



City of Philadelphia

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

BILL NO. 040013

Introduced January 22, 2004

Councilmembers Nutter and Goode

**Re-Referred to the
Committee of the Whole**

AN ORDINANCE

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by specifying a rate for tax year 2004, specifying that rates thereafter be dependent on total taxable assessed values certified by the Board of Revision of Taxes, changing the billing year from a calendar year to a fiscal year; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1300 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES.

§19-1301. Real Estate Taxes.

- (1) For each of the following years, a tax is hereby 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 calendar year immediately preceding the stated year:

<u>Year of Tax</u>	<u>Tax Rate</u>
1974 to 1976	\$1.975
1977 to 1980	\$3.275
1981 to 1982	\$3.475
1983 to 1984	\$3.90
1985 to 1988	\$3.505
1989 to 2002	\$3.745

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2003 [and each year thereafter]	\$3.474
2004	\$3.474

Calendar 2005 and thereafter Pursuant to §19-1301(A)

(2) *Determination of Real Estate Tax Rates pursuant to §19-1301(A) for Tax Year 2005 and thereafter.*

(a) *Definitions.*

- (i) *Collection Factor. The Collection Factor is defined as the average collection percentage for the first three of the four Tax Years next preceding the Tax Year for which the real estate tax is being calculated. Notwithstanding the foregoing, the Collection Factor for 2005 is set at nine-tenths (0.9).*
- (ii) *City-Wide Taxable Assessed Value. The total taxable assessed value of all property in the City as certified by the Board of Revision of Taxes.*
- (iii) *City-Wide Taxable Assessed Land Value and City-Wide Taxable Assessed Improvements Value. The City-Wide Taxable Assessed Value separately stated by the Board of Revision of Taxes for lands and improvements.*
- (iv) *Tax Year. The calendar or fiscal year during which tax due under this Chapter 19-1300 is payable in accordance with the provisions of §19-1301(3).*
- (v) *Target Tax Revenues. The Real Estate Tax revenues calculated at the time of enacting the final budget to be necessary to balance the budget, after all other projected sources of tax and non-tax revenue and available receipts and balances are taken into account.*
- (vi) *Target Tax Billings. Target Tax Revenues divided by the Collection Factor.*
- (vii) *Target Land-Value Tax Billings and Target Improvements-Value Tax Billings. Target Tax Billings apportioned between Land-*

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Value Tax Billings and Improvements-Value Tax Billings pursuant to the apportionment percentages provided in §19-1301(A).

- (b) *Tax Rates.*
 - (i) *Effective with Tax Years 2005, and thereafter, two tax rates shall be set annually: the Land-Value Tax Rate and the Improvements-Value Tax Rate.*
 - (ii) *The Land-Value Tax Rate shall be a quotient, the numerator of which shall be the Target Land-Value Tax Billings and the denominator of which shall be the City-Wide Taxable Assessed Land Value.*
 - (iii) *The Improvement-Value Tax Rate shall be a quotient, the numerator of which shall be the Target Improvements-Value Tax Billings and the denominator of which shall be the City-Wide Assessed Improvements Tax Base.*

- (3) *Real Estate Tax Payable on a Current Fiscal Year Basis; Installment Payments of Tax Due.*
 - (a) *Real estate taxes that fund the City and School District budgets for fiscal years prior to and including fiscal year 2005 shall be billed on January 1 of the next ensuing calendar year.*
 - (b) *Commencing with real estate taxes that fund the City and School District budgets for fiscal years 2006 and thereafter, real estate taxes shall be billed and payable on a current fiscal year basis, and shall be billed on the June 15 of the preceding fiscal year.*
 - (c) *Installment Payments: Effective with the adoption of a fiscal year real estate tax billing cycle, real estate taxes are payable in one lump sum on or before August 31 each year, or, at the option of the taxpayer, in installments as provided in Section 19-1302.*
 - (d) *Phase-in transition to fiscal tax year: In order to implement a transition to fiscal year real estate taxation and the adoption of the installment payment option, the real estate tax liability for fiscal year 2006 shall, at the option of the taxpayer, be payable on the following schedule:*

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- (i) *Full payment method: One-hundred percent payable with a one percent discount on or before August 15, 2005;*
- (ii) *Phased-in installment payments pursuant to Section 19-1302(1), with first payment due on or before July 15, 2005.*

SECTION 2. This ordinance shall take effect beginning with real estate taxes that fund the fiscal year 2006 budget.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.