

Legislation Text

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Authorizing the Committee on Appropriations to conduct hearings to consider the impact of federal Qualified Opportunity Zones on the fair and equitable development of Philadelphia; and to thereby recommend impactful, responsive changes to the City's policies, procedures, and budget.

WHEREAS, On December 22, 2017, the federal Tax Cuts and Jobs Act established Qualified Opportunity Zones, whereby federal and state governments designated certain census tracts as eligible for the deferral or elimination of federal taxes on capital gains in order to encourage investment in economically-distressed communities; and

WHEREAS, On June 14, 2018, the Pennsylvania Department of Community and Economic Development received federal approval for the designation of 300 Qualified Opportunity Zones, after receiving recommendations for 734 eligible census tracts by individuals, cities, counties, legislators, and organizations across the state; and

WHEREAS, On October 19, 2018, the United States Internal Revenue Service published its first set of proposed regulations for Qualified Opportunity Zones, providing that capital gains tax on certain real estate investments within designated Zones may be deferred or eliminated if investment funds are held for at least seven years; and

WHEREAS, City Council recognizes that Philadelphia is a tale of two cities, where an unacceptable 26 percent of families are living below the poverty line; and

WHEREAS, City Council recognizes that all Philadelphians have the right to live affordably near good jobs, good transit, and good schools; and

WHEREAS, City Council therefore demands meticulous review of federal, state, and local tax policies that impact the fair and equitable development of real estate across our City, including but not limited to Keystone Opportunity Zones, Tax Increment Financing districts, and the Ten-Year Real Estate Tax Abatement; and

WHEREAS, City Council is particularly concerned about the impact of blunt tax instruments such as Qualified Opportunity Zones, which do not require, encourage, or incentivize fair and equitable investments in our workforce, in our housing market, in our schools, and in our neighborhood commercial corridors; and

WHEREAS, City Council calls upon our partners in equitable development, including the Department of Housing and Community Development, the Department of Commerce, the Philadelphia Industrial Development Corporation, and other enterprise agencies, to support our efforts to inform, educate, and advise the City to enact impactful, responsive policy; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Appropriations is authorized to hold hearings to consider the impact of Qualified Opportunity Zones on the fair and equitable development of Philadelphia; and to thereby recommend impactful, responsive changes to the

City's policies, procedures, and budget.