City of Philadelphia

BILL NO. 130254

Introduced April 4, 2013

Councilmember Squilla

**Referred to the
Committee of the Whole**

AN ORDINANCE

Phasing over a period of years the effects of the changes in real property assessments determined by the actual value initiative and authorizing real estate taxes for the City of Philadelphia and the School District of Philadelphia for Fiscal Year 2014 and thereafter by amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes,"; providing for a tax and tax rate on real property; and by amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on real estate within the City of Philadelphia, and providing for a tax rate; 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 amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES

§ 19-1301. Real Estate Taxes.

(1)   (a)   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:

Year of Tax	Tax Rate
* * *	* * *

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      2011 through 2012 $4.123

      (b)   For tax year 2013, a tax is hereby levied at the rate of $4.462 on each one hundred (100) dollars of the assessed value of taxable real property returned by the Office of Property Assessment or Board of Revision of Taxes for tax year 2011 (using the predetermined ratio of .32 then in effect), adjusted for subsequent improvements, demolition and destruction.

 (2) For tax year 2014 and thereafter:

      [(a) The Tax Rate shall be calculated by dividing the Target Revenue Number by the Total Net Taxable Value.

      (.1) The Target Revenue Number shall be $560,086,355 minus the Minimum Tax Revenue.

      (.2) The Minimum Tax Revenue shall be $100 multiplied by the number of taxable real properties in the City, as certified by the Office of Property Assessment ("OPA") on or before November 15 of the year preceding the tax year.

      (.3) Total Net Taxable Value shall be calculated by adding together the Net Taxable Value of all taxable real property in the City, as returned by the OPA and as calculated pursuant to subsection (b) below, as certified by the OPA on or before November 15 of the year preceding the tax year. Taxable real property shall include only properties, or portions of properties, not subject to exemption from or abatement of real estate tax, provided that taxable real property shall include the full value of any property that may be subject to relief under Chapter 19-3900 (longtime owner occupant relief).

      (b) A tax is hereby levied on all real property in the City in an amount equal to $100 plus the product formed by multiplying the Tax Rate by the Net Taxable Value of the property. Net Taxable Value shall be calculated by subtracting the amount of Homestead Exclusion, if any, provided for in § 19-1301.1, from the assessed value of the property returned by the OPA in the year immediately preceding the tax year, but in no event may Net Taxable Value be less than zero.

      (.1) OPA stands for the Office of Property Assessment.]

(a) The Tax Rate shall be determined annually by City Council.

(b) Taxable Assessed Value shall equal the assessed value returned by the OPA in the year immediately preceding the tax year.

(c) Net Taxable Assessed Value shall be calculated by subtracting the amount of Homestead Exclusion, if any, provided for in Section 19-1301.1, from the Taxable

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Assessed Value, as defined above, but in no event may Net Taxable Assessed Value be less than zero.

(d) OPA stands for the Office of Property Assessment.

(e) A tax is hereby levied on all real property in the City as follows:

> *(.1) For tax year 2014 the tax due shall be calculated by:*

1) *Dividing the tax liability for real property in tax year 2013 by the tax rate to arrive at the 2013 "Phased Assessed Value";*

2) *Subtracting the 2013 Phased Assessed Value from the 2014 Net Taxable Assessed Value;*

3) *Multiplying the difference from 2) above by 25%;*

4) *Adding the product from 3) above to the 2013 Phased Assessed Value to arrive at the 2014 Phased Assessed Value; and*

5) *Multiplying the 2014 Phased Assessed Value by the Tax Rate.*

(.2) For tax year 2015 the tax due shall be calculated by:

1) *Subtracting the 2014 Phased Assessed Value from the 2015 Net Taxable Assessed Value;*

2) *Multiplying the difference from 1) above by 33.333333%;*

3) *Adding the product from 2) above to the 2014 Phased Assessed Value to arrive at the 2015 Phased Assessed Value; and*

4) *Multiplying the 2015 Phased Assessed Value by the Tax Rate.*

(.3) For tax year 2016 the tax due shall be calculated by:

1) *Subtracting the 2015 Phased Assessed Value from the 2016 Net Taxable Assessed Value;*

2) *Multiplying the difference from 1) above by 50%;*

> *3)   Adding the product from 2) above to the 2015 Phased Assessed Value to arrive at the 2016 Phased Assessed Value; and*
>
> *4)   Multiplying the 2016 Phased Assessed Value by the Tax Rate.*

(.4) For tax year 2017 and thereafter the tax due shall be calculated by multiplying the Tax Rate by the Net Taxable Assessed Value.

