

Legislation Text

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Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by reducing the amount of real estate taxes to be exempted for certain improvements to, or construction of, certain residential, commercial, industrial or other business properties; and by reducing the duration of such exemptions; 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

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

* * *

D. Exemption Amount.

(1) The exemption from real estate taxes shall be limited to that portion of the additional assessment attributable to the actual cost of improvements to eligible property. *For a dwelling unit, the total amount of the additional assessment that may be exempted from real estate taxes shall not exceed \$500,000.*

* * *

E. Exemption Schedule.

(1) The assessable amount of the improvement costs shall be exempted from real estate taxes for ten (10) years, *as follows: one hundred percent (100%) of the assessable amount of the improvement costs shall be exempted in the first, second, third, fourth, and fifth years; eighty percent (80%) in the sixth year; sixty percent (60%) in the seventh year; forty percent (40%) in the eighth year; twenty percent (20%) in the ninth year; and ten percent (10%) in the tenth year.* The exemption shall commence for the first year for which improvements would otherwise be taxable. After the tenth year, the exemption shall terminate.

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

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D. Exemption Amount.

(1) The exemption from real estate taxes shall be limited to that portion of the assessment valuation attributable to the cost of construction of the new eligible dwelling unit. *For a dwelling unit, the total amount of the assessment attributable to the cost of construction that may be exempted from real estate taxes shall not exceed \$500,000.*

E. Exemption Schedule.

(1) [One hundred percent of the] *The assessable amount of the construction costs shall be exempted from real estate taxes for a period of ten years immediately following the date on which settlement is made, and a required certificate of use and occupancy is issued on an eligible dwelling unit, as follows: one hundred percent (100%) of the assessable amount of the improvement costs shall be exempted in the first, second, third, fourth, and fifth years; eighty percent (80%) in the sixth year; sixty percent (60%) in the seventh year; forty percent (40%) in the eighth year; twenty percent (20%) in the ninth year; and ten percent (10%) in the tenth year. After the tenth year, the exemption shall terminate.*

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SECTION 2. Chapter 19-1300 of The Philadelphia Code is further amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES

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

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F. Procedure for Obtaining Exemption.

(1) At the time a building permit for the construction of an improvement, for which exemption is desired, is approved, the permit issuing division of the Department of Licenses and Inspections shall notify, in writing, the taxpayer of the possibility of an exemption under this ordinance, the taxpayer shall apply to the Board of Revision of Taxes for such exemption. The application shall be in writing upon forms prescribed by the Board of Revision of Taxes. *The application shall require the taxpayer to state whether or not the taxpayer is a contractor subject to the provisions of Section 9-1004.*

(2) The Board of Revision of Taxes shall determine whether the exemption shall be granted. A copy of the approved request for exemption shall be forwarded by the Board of Revision of Taxes to the taxpayer.

(3) The Board of Revision of Taxes in determining whether the exemption shall be granted shall:

(a) [inquire] *Inquire* of the Department of Revenue of the City of Philadelphia

whether the taxpayer is indebted to the City or School District of Philadelphia for or on account of any delinquent taxes, charges, fees, rents or claims. The Board of Revision of Taxes shall withhold approval of the application until the taxpayer pays or enters into an agreement with the City of Philadelphia to pay the tax, charge, fee, rent or claim. The Board of Revision of Taxes shall withdraw approval where the taxpayer fails to pay delinquent taxes, charges, fees, rents or claims during the exemption period or fails to comply with his agreement to pay as provided herein[.]; and

(b) *Inquire of the Department of Licenses and Inspections whether the taxpayer is a contractor subject to the provisions of Section 9-1004 and, if so, whether the contractor is in compliance with the requirements of that section. If the taxpayer is not in compliance with that section's requirements, or if the taxpayer's contractor's license is revoked or suspended pursuant to Section 9-1004(9), the Board of Revision of Taxes shall withhold approval of the application until the taxpayer is in compliance and has a valid contractor's license, if such license is required. The Board of Revision of Taxes shall withdrawal approval where the taxpayer is found to be out of compliance with the requirements of Section 9-1004 during the exemption period, or where the taxpayer's contractor's license is suspended or revoked during the exemption period.*

(c) Any withholding or withdrawal of the exemption by the Board of Revision of Taxes pursuant to this subsection (3) shall not be construed to stay the tolling of the exemption period for which a taxpayer would otherwise qualify.

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

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D. Exemptions.

* * *

(3) Procedure for obtaining exemption.

(a) At the time a building permit for the construction of an improvement is applied for, the Department of Licenses and Inspections shall notify the applicant by a printed notice of the possibility of a tax exemption under this bill. Within sixty (60) days of the date the building permit is issued, the taxpayer shall apply to the Board of Revision of Taxes for such exemption. The application shall be in writing upon forms prescribed by the Board of Revision of Taxes and must be filed within the specified time period. *The application shall require the taxpayer to state whether or not the taxpayer is a contractor subject to the provisions of Section 9-1004.*

(b) The Board of Revision of Taxes shall determine whether the exemption shall be granted. A copy of the approved request for exemption shall be forwarded by the Board of Revision of Taxes to the taxpayer.

