

## Legislation Details (With Text)

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**On agenda:**      **Final action:**

**Title:** Amending Sections 19-1303(2), 19-1303(3) and 19-1303(4) of The Philadelphia Code, related to Exemption from Real Estate Taxes on Improvements and New Construction of Real Estate, by requiring construction work be performed by licensed contractors and requiring accurate reporting of wage taxes by prohibiting improper classification of employees as independent contractors, all under certain terms and conditions.

**Sponsors:** Councilmember Taubenberger, Councilmember Henon

**Indexes:** REAL ESTATE TAX

**Code sections:** 19-1303(2) - Authorization to Offer Exemption from Real Estate Taxes on Improvements to Residential Properties, 19-1303(3) - Authorization to Offer Exemptions from Real Estate Taxes on Improvements to Deteriorated Industrial, Commercial or Other Business Properties, 19-1303(4) - Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties

**Attachments:** 1. Bill No. 19074700.pdf

| Date      | Ver. | Action By    | Action | Result | Tally |
|-----------|------|--------------|--------|--------|-------|
| 9/26/2019 | 0    | CITY COUNCIL |        |        |       |

Amending Sections 19-1303(2), 19-1303(3) and 19-1303(4) of The Philadelphia Code, related to Exemption from Real Estate Taxes on Improvements and New Construction of Real Estate, by requiring construction work be performed by licensed contractors and requiring accurate reporting of wage taxes by prohibiting improper classification of employees as independent contractors, all under certain terms and conditions.

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

SECTION 1. Section 19-1303(2) of The Philadelphia Code is hereby amended to read as follows:

\* \* \*

§ 19-1303(2). Authorization to Offer Exemption from Real Estate Taxes on Improvements to Residential Properties.

\* \* \*

*C. Definitions.*

(1) In this Section the following definitions shall apply:

\* \* \*

(c) *Improvements* shall be any repairs, constructions, or reconstruction, including additions and alterations, *performed by contractors licensed to do construction work in the City of Philadelphia or a homeowner performing improvements to his or her own home*, which have the effect of rehabilitating a structure so that it becomes habitable or attains a higher degree of housing safety, health or amenity, or is brought into compliance with the laws, ordinances, or regulations of the City of Philadelphia. Ordinary upkeep and maintenance shall not be deemed an improvement.

(d) *Delinquent City and School District of Philadelphia taxes, charges, fees, rents or claims*. All City and School District of Philadelphia taxes, charges, fees, rents or claims, *including claims for unpaid wage taxes resulting from improper classification of employees as independent contractors*, not paid when due whether or not liens for such have been filed in the Office of the Prothonotary of the county, and shall include all penalties, additions, interest, and costs due on such delinquent taxes, charges, fees, rents or claims.

\* \* \*

SECTION 2. Section 19-1303(3) of The Philadelphia Code is hereby amended to read as follows:

§ 19-1303(3). Authorization to Offer Exemptions from Real Estate Taxes on Improvements to Deteriorated Industrial, Commercial or Other Business Properties.

\* \* \*

C. In this Section, the following definitions shall apply:

\* \* \*

(2) *Improvement*.

(a) Repair, construction or reconstruction, including alterations and additions, *performed by contractors licensed to perform construction work in the City of Philadelphia*, having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.

(3) *Delinquent City and School District of Philadelphia taxes, charges, fees, rents or claims*. All City and School District of Philadelphia taxes, charges, fees, rents or claims, *including claims for unpaid wage taxes resulting from improper classification of employees as independent contractors*, not paid when due whether or not liens for such have been filed in the Office of the Prothonotary of the county, and shall include all penalties, additions, interest, and costs due on such delinquent taxes, charges, fees, rents or claims.

\* \* \*

SECTION 3. Section 19-1303(4) of The Philadelphia Code is hereby amended to read as follows:

§ 19-1303(4). Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties.

\* \* \*

B. *Definitions.*

\* \* \*

(2) *Residential construction* means the building or erection of dwelling units [,] as defined above, *by contractors licensed to perform construction work in the City of Philadelphia*, upon vacant land or land specifically prepared to receive such structures.

\* \* \*

(6) *Delinquent City and School District of Philadelphia taxes, charges, fees, rents or claims.* All City and School District of Philadelphia taxes, charges, fees, rents or claims, *including claims for unpaid wage taxes resulting from improper classification of employees as independent contractors*, not paid when due whether or not liens for such have been filed in the office of the prothonotary of the county, and shall include all penalties, additions, interest, and costs due on such delinquent taxes, charges, fees, rents or claims.

\* \* \*

SECTION 4. This bill shall take effect immediately upon final passage.

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**Explanation:**

[Brackets] indicate matter deleted.

*Italics* indicate new matter added.