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Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," to add a new Chapter 19-4800, entitled "Retail Delivery Tax," to establish a tax on orders for the delivery in Philadelphia of retail consumer and other tangible goods, all under certain terms and conditions.

WHEREAS, In recent years, the number of retail deliveries of tangible personal property by motor vehicle has increased rapidly and is expected to continue to grow; and

WHEREAS, A steady increase of delivery vehicles on streets has lead and continues to lead to increased traffic congestion, deterioration of the streets, vehicle-related air emissions and other harms and costs to the City and its residents; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-4800 is hereby added to The Philadelphia Code as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS

* * *

*CHAPTER 19-4800. RETAIL DELIVERY TAX*

*§ 19-4801. Definitions.*

*In this Chapter, the following words and phrases shall have the following meanings, unless the context clearly indicates otherwise:*

*(1) Baby products. Baby bottles and nipples, bottle sterilizers, infant eating utensils, pacifiers, teething rings, infant syringes, breast pumps, baby diapers, baby wipes, cribs and bassinets, crib and bassinet sheets and mattresses, changing tables, changing pads, strollers, car seats and car seat components and baby swings.*

*(2) Delivery. Bringing to and making available for acceptance by a purchaser, the representative of the purchaser, or other end user to whom the purchaser has directed delivery, at a home, business or intermediary location, such as a pickup location with storage lockers or a counter for package retrieval, whether done directly or through one or more third parties. Does not include making a retail good available for pickup at a location of the retailer where in-person retail purchases typically take place.*

*(3) Drugs. (a) A compound, substance, or preparation, and any component of a compound, substance, or preparation that: (.1) is prescribed, meaning provided by direction in the form of an order, formula, or recipe issued by a duly licensed health care professional; (.2) is recognized in the official United*

*States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary; and that is (.3) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or (.4) intended to affect the structure or any function of the body; or (b) an over-the-counter drug, meaning a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, Title 21, Section 201.66 and that includes a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Drugs do not include grooming and hygiene products, including soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens, regardless of whether they otherwise meet the definition.*

*(4) Food and food ingredients. Substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Includes prepared foods from a restaurant or other preparer of take-away foods, groceries from a supermarket or similar provider or any other food items purchased for delivery.*

*(5) Marketplace provider. Any person who facilitates a retail sale by a retailer by:*

*(a) listing or advertising for sale by a retailer, for delivery, in any forum, goods covered under this Chapter;*

*(b) collecting payment from the purchaser and transmitting that payment to the retailer, including for delivery, either directly or indirectly through agreements or arrangements with third parties, regardless of whether the marketplace provider receives compensation or other consideration in exchange for its services.*

*(6) Medical devices. The following:*

*(a) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;*

*(b) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;*

*(c) prosthetic devices, meaning a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to artificially replace a missing portion of the body, prevent or correct physical deformity or malfunction, or support a weak or deformed portion of the body;*

*(d) durable medical equipment for home use, meaning equipment, including repair and replacement parts and single-patient use items, that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury; but not including something worn in or on the body;*

*(e) mobility enhancing equipment, meaning equipment, including repair and replacement parts, that is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle, but is not generally used by persons with normal mobility;*

*(f) prescription corrective eyeglasses;*



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*(g) kidney dialysis equipment, meaning equipment used to remove waste products that build up in the blood when the kidneys are not able to do so on their own and that can withstand repeated use, including multiple use by a single patient, including repair and replacement parts;*

*(h) items purchased in orders where all or a portion of the cost of the item is paid for through (.1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or (.2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.*

*(7) Retailer. Any person who sells retail goods for delivery or is a marketplace provider in connection with retail goods.*

*(8) Retail goods. Any personal property or tangible goods sold at retail for personal use by an end user, except as provided below. Includes materials sold for improvement to a specific real property location, such as flooring or an appliance, even if sold to an installer and not the property owner or occupant. Does not include*
*:*

*(a) Food and food ingredients;*

*(b) Drugs and medical devices;*

*(c) Baby products; and*

*(d) Wholesale goods.*

*(9) Order. Completion of a sale of one or more items of retail goods, regardless of the number of shipments or packages necessary to deliver the items or of the number of items purchased. A sale through a marketplace provider is an order.*

*(10) Wholesale goods. Personal property or tangible goods sold to a retail merchant, jobber, dealer, or other wholesaler for resale and does not include goods sold by a wholesaler to a user or consumer not for resale.*

*§ 19-4802. Imposition of Tax.*

*(1) A tax is hereby imposed on retailers for each order for the delivery in Philadelphia of one or more retail goods in the amount of twenty-five cents ($0.25) per order, provided that a retailer located outside of Philadelphia who has taken fewer than 1000 orders for the delivery of one or more retail goods in Philadelphia in the previous calendar year is not subject to the tax.*

*§ 19-4803. Returns and Cancellations.*

*(1) The tax imposed under this Chapter is nonrefundable in connection with any item that is returned to the retailer or in connection with provision of a refund or credit.*

*§ 19-4804. Administration.*

*(1) Payment of the tax. A retailer subject to the tax established by this Chapter shall pay the taxes*


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*due monthly to the Revenue Commissioner, within twenty-five (25) days after the last day of any month for any activity in that prior month.*

*(2) The retailer shall file a quarterly reconciliation report of taxes owed and paid for the prior quarter. Forms for the report shall be provided by the Commissioner and may be made available solely for electronic filing. Such report shall contain:*

*(a) The number of orders for delivery into Philadelphia of one or more retail goods in the prior quarter.*

*(b) The amount of tax owing and the amount of taxes paid on account of such orders.*

*(3) The Department may require retailers to submit such other information as the Department deems necessary for proper administration of this tax.*

*(4) The Department is charged with enforcement and collection of this tax and is empowered to promulgate and enforce reasonable regulations for its enforcement and collection.*

* * *

SECTION 2. Effective date. This ordinance shall take effect July 1, 2027, provided that the Department of Revenue is authorized to adopt implementing regulations upon adoption of this ordinance into law.

Explanation:

*Italics* indicate matter added.



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