

City of Philadelphia



(Bill No. 120822)

AN ORDINANCE

Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by changing the interest rate and penalty rate for unpaid taxes; and by making clarifying amendments concerning the suspension or tolling of various statutes of limitations; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

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

TITLE 19. FINANCE, TAXES AND COLLECTIONS

* * *

CHAPTER 19-500. TAXES AND RENTS -- GENERAL

* * *

§ 19-509. Interest, Penalties and Costs.

* * *

(2) Commencing on July 1, 1987 *and terminating on December 31, 2013*, if any tax authorized or imposed under this Title was not paid when due or is not paid when it becomes due, there shall be added to the amount of the unpaid tax, interest, and penalty and collected therewith:

* * *

(3) *Commencing on January 1, 2014, if any tax authorized or imposed under this Title, other than real estate taxes, was not paid when due or is not paid when it becomes due, there shall be added to the amount of the unpaid tax and collected therewith, interest and penalty, as follows:*

(a) *All taxes shall bear simple interest from the date they become due and payable until paid. The interest rate per annum during each calendar year shall be*

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the sum of (i) the Federal Short-Term Rate established by the Secretary of the Treasury of the United States under the provisions of the Internal Revenue Code of 1954, 26 U.S.C.A. § 6621 et seq., effective January 1 of such calendar year without regard to any change or changes in said Federal interest rate during such calendar year, plus (ii) five (5) percentage points. The Revenue Commissioner shall publish the rate of interest for each calendar year on the Department website.

(b) All taxes shall bear a penalty at the rate of one and one-quarter percent (1 1/4%) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid.

[(3)] (4) * * *

[(4)] (5) * * *

[(5)] (6) * * *

[(6)] (7) * * *

SECTION 2. Title 19 of The Philadelphia Code is hereby clarified to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS

* * *

CHAPTER 19-500. TAXES AND RENTS -- GENERAL

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§ 19-510. Limitations of Actions to Recover Tax.

(1) Subject to the limitations on assessment in Section 19-510A, any suit to recover any tax authorized or imposed by this Title, other than real estate taxes, and personal property taxes not imposed under § 19-1102, shall be begun within 6 years after such tax is due or within 6 years after a return or a report has been filed, whichever date is later, but this limitation shall not apply in the following cases:

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(a) where the taxpayer has failed to file the return or report required under the provisions of this Title;

(b) where an examination of a return or report filed by the taxpayer and of other evidence relating to such return or report in the possession of the Revenue Commissioner reveals a fraudulent evasion of [taxes, including, but not limited to,] *taxes or a* substantial understatement of gross income, net profits, gross receipts, or any other receipt of income, moneys or funds in any such return or report, except with respect to any understatement the position for which was adequately disclosed, as provided by subsection (2)(b) of Section 19-510A;

* * *

§ 19-510A. Limitations of Actions to Assess Tax.

(1) The amount of any tax authorized or imposed by this Title, other than real estate taxes, and personal property taxes not imposed under § 19-1102, shall be assessed within three (3) years after a return or a report was due or has been filed, whichever date is later, but this limitation shall not apply in the following cases:

(a) where the taxpayer has failed to file the return or report required under the provisions of this Title;

(b) where an examination of a return or report filed by the taxpayer and of other evidence relating to such return or report in the possession of the Revenue Commissioner reveals a fraudulent evasion of [taxes, including, but not limited to,] *taxes*;

(c) *a* substantial understatement of gross income, net profits, gross receipts, or any other receipt of income, moneys or funds in any such return or report, *in which case the assessment must be made within six (6) years*, unless the adequate disclosure requirements of subsection (2)(b) are [satisfied;] *satisfied, in which case the assessment must be made within three (3) years*;

[(c)] (d) * * *

[(d)] (e) * * *

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CHAPTER 19-1800. SCHOOL TAX AUTHORIZATION

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§ 19-1805. Authorization of Liquor Sales Tax.

* * *

(7) Penalties and Enforcement. In addition to any other remedy provided by law or in equity:

* * *

(d) It shall be the duty of the Commissioner to sue for the recovery of all taxes due hereunder not paid when due. Any suit to recover any tax, together with interest and penalties, authorized hereunder, from any vendor, shall be begun within six (6) years after such tax is due or within six (6) years after a return has been filed, whichever date is later; but this limitation shall not apply:

(i) Where a vendor has failed to file a report required under the provisions of this act.

(ii) Where an examination of a return filed by a vendor and of other evidence relating to such return reveals a fraudulent evasion of [taxes, including, but not limited to,] *taxes or a* substantial understatement of sales at retail taxed hereunder.

* * *

CHAPTER 19-2800. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY TAX ON WAGES AND NET PROFITS

* * *

§ 19-2809. Penalties and Enforcement.

* * *

(8) Limitation of Actions.

(a) Any suit to recover any tax authorized or imposed by this Chapter shall be begun within six (6) years after such tax is due or within six (6) years after a

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return or a report has been filed, whichever date is later; but this limitation shall not apply in the following cases:

(.1) where the taxpayer has failed to file the return or report required under the provisions of this Chapter;

(.2) where an examination of a return or report filed by the taxpayer and of other evidence relating to such return or report in the possession of the Department reveals a fraudulent evasion of [taxes, including, but not limited to,] *or a* substantial understatement of gross income, or any other receipt of income, moneys or funds in any such return or report;

SECTION 3. Effective date. Section 1 of this Ordinance shall take effect January 1, 2014. Section 2 of this Ordinance shall take effect immediately.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on April 4, 2013. The Bill was Signed by the Mayor on April 17, 2013.

A handwritten signature in cursive script, reading "Michael A. Decker".

Michael A. Decker
Chief Clerk of the City Council