



City of Philadelphia

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

BILL NO. 051061

Introduced November 10, 2005

Councilmembers Kenney and Council President Verna

**Referred to the
Committee of the Whole Council**

AN ORDINANCE

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by providing that for tax year 2007 and thereafter, real estate taxes levied under that Chapter shall not increase by more than a specified percentage as the result of an increase in the assessed value of the property as returned by the Board of Revision of Taxes, and by making certain technical amendments; 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 year immediately preceding the stated year] *Taxable Assessed Value of the property as calculated under subsection 19-1301(2):*

<u>Year of Tax</u>	<u>Tax Rate</u>
1974 to 1976	\$1.975
1977 to 1980	\$3.275

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1981 to 1982	\$3.475
1983 to 1984	\$3.90
1985 to 1988	\$3.505
1989 to 2002	\$3.745
2003 and thereafter	\$3.474

(2) *Taxable Assessed Value.*

(a) *Definitions.*

(i) *Adjusted Base Year Assessment.* The assessed value of a property as returned by the BRT during the Base Year, adjusted for any changes in the Assessment Ratio from the Base Year to the Prior Year. For example, if the assessed value of a property as returned by the BRT during 2005 were \$35,000, based on a market value equal to 71% of actual market value and a predetermined ratio of 32%, and if the BRT, for assessments returned during 2006, computes market value as 100% of actual market value and uses a predetermined ratio of 100%, then the Adjusted Base Year Assessment for tax year 2007 would be $\$35,000 \times (100\% \div 71\%) \times (100\% \div 32\%) = \$154,049$.

(ii) *Assessment Ratio.* The ratio the BRT uses to determine the market value of a property from its actual market value (71% for tax year 2005), or the predetermined ratio the BRT uses to determine the assessed value of a property from its market value (32% for tax year 2004).

(iii) *Base Year.* The year preceding the Prior Year.

(iv) *BRT.* The Board of Revision of Taxes.

(vi) *Prior Year.* The year preceding the tax year.

(b) For all tax years before tax year 2007, "Taxable Assessed Value" shall equal the assessed value of taxable real property returned by the BRT during the Prior Year.

(c) For tax year 2007 and thereafter, "Taxable Assessed Value" shall equal the lesser of:

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(i) *the assessed value of a property as returned by the BRT during the Prior Year, or*

(ii) *the sum of one hundred ten percent (110%) of the Adjusted Base Year Assessment, plus any portion of the assessed value of the property as returned by the BRT during the Prior Year that is solely attributable to the construction of new buildings or structures or to new improvements made to existing buildings and structures.*

(d) *Nothing in this subsection (2) shall affect the manner in which any eligible property is afforded a tax abatement authorized by any other provision of this Code, and the BRT shall continue to administer the abatement programs in the same manner in which it currently administers those programs. The BRT and the Department of Revenue shall promulgate any necessary regulations to effectuate Council's intent as expressed in this subsection.*

[(2) If the Commonwealth of Pennsylvania fails to provide legislation enabling City Council to enact Bill No. 131, introduced April 26, 1984, providing for the imposition of Business Privilege Taxes for Fiscal Year 1985, or if City Council fails to adopt Bill No. 131 for Fiscal Year 1985, the rate of tax shall be three (3) dollars and seventy-five and one-half (75½) cents for the years 1985 through 1988.

(3) In the event that a court of competent jurisdiction enters a final order from which all appeals have been exhausted, determining that City Council lacked the authority to impose this rate for the year 1989, the rate shall revert to three dollars and fifty and one-half cents (\$3.50½) for the year 1989.]

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Explanation:

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

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