(c) The Board of Revision of Taxes in determining whether the exemption shall be granted shall:

(1) [inquire] *Inquire* of the Department of Revenue of the City of Philadelphia whether the taxpayer is indebted to the City or School District of Philadelphia for or on account of any delinquent taxes, charges, fees, rents or claims. The Board of Revision of Taxes shall withhold approval of the application until the taxpayer pays or enters into an agreement with the City of Philadelphia to pay the tax, charge, fee, rent or claim. The Board of Revision of Taxes shall withdraw approval where the taxpayer fails to pay delinquent taxes, charges, fees, rents or claims during the exemption period or fails to comply with his agreement to pay as provided herein[.]; *and*

(2) *Inquire of the Department of Licenses and Inspections whether the taxpayer is a contractor subject to the provisions of Section 9-1004 and, if so, whether the contractor is in compliance with the requirements of that section. If the taxpayer is not in compliance with that section's requirements, or if the taxpayer's contractor's license is revoked or suspended pursuant to Section 9-1004(9), the Board of Revision of Taxes shall withhold approval of the application until the taxpayer is in compliance and has a valid contractor's license, if such license is required. The Board of Revision of Taxes shall withdrawal approval where the taxpayer is found to be out of compliance with the requirements of Section 9-1004 during the exemption period, or where the taxpayer's contractor's license is suspended or revoked during the exemption period.*

(3) Any withholding shall not be construed to stay the tolling of the exemption period for which a taxpayer would otherwise qualify.

* * *

(4) Continuation of tax exemption; termination of tax exemption.

(a) The tax exemption granted by the Board of Revision of Taxes shall continue in accordance with this Section, provided that the applicant files an annual certificate of continuing use stating that the property continues to be used for industrial or commercial purposes justifying the granting of the tax exemption. The certificate of continuing use shall be filed with the Board of Revision of Taxes on such forms and containing such information as shall be prescribed by it. The Board of Revision of Taxes shall have authority to terminate a tax exemption on the failure of the taxpayer to file an annual certificate of continuing use, or on the failure of the taxpayer to pay delinquent taxes, charges, fees, rents or claims, or to comply with his agreement to pay, or on its own determination that the property has ceased to be used for industrial or commercial purposes justifying the granting of an exemption, *or upon determining that the applicant is out of compliance with the requirements of Section 9-1004 or currently has a suspended or revoked contractor's license.*

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

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C. Authorization of Exemptions.

(1) Persons undertaking residential construction of new dwelling units within the definition

contained in this Section within any of the foregoing eligible areas, may apply for, and the Board of Revision of Taxes may grant, a real estate tax exemption upon such new residential construction in the amount and in the manner hereinafter provided on the condition that any exemption granted by the Board of Revision of Taxes shall be contingent upon (a) the payment of delinquent taxes, charges, fees, rents or claims or compliance with any agreement to pay that he may have entered into pursuant hereto, and (b) *compliance with the requirements of Section 9-1004 if the applicant is a contractor subject to the provisions of that section.*

* * *

F. Procedure for Obtaining Exemption.

(1) At the time a building permit for residential construction is applied for, the Department of Licenses and Inspections shall notify the applicant by a printed notice of the possibility of a tax exemption under this ordinance. Within sixty (60) days of the date that the building permit is issued, or within 365 days of the date that the certificate of occupancy of the property is issued provided that the certificate of occupancy is issued after March 1, 2000 and prior to June 30, 2002, the applicant shall apply to the Board of Revision of Taxes for an exemption. The application shall be upon forms prescribed by the Board of Revision of Taxes and must be filed within the specified time period. *The application shall require the taxpayer to state whether or not the taxpayer is a contractor subject to the provisions of Section 9-1004.*

(2) The Board of Revision of Taxes shall determine whether the exemption shall be granted. The Board of Revision of Taxes shall forward a copy of the approved request for exemption to the applicant. At the same time, the Board of Revision of Taxes shall notify the applicant that the grant of exemption is contingent upon (a) the payment of delinquent taxes, charges, fees, rents or claims, and (b) *compliance with the requirements of Section 9-1004 if the applicant is a contractor subject to the provisions of that section.*

(3) The Board of Revision of Taxes in determining whether the exemption shall be granted shall:

(a) [inquire] *Inquire* of the Department of Revenue of the City of Philadelphia whether the taxpayer is indebted to the City of Philadelphia or School District of Philadelphia for or on account of any delinquent taxes, charges, fees, rents or claims. The Board of Revision of Taxes shall withhold approval of the application until the taxpayer pays or enters into an agreement with the City of Philadelphia to pay the tax, charge, fee, rent or claim. The Board of Revision of Taxes shall withdraw approval where the taxpayer fails to pay delinquent taxes, charges, fees, rents or claims during the exemption period for failure to comply with his agreement to pay as provided herein; *and*

(b) *Inquire of the Department of Licenses and Inspections whether the taxpayer is a contractor subject to the provisions of Section 9-1004 and, if so, whether the contractor is in compliance with the requirements of that section. If the taxpayer is not in compliance with that section's requirements, or if the taxpayer's contractor's license is revoked or suspended pursuant to Section 9-1004(9), the Board of Revision of Taxes shall withhold approval of the application until the taxpayer is in compliance and has a valid contractor's license, if such license is required. The Board of Revision of Taxes shall withdrawal approval where the taxpayer is found to be out of compliance with the requirements of Section 9-1004 during the exemption period, or where the taxpayer's contractor's license is suspended or revoked during the exemption period.*

(c) Any withholding or withdrawal of the exemption by the Board of Revision of Taxes pursuant to this subsection shall not be construed to stay the tolling of the exemption period for which a taxpayer would otherwise qualify.

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SECTION 3. Section 1 of this Ordinance shall be effective with respect to applications for exemption filed on or after January 1, 2016. Section 2 of this Ordinance shall be effective with respect to applications for exemption filed on or after January 1, 2014.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.