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SECTION 2. Chapter 19-1800 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-1800. SCHOOL TAX AUTHORIZATION

§ 19-1801. Authorization of Tax.

(1)   The Board of Education of The School District of Philadelphia is authorized to impose an annual tax for school district purposes on real estate within the City of Philadelphia for the years 1964 through [2012] *2013* and thereafter.

(2)   *(a)*   For each of the following years, the tax imposed by the Board of Education of the School District of Philadelphia shall be at the following respective rates on each one hundred dollars ($100) of assessed value of taxable real property as returned by the Board of Revisions of Taxes as the assessment made in the year immediately preceding the stated year:

Year of Tax	Tax Rate
* * *	* * *
2012	$3.634

(b)   For tax year 2013, the tax imposed by the Board of Education of the School District of Philadelphia shall be at the rate of $3.634 on each one hundred (100) dollars of the assessed value of taxable real property returned by the Office of Property Assessment or Board of Revision of Taxes for tax year 2011 (using the predetermined ratio of .32 then in effect), adjusted for subsequent improvements, demolition and destruction.
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(3) For tax year 2014 and thereafter:

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[(a) The Tax Rate shall be calculated by dividing the Target Revenue Number by the Total Net Taxable Value.

(.1) The Target Revenue Number shall be $701,463,883.

(.2) Total Net Taxable Value shall be calculated by adding together the Net Taxable Value of all taxable real property in the City, as returned by the Office of Property Assessment and as calculated pursuant to subsection (b) below, as certified by the OPA on or before November 15 of the year preceding the tax year. Taxable real property shall include only properties, or portions of properties, not subject to exemption from or abatement of real estate tax, provided that taxable real property shall include the full value of any property that may be subject to relief under Chapter 19-3900 (longtime owner occupant relief).

(b) The tax imposed by the Board of Education shall be calculated, for all taxable real estate, by multiplying the Tax Rate by the Net Taxable Value of the property. Net Taxable Value shall be calculated by subtracting the amount of Homestead Exclusion, if any, provided for in § 19-1301.1, from the assessed value of the property returned by the OPA in the year immediately preceding the tax year, but in no event may Net Taxable Value be less than zero.

(.1) OPA stands for the Office of Property Assessment.]

(a) The Tax Rate shall be determined annually by City Council.

(b) Taxable Assessed Value shall equal the assessed value returned by the OPA in the year immediately preceding the tax year.

(c) Net Taxable Assessed Value shall be calculated by subtracting the amount of Homestead Exclusion, if any, provided for in Section 19-1301.1, from the Taxable Assessed Value, as defined above, but in no event may Net Taxable Assessed Value be less than zero.

(d) OPA stands for the Office of Property Assessment.

(e) A tax is hereby levied on all real property in the City as follows:

(.1) For tax year 2014 the tax due shall be calculated by:

1)   Dividing the tax liability for real property in tax year 2013 by the tax rate to arrive at the 2013 "Phased Assessed Value";

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2)   *Subtracting the 2013 Phased Assessed Value from the 2014 Net Taxable Assessed Value;*

3)   *Multiplying the difference from 2) above by 25%;*

4)   *Adding the product from 3) above to the 2013 Phased Assessed Value to arrive at the 2014 Phased Assessed Value; and*

5)   *Multiplying the 2014 Phased Assessed Value by the Tax Rate.*

(.2) For tax year 2015 the tax due shall be calculated by:

1)   *Subtracting the 2014 Phased Assessed Value from the 2015 Net Taxable Assessed Value;*

2)   *Multiplying the difference from 1) above by 33.333333%;*

3)   *Adding the product from 2) above to the 2014 Phased Assessed Value to arrive at the 2015 Phased Assessed Value; and*

4)   *Multiplying the 2015 Phased Assessed Value by the Tax Rate.*

(.3) For tax year 2016 the tax due shall be calculated by:

1)   *Subtracting the 2015 Phased Assessed Value from the 2016 Net Taxable Assessed Value;*

2)   *Multiplying the difference from 1) above by 50%;*

3)   *Adding the product from 2) above to the 2015 Phased Assessed Value to arrive at the 2016 Phased Assessed Value; and*

4)   *Multiplying the 2016 Phased Assessed Value by the Tax Rate.*

(.4) For tax year 2017 and thereafter the tax due shall be calculated by multiplying the Tax Rate by the Net Taxable Assessed Value.

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Explanation:

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

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