



# City of Philadelphia

City Council  
Chief Clerk's Office  
402 City Hall  
Philadelphia, PA 19107

## RESOLUTION NO. 240108

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**Introduced February 15, 2024**

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**Councilmember Thomas  
for  
Council President Johnson**

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## RESOLUTION

Authorizing the reconvening of the Philadelphia Tax Reform Commission and its Advisory Committee to conduct an updated comprehensive analysis of all taxes imposed in the City of Philadelphia, and to make recommendations concerning tax reforms that support the City's economic growth and competitiveness.

WHEREAS, the Philadelphia Tax Reform Commission was established in 2002 pursuant to Resolution 020264 which provided that the Commission consist of community and business leaders, the various local chambers of commerce, institutions of higher education, and trade organizations; and

WHEREAS, the Commission was established for the purpose of conducting a comprehensive analysis of, and make recommendations concerning, reforms to the tax structure and all taxes imposed in Philadelphia by the City and the Commonwealth of Pennsylvania; and

WHEREAS, the Commission's analysis and recommendations addressed the wage tax, the business privilege tax, the net profits tax, the gross receipts tax, the amusement tax, the use and occupancy tax, the real property tax, the school income tax, the real estate transfer tax, the liquor-by-the-drink tax, the parking tax, the Philadelphia sales tax, the hotel bed tax and any other taxes imposed by the City and by the School District, as well as real estate tax abatements, tax increment finance districts, Empowerment Zones, Keystone Opportunity Zones, and any other programs that use tax abatements or exemptions as economic development tools; and

WHEREAS, the Tax Reform Commission was charged with analyzing each tax to determine why it is imposed, how much revenue the tax generates, the impact of the tax on businesses or residents and the Philadelphia economy, whether it may be eliminated or consolidated with another tax or otherwise simplified, and whether and to what extent the rate of the tax may be decreased in a fiscally and socially responsible manner; and

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*RESOLUTION NO. 240108 continued*

WHEREAS, the Tax Reform Commission compared and contrasted the tax structure in Philadelphia to the tax structures in jurisdictions that have experienced growth in residents and businesses, using accepted models of economic analysis; and

WHEREAS, the Commission's work was guided by the principle that Philadelphia's tax structure should enhance and improve Philadelphia's ability to compete with other jurisdictions in the region and throughout the nation to attract new residents, businesses and jobs and retain current residents, businesses and jobs. The Commission's work was also guided by the principle of tax fairness and tax equity in apportioning tax burdens; and

WHEREAS, in 2003 the Commission issued its final report which made findings and recommendations including eliminating the Business Privilege Tax (now the Business, Income and Receipts Tax), reforming other business taxes, reducing both the resident and non-resident Wage Tax, investing in programs which help return annual unclaimed federal and state tax forgiveness credits to Philadelphia families, reassessing property values and creating the Office of Taxpayer Advocate; and

WHEREAS, it has been over twenty years since the Tax Reform Commission issued its final report and recommendations. To date, policymakers have found it difficult and expensive to embrace many of these reforms and a new analysis is necessary; one which takes into account today's socio-economic realities, including racial disparities in housing, employment and educational opportunities and fewer support programs due to the loss of COVID stimulus dollars; and

WHEREAS, Section 4-900 ( c ) of the Philadelphia Home Rule Charter provides that after issuing its report, the Commission shall thereafter be reconvened only as directed by a resolution of the Council adopted by a two-thirds vote of all the members of the Council, provided that the Commission shall not be reconvened until at least five years have elapsed since the date the Commission adopted its last report. Within sixty days after adoption of such a resolution, new members of the Commission and its Advisory Committee shall be appointed in accordance with the appointment process set forth in Section 3-805, provided that any former member of the Commission or the Advisory Committee may be reappointed as a member of the Commission or Advisory Committee: now therefore be it,

RESOLVED, That the Philadelphia Tax Reform Commission and its Advisory Committee are hereby reconvened; and

FURTHER RESOLVED that the Commission and its Advisory Committee shall be appointed in accordance with the appointment process set forth in Section 3-805 of the Home Rule Charter, and further provided that any former member of the Commission or the Advisory Committee may be reappointed as a member of the Commission or Advisory Committee.