpayer's initial and continued eligibility for the real property tax exemption program as provided herein, in like manner and with the same effect as a ~~Petition for~~ **Review**, as provided in Chapter 19-1700 of the Code.

Bold italics denotes new matter

~~Strikethroughs denotes deletions~~

Bold indicates where punctuation, style, and numbering has been changed for consistency or clarity.

Date: March 28, 2021



Frank Breslin
Revenue Commissioner