

Legislation Text

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Amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," to provide for the rate and computation of realty use and occupancy tax; and adding a new Chapter 19-3900 to The Philadelphia Code, entitled "Realty Use and Occupancy Tax," to provide for a City realty use and occupancy tax; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1800 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-1800. SCHOOL TAX AUTHORIZATION

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§ 19-1806. Authorization of Realty Use and Occupancy Tax.

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(2) Imposition of the Tax.

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(b) The Board of Education of the School District of Philadelphia is authorized to impose a tax for general school purposes on the use or occupancy of real estate within the School District of Philadelphia during the tax years beginning July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, July 1, 2008, July 1, 2009, July 1, 2010, July 1, 2011, July 1, 2012, *July 1, 2013*, and thereafter for the purpose of carrying on any business, trade, occupation, profession, vocation, or any other commercial or industrial activity. This tax is imposed on the user or occupier of real estate.

(3) Exclusions.

(a) This authorization shall not include the authority to levy a tax on the use or occupancy of real estate to the extent that the real estate is used or occupied as the dwelling or principal place of residence of the user or occupier or its use or occupancy is subject to tax by the Commonwealth of Pennsylvania under the Tax Act of 1963 for Education.

(b) This authorization shall not authorize this tax to be imposed upon any person exempt from real estate taxes in the City of Philadelphia.

(c) This authorization shall not include the authority to levy a tax on the use or occupancy of facilities used in or occupied by those engaged in Port related activities.

(d) *This authorization shall not include the authority to levy a tax on the use or occupancy of seventy percent (70%) of that portion of a facility actively used by a duly registered car dealership to store or display motor vehicles available for lease or purchase.*

(4) Rate and Computation of Tax.

(a) Rate.

* * *

(iii) The tax authorized by this Section shall be measured by the assessed value of the real estate, for the tax year beginning July 1, 2012, [and thereafter,] at the rate each year not to exceed five dollars and fifty-one cents (\$5.51) per one hundred (\$100) dollars of the assessed value of the real estate as most recently returned by the Office of Property Assessment, except that, for the tax year beginning July 1, 2012, only, the tax shall be calculated based on the assessed value of the real estate as returned by the Office of Property Assessment in 2011.

(b) Computation. [The] *For tax years subject to subsection (a), above, the tax to be paid by the user or occupier shall be computed as follows:*

* * *

(c) *Computation for Tax Years beginning on or after July 1, 2013. The tax to be paid by the user or occupier, for the tax year beginning July 1, 2013, and for all tax years thereafter, shall be computed as follows:*

(.1) *First, calculate the following product:*

$$\frac{\text{Sq. ft. occupied or used}}{\text{Total sq. ft. available for use or occupancy on the real estate}} \times \text{Assessed Value}$$

(.2) *Next, subtract the Exemption Amount from the foregoing product.*

(.3) *If the foregoing difference is less than zero, the tax liability is zero. Otherwise, multiply the foregoing difference by the following:*

$$\text{Tax Rate } x \frac{\text{Days of actual use or occupancy}}{360}$$

(4) For purposes of this subsection (c):

(A) Assessed Value shall mean the assessed value of the real estate as most recently returned by the Office of Property Assessment prior to the start of the Tax year.

(B) The Exemption Amount shall be \$142,850 per property. Where there are multiple taxpayers using or occupying a property, the Exemption Amount shall be allocated equally among all such taxpayers, so that each taxpayer's Exemption Amount shall be \$142,850 divided by the number of taxpayers using or occupying the property. Every landlord shall provide to the tenants of a property the number of users or occupiers of the property.

(C) The Tax Rate shall be one and sixteen hundredths percent (1.16%).

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SECTION 2. Title 19 of The Philadelphia Code is amended to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS

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CHAPTER 19-3900. CITY REALTY USE AND OCCUPANCY TAX

§ 19-3901. City Realty Use and Occupancy Tax.

(1) Definitions. In this Section, the definitions set forth at § 19-1806 (School Tax Authorization -- Authorization of Realty Use and Occupancy Tax) shall apply, except as follows:

(a) Commissioner. Revenue Commissioner.

(2) Imposition of the Tax. There is hereby imposed a tax for general municipal purposes on the use or occupancy of real estate within the City of Philadelphia during the tax years beginning July 1, 2013, and thereafter, for the purpose of carrying on any business, trade, occupation, profession, vocation, or any other commercial or industrial activity. This tax is imposed on the user or occupier of real estate.

(3) Exclusions. This tax is not imposed on the use or occupancy of real estate to the extent covered by an exclusion from tax set forth at Section 19-1806(3) (Exclusions).

(4) Rate and Computation of Tax. The tax to be paid by the user or occupier, for the tax year

beginning July 1, 2013, and for all tax years thereafter, shall be computed as set forth in Section 19-1806(4)(c) (Computation for Tax Years beginning on or after July 1, 2013), except that the Tax Rate shall be twenty-six hundredths percent (.26%).

(5) Collection and Payment of the Tax. The provisions of Section 19-1806(5) (Collection and Payment of Tax) shall apply to collection and payment of the realty use and occupancy tax imposed by this Chapter 19-3900, except that the landlord or other collector of rentals on properties subject to this tax shall be the agent of the City, rather than the School District.

SECTION 3. The provisions of this Ordinance are severable. In particular, if any word, phrase or provision of Section 19-1806(4)(c) of The Philadelphia Code (“Computation for Tax Years beginning on or after July 1, 2013”), added by Section 1 of this Ordinance, is determined to be unlawful, it is the intent of Council to have adopted the remainder of Section 19-1806(4)(c) without the unlawful word, phrase or provision.