



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 030179

Introduced March 27, 2003

Councilmember Nutter

**Referred to the
Committee on Finance**

AN ORDINANCE

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by providing that real estate taxes levied under that Chapter shall not increase in any one year by more than a specified percentage as the result of an increase in the assessed value of the property as returned by the Board of Revision of Taxes; by providing that if the growth in the total assessed value of all real estate in the City exceeds a specified percentage in any year, then the rate of the real estate tax will be reduced proportionately; and by restating the rates of taxation in tabular form; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1300 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES.

§19-1301. Real Estate Taxes.

(1) [A] *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 preceding year] Taxable Assessed Value of the property as calculated under subsection 19-1301(3):*

<u>Year of Tax</u>	<u>Tax Rate</u>
1974 to 1976	\$1.975
1977 to 1980	\$3.275

City of Philadelphia

BILL NO. 030179 continued

1981 to 1982	\$3.475
1983 to 1984	\$3.90
1985 to 1988	\$3.505
1989 to 2002	\$3.745
2003	\$3.474
2004 and thereafter	The rate provided under §19-1301(2)

(2) *Tax Rates for Tax Year 2004 and thereafter.*

(a) *Definitions.*

(i) *Base Year Assessed Value.* The total assessed value of all property in the City as certified by the Board of Revision of Taxes for calendar year 2002 for imposition of tax in tax year 2003.

(ii) *Maximum Assessed Value.*

(A) *For tax year 2004, Base Year Assessed Value multiplied by 1.05.*

(B) *For tax years 2005 and thereafter, the Maximum Assessed Value for the prior tax year, multiplied by 1.05.*

(iii) *Rate Adjustment Factor.* For any given tax year, the Rate Adjustment Factor equals the ratio of Maximum Assessed Value for that tax year to the total assessed value of all property in the City as certified by the Board of Revision of Taxes for the year prior to the tax year, provided that if such ratio is greater than one, then the Rate Adjustment Factor shall equal one.

(b) *The tax rate for tax year 2004 and thereafter shall equal \$3.474 multiplied by the Rate Adjustment Factor for that tax year, rounded to the nearest one-tenth of one cent (\$0.001).*

(3) *Taxable Assessed Value.*

City of Philadelphia

BILL NO. 030179 continued

(a) For tax years prior to 2003, "Taxable Assessed Value" shall equal the assessed value of taxable real property returned by the Board of Revision of Taxes for the year preceding the tax year.

(b) For tax year 2003, "Taxable Assessed Value" shall equal the lesser of (i) the assessed value of a property as returned by the Board of Revision of Taxes during 2002, or (ii) the sum of 110% of the assessed value of the property as returned by the Board of Revision of Taxes during 2001 plus any increase in the assessed value of the property as returned by the Board of Revision of Taxes during 2002 that is solely attributable to the construction of new buildings or structures or to new improvements made to existing buildings and structures.

(c) For tax year 2004 and thereafter, "Taxable Assessed Value" shall equal the lesser of (i) the assessed value of a property as returned by the Board of Revision of Taxes for the year prior to the tax year, or (ii) 110% of the Taxable Assessed Value of the property for the prior tax year plus any increase in the assessed value of the property as returned by the Board of Revision of Taxes during for the year prior to the tax year that is solely attributable to the construction of new buildings or structures or to new improvements made to existing buildings and structures.

(d) Nothing in this subsection (3) shall affect the manner in which any eligible property is afforded a tax abatement authorized by any other provision of this Code, and the Board of Revision of Taxes shall continue to administer the abatement programs in the same manner in which it currently administers those programs. The Board of Revision of Taxes and the Department of Revenue shall promulgate any necessary regulations to effectuate Council's intent as expressed in this subsection.

(4) If the Commonwealth of Pennsylvania fails to provide legislation enabling City Council to enact Bill No. 131, introduced April 26, 1984, providing for the imposition of Business Privilege Taxes for Fiscal Year 1985, or if City Council fails to adopt Bill No. 131 for Fiscal Year 1985, the rate of tax shall be three (3) dollars and seventy-five and one-half (75½) cents for the years 1985 through 1988.

(5) In the event that a court of competent jurisdiction enters a final order from which all appeals have been exhausted, determining that City Council lacked the authority to impose this rate for the year 1989, the rate shall revert to three dollars and fifty and one-half cents (\$3.50½) for the year 1989.

[at the rate of one (1) dollar and ninety-seven and one-half (97½) cents for the year 1974 and thereafter.

City of Philadelphia

BILL NO. 030179 continued

(2) A tax is hereby levied on each one hundred (100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the preceding year at the rate of three (3) dollars and twenty-seven and one-half (27½) cents for the year 1977 and thereafter.

(3) A tax is hereby levied on each one hundred (100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the preceding year at the rate of three (3) dollars and forty-seven and one-half (47½) cents for the year 1981 and thereafter.

(4) A tax is hereby levied on each one hundred (100) dollars of the assessed value of taxable real property returned by the board of Revision of Taxes in the preceding year at the rate of three (3) dollars and ninety (90) cents for the year 1983 and thereafter.

(5) A tax is hereby levied on each one hundred (100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the preceding year at the rate of three (3) dollars and fifty and one-half (50½) cents for the year 1985 and thereafter; provided, that, if the Commonwealth of Pennsylvania fails to provide legislation enabling City Council to enact Bill No. 131, introduced April 26, 1984, providing for the imposition of Business Privilege Taxes for Fiscal Year 1985, or if City Council fails to adopt Bill No. 131 for Fiscal Year 1985, the rate of tax shall be three (3) dollars and seventy-five and one-half (75½) cents for the year 1985 and thereafter.

(6) A tax is hereby levied on each one hundred (\$100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the preceding year at the rate of three dollars seventy-four and one-half cents (\$3.74½) for the year 1989; Provided that, in the event that a court of competent jurisdiction enters a final order from which all appeals have been exhausted, determining that City Council lacked the authority to impose this rate for the year 1989 the rate shall revert to three dollars and fifty and one-half cents (\$3.50½) for the year 1989.

(7) A tax is hereby levied on each one hundred (\$100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the preceding year at the rate of three dollars seventy-four and one-half cents (\$3.74½) for the year 1990 and thereafter.

(8) A tax is hereby levied on each one hundred (\$100) dollars of the assessed value of taxable real property returned by the Board of Revision of Taxes in the preceding year at the rate of three (3) dollars and forty-seven and four-tenths (47.4) cents for the year 2003 and thereafter.]

* * *

City of Philadelphia

BILL NO. 030179 continued

SECTION 2. The amendments to Section 19-1301 of The Philadelphia Code effected by this Ordinance are not intended to change any rates of taxation or any other matter with respect to any tax year prior to tax year 2003, but are intended only to restate those rates in a more easily readable form.

Explanation:

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

City of Philadelphia

BILL NO. 030179 continued