



City of Philadelphia

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

BILL NO. 180351

Introduced April 12, 2018

Councilmember Squilla, Council President Clarke, Councilmembers Quiñones Sánchez, Blackwell, Greenlee, Bass, Reynolds Brown and Jones

**Referred to the
Committee on Finance**

AN ORDINANCE

Providing for a payment to the City upon the construction of certain real estate, and directing Council to appropriate revenues from such payments to the Department of Planning and Development – Division of Housing and Community Development, in order to support equitable neighborhood development by constructing affordable housing, including units for sale or rent, and by providing assistance to Philadelphians who desire to become homeowners, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

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

TITLE 19. FINANCE, TAXES AND COLLECTIONS.

* * *

CHAPTER 19-4300. Construction Impact Tax.

§ 19-4301. Imposition of tax.

(1) There is hereby imposed a tax on the privilege of constructing any structure for human occupancy, including any residential, commercial or industrial occupancy, or making any improvements to any such structure, for which a building permit is required pursuant to § 4-A-301.1.1.

(b) For purposes of this Chapter 19-4300, “improvements” shall mean any repairs, constructions, or reconstruction, including additions and alterations, which

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have the effect of rehabilitating a structure so that it becomes habitable or attains a higher degree of housing safety, health or amenity, or is brought into compliance with the laws, ordinances, or regulations of the City of Philadelphia. Ordinary upkeep and maintenance shall not be deemed an improvement.

(2) The tax shall be payable at the time of issuance of the building permit. If the improvement or construction authorized by the building permit is not actually performed, the tax shall be refunded upon petition pursuant to § 19-1703, after cancellation or expiration of the building permit.

(3) The tax shall be payable by the owner of the real estate upon which the structure is proposed to be erected or which is proposed to be improved; provided that, where the owner is a government agency, the tax shall be payable by any non-governmental owner of the proposed structure or improvement.

§ 19-4302. *Rate of tax.*

(1) The tax shall be imposed at the rate of one dollar (\$1.00) per one hundred dollars (\$100) of actual construction or improvement costs. Construction or improvement costs shall be calculated in the same manner as required for permits under § 4-A-902.3.

§ 19-4303. *Administration of the tax.*

(1) No building permit shall be issued unless and until the tax is paid. Every building permit shall be stamped by the Department, evidencing payment of the tax. Pursuant to § 8-401 of the Home Rule Charter, the Department may authorize employees of the Department of License and Inspections to perform this stamping function.

(2) In the event that the taxpayer, at the time of building permit application, does not know with certainty the anticipated construction or improvement costs, the taxpayer shall submit a certified best estimate; and shall promptly submit a corrected certification, with any additional payment that may be owing, as soon as more certain information is available.

(3) At the time of building permit application, during or upon completion of construction or improvement, or at any appropriate time in the judgment of the Department, the Department may require taxpayers to submit such documentation as needed to confirm construction or improvement costs.

§ 19-4304. *Use of tax proceeds.*

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(1) Each year, in the annual operating budget ordinance, Council shall appropriate to the Department of Planning and Development – Division of Housing and Community Development, subject to Section 2-300(2) of the Home Rule Charter, an amount equal to an estimate provided by the Director of Finance of total receipts under this Chapter projected for the fiscal year for which appropriations are being made, with the expectation that such amounts will be deposited by the Director of Finance in the Housing Trust Fund, to be used for the purposes set forth in Chapter 21-1600.

SECTION 2. This Ordinance shall take effect July 1, 2018, and shall apply to all building permit applications filed on or after that date.

Explanation:

Italics indicate new matter added.

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