



# City of Philadelphia

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

**BILL NO. 150369**

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**Introduced April 23, 2015**

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**Councilmember Neilson**

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**Referred to the  
Committee on Finance**

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## **AN ORDINANCE**

Amending Chapter 9-600 of The Philadelphia Code, entitled "Service and Other Businesses," and Chapter 19-500 of The Philadelphia Code, entitled "Taxes and Rents - General," by adding provisions that require the Department of Revenue to develop a form, regulations and a program to increase tax collections for commissions and fees earned as a result of City real estate transactions, and provisions requiring real estate professionals to report their commercial activity and business income and receipts account numbers to Revenue for all transactions involving real estate located in the City, and other related items; all under certain terms and conditions.

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

SECTION 1. Chapter 9-600 of The Philadelphia Code is hereby amended by adding a new Section as follows:

### CHAPTER 9-600. SERVICE AND OTHER BUSINESSES.

\* \* \*

§ 9-635. *Real Estate Professionals Duty to Report Certain Information.*

(1) *Definitions. For purposes of this Section the following shall be defined as:*

(a) *"Real Estate Professional." An individual or entity that, for another and for a fee, commission or other valuable consideration, does one or more of the following:*

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(i) *Negotiates with or aids a person in locating or obtaining for purchase, lease or acquisition of interest in real estate.*

(ii) *Negotiates the listing, sale, purchase, exchange, lease, time share and similarly designated interests, financing or option for real estate.*

(iii) *Manages real estate.*

(iv) *Represents himself or itself as a real estate consultant, counsellor or house finder.*

(v) *Undertakes to promote the sale, exchange, purchase or rental of real estate. This subparagraph does not apply to an individual or entity whose main business is that of advertising, promotion or public relations.*

(vi) *Undertakes to perform a comparative market analysis.*

(vii) *Attempts to perform one of the actions listed in subparagraphs (i)—(vi).*

(2) *At the time of closing, a real estate professional that collects any payment, fee commission or other valuable consideration in return for facilitating the purchase or sale of real property located in the City shall be required to submit the following information to the Department of Revenue:*

(a) *Commercial Activity License number of person or entity receiving valuable compensation;*

(b) *Business Income and Receipts account number of person or entity receiving valuable compensation; and*

(c) *Dollar amount of the fee, commission or other valuable compensation realized for each person or entity as a result of the transaction.*

(3) *The information required under subsection (2) shall be reported on a form and in the manner designated by the Department of Revenue.*

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SECTION 2. Chapter 19-500 of The Philadelphia Code is hereby amended by adding a new Section as follows:

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## CHAPTER 19-500. TAXES AND RENTS- GENERAL.

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### § 19-515. *Real Estate Professionals Forms and Outreach.*

(1) *The Department shall design a form and promulgate regulations for real estate professionals to report the information required under Section 9-635 of the Code.*

(2) *The Department shall develop a plan to use the information gathered pursuant to Section 9-635 to identify individuals or entities that are not in compliance with the City's tax and licensing ordinances.*

(3) *The Department, in consultation with the Department of Licenses and Inspections, shall develop and implement a plan of outreach directed to the local real estate industry designed to improve voluntary compliance with the City's business license and tax ordinances. The Department should solicit assistance from local real estate trade and industry organizations in developing the outreach plan.*

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**Explanation:**

*Italics indicate matter added.*

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