



Legislation Text

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Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," to provide for a homestead exemption with respect to City real property tax, 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) 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
* * *	* * *
2008 and each year thereafter	\$3.305

§19-1301.1 Homestead Exclusion.

(1) For purposes of this Section, the following terms have the following meanings:

(a) "Homestead property" shall mean a dwelling, including the parcel of land on which the dwelling is located and the other improvements located on the parcel, for which any of the following apply, as determined by the Board of Revision of Taxes upon application of the property owner:

(.1) The dwelling is primarily used as the domicile of an owner who is a natural person. "Homestead property" shall not include the land on which the dwelling is located if the land is not owned by a person who owns the dwelling.

(.2) The dwelling is a unit in a condominium as the term is defined in 68 Pa. C.S. § 3103 (relating to definitions) and the unit is primarily used as the domicile of a natural person who is an owner of the unit; or the dwelling is a unit in a cooperative as the term is defined in 68 Pa. C.S. § 4103 (relating to definitions) and the unit is primarily used as the domicile of a natural person who is an owner of the unit. The

homestead for a unit in a condominium or a cooperative shall be limited to the assessed value of the unit, which shall be determined in a manner consistent with the assessment of real property taxes on those units under 68 Pa. C.S. (relating to real and personal property) or as otherwise provided by law. If the unit is not separately assessed for real property taxes, the homestead shall be a pro rata share of the real property.

(.3) The dwelling does not qualify under paragraphs (.1) or (.2) and a portion of the dwelling is used as the domicile of an owner who is a natural person. The homestead for real property qualifying under this paragraph shall be the portion of the real property that is equal to the portion of the dwelling that is used as the domicile of an owner.

(b) Homestead Exclusion. § _____, provided that, for any Year of Tax for which the Board certifies that it has performed a revision of assessment by means of revaluing all properties, the amount of the Homestead Exclusion shall automatically be adjusted, as follows:

(.1) If the assessment base is revised by applying a change in the established predetermined ratio, the Homestead Exclusion shall be adjusted by the percentage change between the existing predetermined ratio and the newly established predetermined ratio.

(.2) If the Board performs a revision of assessments by revaluing all properties and applying an established predetermined ratio, the Homestead Exclusion shall be adjusted by dividing the Homestead Exclusion for the year preceding the revision of assessments by the common level ratio and multiplying the quotient by the newly established predetermined ratio.

(c) "Established predetermined ratio." As set forth at 53 Pa. C.S. § 8582.

(d) "Common level ratio." As set forth at 53 Pa. C.S. § 8582.

(2) Commencing in the first year authorized by the General Assembly, a homestead exclusion is hereby provided, as follows: For purposes of calculating the amount of tax levied under Section 19-1301 on a taxpayer's homestead property, "the assessed value of taxable real property returned by the Board of Revision of Taxes" shall be such amount actually returned by the Board as the assessed value less an amount equal to the Homestead Exclusion, but no less than zero.

(3) The exclusion authorized under subsection (2) for a dwelling that is used as homestead property for only a portion of the year prior to the Year of Tax, whether because of new construction or otherwise, shall be prorated in a manner consistent with the assessment of real property taxes on that dwelling.

(4) Administration and procedure.

(a) No later than March 1 of the year prior to the year in which the tax is due, the owner or owners of real property may apply to the Board for designation of property as homestead property. Such application shall be in such form as the Board shall prescribe, consistent with any form mandated by the Department of Community and Economic Development.

(b) The Board shall provide sufficient notice to the public regarding the availability of applications to designate real property as Homestead Property and all filing deadlines. The Board shall make applications available at least 75 days before the filing deadline.

(c) An application shall be deemed approved unless the Board provides, by no later than June 29 of the year prior to the year in which the tax is due, a written statement setting out all reasons for any denial, in whole or in part, of an application.

(d) An owner aggrieved by the determination of the Board hereunder may appeal to the Board for a review of the determination in a manner consistent with the provisions for appeal of assessments under the applicable assessment law. Appeals under this subsection shall be limited to whether the application meets the requirements of subsection (a) and whether the parcel for which the appeal is made meets the definition of homestead property under subsection (1).

(e) Appeals regarding the assessed value of real property under the applicable assessment law shall be based on the assessed value of the real property before application of the exclusion for homestead property. The issue of qualification as Homestead Property shall not be raised in an appeal except as provided in subsection (d).

(5) Change of use. The owner of any property approved as homestead property shall notify the Board within 45 days of any change in use that renders the property no longer eligible as homestead property.

(6) False applications; Penalties. Any person who files an application under subsection (4) which is false as to any material matter, or who fails to file notice of change of use pursuant to subsection (5), shall:

(a) Pay any taxes which would have been due but for the false application or failure to provide notice, plus simple interest computed at the rate provided in Section 806 of the Act of April 9, 1929 (P.L. 343, No. 176), known as The Fiscal Code;

(b) Pay a penalty equal to 10% of the unpaid taxes computed under subsection (a); and

(c) Upon conviction for failing to provide notice pursuant to subsection (4) or filing an application under subsection (3) which a person knows to be fraudulent, be guilty of a misdemeanor of the third degree and be sentenced to pay a fine not to exceed \$2,500.

* * *

SECTION 2. This Ordinance shall be effective upon authorization by the General Assembly.

Explanation:

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