



# City of Philadelphia

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

**BILL NO. 130122**

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**Introduced February 21, 2013**

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**Councilmember Johnson**

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**Re-Referred to the  
Committee on Finance**

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## **AN ORDINANCE**

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by providing for hardship deferrals for taxpayers experiencing extraordinary increases in their real estate taxes, under certain terms and conditions.

### *THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

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

#### CHAPTER 19-1300. REAL ESTATE TAXES

\* \* \*

#### *§ 19-1307.1 Deferrals Due to Extraordinary Tax Increases.*

*(1) For purposes of this Section:*

*(a) Eligible Taxpayer shall mean a Taxpayer whose household income does not exceed 160% of Area Median Income for the Philadelphia metropolitan area, as determined by the United States Department of Housing and Urban Development.*

*(b) Deferral Amount shall mean, for any given tax year, the lesser of (i) the amount of real estate tax on a property for tax year 2014 minus two and a half (2.5) times the amount of real estate tax on the property for tax year 2013; and (ii) the amount of real estate tax on a property for the given tax year minus two and a half (2.5) times the*

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*amount of real estate tax on the property for tax year 2013; provided that the Deferral Amount shall never be less than zero.*

*(.1) For purposes of calculating real estate tax on the property for tax year 2013, any abatements for calendar year 2013 pursuant to Section 19-1303(2), (3), (4) or (5) or otherwise shall be disregarded.*

*(.2) For purposes of calculating real estate tax on the property for tax year 2014, any tax attributable to improvements made in calendar year 2013 or 2014 shall be disregarded.*

*(c) Record Owner shall mean:*

*(.1) The owner of record, as recorded with the Department of Records; or*

*(.2) 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 five years.*

*(d) Real estate tax. The sum of any real estate tax imposed under Chapter 19-1300 and any real estate tax imposed by the School District of Philadelphia.*

*(2) Commencing in calendar year 2014, and for every tax year thereafter, an amount of real estate tax on any real property equal to the Deferral Amount is eligible for deferral upon application of the Record Owner, in form satisfactory to the Department by no later than January 31 of the tax year, certifying that the Record Owner:*

*(a) Is an Eligible Taxpayer, based on income for the year immediately preceding the tax year.*

*(b) Uses the property as the Record Owner's principal residence.*

*(.1) For purposes of this Section, a principal residence may contain no more than one commercial establishment, which shall not occupy more than eighty percent (80%) of the gross floor area of the property; and no more than two residential units.*

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(c) Was the Record Owner on February 14, 2013, and the property was the Record Owner's principal residence on February 14, 2013.

(.1) Where the Record Owner 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 Record Owner shall be deemed to have been the Record Owner throughout the period of ownership of the transferring spouse or life partner.

(d) Would suffer substantial hardship in the absence of the requested deferral.

(3) Deferrals under this Section shall be subject to the following conditions:

(a) The deferred payments shall carry simple interest at the interest rate in effect on one year United States Treasury bills on the last day of the year for which interest is assessed.

(b) Deferred payments shall be exempt from additions and interest under Section 19-1303.

(c) Deferred payments shall be subject to lien by the City and School District, until payment.

(d) The deferral shall terminate upon transfer of the property, including transfer to another Eligible Taxpayer.

(e) The deferral shall not be used to reduce the real estate tax on the property due in any year to less than two and a half (2.5) times the real estate tax for tax year 2013.

(f) The deferral shall not be used to reduce the real estate tax on the property due in any year to less than one thousand dollars (\$1,000).

(g) All real estate taxes on the property are current or subject to a payment agreement that is not in default.

(h) No later than January 31 of each tax year, the record owner shall certify, in form satisfactory to the Department, that she or he is an Eligible Taxpayer.

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*The Department may require the Record Owner to submit such materials as the Department deems necessary to verify the Record Owner's eligibility, including the Record Owner's income. Where a Record Owner formerly was an Eligible Taxpayer but no longer is an Eligible Taxpayer, the deferral shall not be available for any taxes incurred in any year for which the Record Owner is not an Eligible Taxpayer, but previously deferred payments shall remain in deferral pursuant to this Section.*

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**Explanation:**

*Italics indicate new matter added.*