

Legislation Text

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Recognizing the Philadelphia Department of Revenue for instituting new payment plan options for non-Real Estate Taxes.

WHEREAS, In 2016 the Philadelphia Department of Revenue presented its Fiscal Year 2017 Strategic Tax Collection Plan which outlined a comprehensive set of goals and actions to more effectively and efficiently fulfill its mission of collecting the tax revenues necessary to provide funding for City schools and services; and

WHEREAS, The Department recognized that taxpayers generally want to comply with the City's tax law and has therefore continued to educate and inform taxpayers of their responsibilities to file and pay their tax obligations in a timely manner and, when appropriate, make available filing and payment options to taxpayers; and

WHEREAS, In the past, taxpayers typically needed to put 50 percent down and had 12 months to pay the remaining 50 percent of their delinquent non-Real Estate taxes. From the businesses that entered into those agreements and met the terms, the Department was receiving funds needed to support City and School District services fairly swiftly; however, the downside was that many Philadelphia taxpayers could not come up with the 50 percent or make the monthly payments needed to clear the debt within a year; and

WHEREAS, In an effort to get more delinquents into payment agreements, the Department has rolled out new payment plan options that are more flexible - 20 percent down and up to 5 years to pay. For taxpayers who can pay all principal and interest immediately, the Department will waive the penalties; and

WHEREAS, The amount of discount on penalties that the Department offers is less the longer it takes to pay, incentivizing people to pay as quick as they can but with options to find the monthly payment that meets their budget. Terms are more generous in terms of the amount of penalty waived for first time delinquents; and

WHEREAS, The Department will be monitoring enrollment and completions of these payment agreements to see if this program is successful; and

WHEREAS, We commend the Department of Revenue for taking the initiative to create new programs to help taxpayers who have difficulty paying their taxes; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby recognizes the Philadelphia Department of Revenue for instituting new payment plan options for non-Real Estate Taxes.