



City of Philadelphia

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

RESOLUTION NO. 250656

Introduced June 12, 2025

**Councilmember Gilmore Richardson
for
Council President Johnson**

RESOLUTION

Urging the Pennsylvania General Assembly to reject Senate Bill 527, which would repeal the Sterling Act and have a devastating impact on the City of Philadelphia's fiscal stability, therefore financially crippling public services and regional leadership.

WHEREAS, Senate Bill 527 proposes to repeal the Sterling Act and Section 324 of the Taxpayer Relief Act, while amending the Local Tax Enabling Act in a manner that would severely diminish Philadelphia's ability to generate and retain revenue essential to the provision of core public services; and

WHEREAS, The Sterling Act has served as a foundational component of Philadelphia's tax structure for nearly a century, enabling the City to collect wage taxes from nonresidents who work within its boundaries—individuals who benefit daily from Philadelphia's public safety, transportation, infrastructure, and utility systems; and

WHEREAS, City analysis estimates that the enactment of Senate Bill 527 could lead to an annual loss in revenue between \$75 million and \$172 million, amounting to a cumulative reduction of nearly \$900 million over the City's Five-Year Financial Plan, thereby threatening funding for critical services such as public libraries, sanitation, public safety, and more; and

WHEREAS, Even the most conservative revenue loss projection—\$75 million—is equivalent to the entire operating budget of the Free Library of Philadelphia, representing a devastating potential cut to public resources that support literacy, education, and access to opportunity; and

WHEREAS, Senate Bill 527 would also require Philadelphia to remit wage taxes collected from nonresident workers to their home municipalities and school districts, a dramatic departure from long-standing precedent and a fundamental shift in tax policy with broad and negative fiscal implications for the City; and

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WHEREAS, The legislation would further eliminate Philadelphia’s long-standing “Requirement of the Employer” rule, enacted in the 1980s, which ensures that nonresidents working remotely outside the City for personal convenience remain subject to the City’s Wage Tax, protecting revenue equity and administrative consistency; and

WHEREAS, Philadelphia has demonstrated responsible fiscal stewardship and a strong commitment to public safety and quality of life improvements, including a 37 percent reduction in homicides, a 36 percent decline in shootings, and the cleaning of more than 67,000 streets and corridors—all of which are jeopardized by the severe fiscal constraints that Senate Bill 527 would impose; and

WHEREAS, The City of Philadelphia plays a vital role in the economic, cultural, and social wellbeing of the Commonwealth, and weakening the City's fiscal foundation would have ripple effects far beyond its borders; and

WHEREAS, Mayor Cherelle Parker has voiced her concerns regarding Senate Bill 527, citing that it would significantly harm the City as it continues to navigate the challenges posed by an uncertain economic future, and this legislative body echoes and affirms these concerns; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Hereby urges the Pennsylvania General Assembly to reject Senate Bill 527, which would repeal the Sterling Act and severely undermine the City of Philadelphia’s fiscal stability, public services, and regional leadership.

FUTHER RESOLVED, That this Council expresses its strong opposition to Senate Bill 527 and urges members of the Pennsylvania General Assembly to vote against the bill.

FURTHER RESOLVED, That this Council calls on the Commonwealth to uphold the principles of fiscal fairness and municipal autonomy by preserving the Sterling Act and protecting Philadelphia’s ability to fund services for all who live in, work in, or benefit from the City.

FINALLY RESOLVED, That this Council directs the Chief Clerk to forward a copy of this Resolution to the members of the Philadelphia delegation in the Pennsylvania General Assembly, the Governor of Pennsylvania, and the leadership of the Senate and House of Representatives.