

**DEPARTMENT OF REVENUE**  
**GENERAL REGULATIONS RELATING TO TAXES AND OTHER REVENUES**  
**(Based on December 1988 Amendments and July 1989 Consolidation, as further amended)**

**ARTICLE 1**  
**GENERAL PROVISION**

**Section 101. Definitions.**

In all regulations promulgated by the Commissioner of Revenue relative to City revenues, the following terms shall have the definitions hereinafter given, except where the contents clearly indicate another meaning:

"Association". A partnership, limited partnership, or any other form of unincorporated business or enterprise owned by two or more persons.

"Business". An enterprise, activity, profession, trade or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, co-partnership, association, governmental body or unit or agency, or any other entity.

"Code". The Philadelphia Code.

"Corporation". A corporation, joint stock association, joint stock company organized under the laws of the United States, the Commonwealth of Pennsylvania, or any other state, territory, or foreign country or dependency.

"Department". Department of Revenue.

"Doing Business." Carrying on or exercising for gain or profit within the City of Philadelphia any profession, vocation, or any manufacturing, commercial, service, financial or utility business or activity.

To determine whether an entity will be considered to be "doing business" in the City is a factual determination to be made on a case by case basis.

Carrying on or engaging in business contemplates activities such as but not limited to:

1. Making sales or performing activities to effect sales;  
and/or
2. Providing services or performing activities which affect providing services;  
and/or
3. Performing acts regularly and continuously in Philadelphia which affects a business objective; and/or

4. Maintaining an active presence in Philadelphia for the purpose of continued efforts in the pursuit of profit or gain.

An entity will be considered to be "doing business" until liquidation has been completed; in spite of the fact that normal operations have ceased and dissolution is about to take place.

Entities going out of business or ceasing to conduct business in the City of Philadelphia must notify the Department with a tax return reporting that the operation terminated and a copy of the order to dissolve filed with the Commonwealth. Entities failing to give such notice to the Department shall be considered active.

#### ILLUSTRATION

Company X is headquartered outside the City, however, 50% of its regular customers are located in the City. The Company uses a sales force of 10.

Three of Company X's ten sales representatives spend 70% of their time in the City visiting customers, introducing new products, advising customers on advertising, assisting the customer in making attractive displays, and taking orders.

Although the sales representatives were instructed that they could take customers orders but that they had no authority to bind the Company, in practice, the Company infrequently rejected orders placed by a sales representative.

Company X is "doing business" in Philadelphia.

"Fiduciary". A person who holds in trust property, monies or properties to which another person has a beneficial title or interest, or who receives and controls income for another person or persons.

"Person". Every natural person, co-partnership, fiduciary or association. Whenever the term "person" is used in any clause prescribing and imposing a penalty, the term as applied to associations shall mean the partners or members thereof and as applied to corporations the officers thereof.

"Taxpayer". A person, whether an individual, co-partnership, association, or any other entity required to: (1) file a tax return, and/or (2) pay a tax thereon.

## **ARTICLE II FILING RETURNS AND PAYMENT OF TAX**

### **Section 201. Filing Returns.**

- (1) Where Return is to be Filed. All returns must be filed with the Department, Municipal Services Building, Philadelphia, Pa. Failure to receive tax forms will not excuse a taxpayer for failure to file his return.
- (2) Information to be Included in Return. Each return must indicate the taxpayer's name, business, business name and address, and such other information as may be required by the Department for the purpose of calculating the amount of tax due.

In calculating the amount of tax due, the Department may require that decimals (i.e. cents) are rounded to the nearest whole number (i.e. dollar). If the number behind the decimal point is less than 5 (i.e. 50 cents), it is rounded down to the nearest whole number. If the number behind the decimal point is 5 or more (i.e. 50 cents or more), it is rounded up to the nearest whole number.<sup>1</sup>

EXAMPLE 1: \$10.40 rounded to the nearest whole number (i.e. dollar) is \$10.

EXAMPLE 2: \$10.70 rounded to the nearest whole number (i.e. dollar) is \$11.

If the taxpayer maintains more than one place of business in Philadelphia, he is required to file only one return and to report therein transactions occurring in all of his places of business in Philadelphia. If one return covers more than one place of business, a schedule shall be attached to the return showing the various locations at which the taxpayer conducts business in Philadelphia.

- (3) Cash or Accrual Basis. A tax return may be filed on a cash basis or accrual basis, but the return must be prepared in accordance with proper financial accounting procedures.

The method shall reflect the gain or (loss) resulting from the activity of a business, profession or enterprise which occurs during the usual operations; inclusive of the sale, exchange or disposition of assets of an ongoing or terminated entity. Transactions must be identifiable, necessary, and reasonable to the business, after allowance for applicable costs.<sup>2</sup>

A person who keeps his books on a cash basis will report receipts actually on constructively received during the period used as the measure of the tax. A person who keeps his books on the accrual basis will report all sales made, services rendered, etc. during the period used as the measure of the tax, irrespective of the date any monies are collected from the customers.

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<sup>1</sup> This paragraph and examples added by regulation submitted to the Department of Records October 2, 2013 (effective November 1, 2013).

<sup>2</sup> Numbered paragraph (8) in 1988 amendment.

- (4) **Signature and Certification of Return.** If the taxpayer is an individual, he shall sign the return. If the taxpayer is a partnership, the return shall be signed by at least one of the general partners. If the taxpayer is a corporation, the return shall be signed by a duly authorized officer thereof, and the corporate seal shall be affixed.

If the taxpayer because of illness or absence from the City is unable to make the certification and file the return, the return may be certified and filed by an authorized agent. In such case, the return is to be accompanied by a letter setting forth the reason for the taxpayer's inability to act personally. A power of attorney showing the agent's authority to certify to the correctness of the return is to be submitted. If the taxpayer is deceased, the return is to be made and filed by his legal representative.

- (5) **Records to be Kept by Taxpayers.** ALL taxpayers including employers subject to any tax levied under Chapter 19 of the Code are required to keep such records as will enable the filing of true and accurate returns, and such records are to be preserved for a period of not less than six years to enable the Commissioner of Revenue or any agent or employee of the Commissioner of Revenue to verify the correctness of the returns filed.
- (6) **Extension of Time To File Return.** The Department may, upon proper cause shown, grant a taxpayer extension of not more than 60 days for the filing of any return. Application for such extension shall be made on or before the last day for the payment of the tax, in such form as the Department prescribes.<sup>3</sup>

Where the Internal Revenue grants an additional extension of time for filing tax returns, the Department may grant an additional extension of time for filing the return affected thereby, not to exceed the date of termination of the Federal extension period. The additional City extension may be obtained by filing the form titled, Application for Extension of Additional Time to File Self-Assessed Tax Returns. The form is the last page of the tax booklets or may be obtained from the Department on request. Attach a copy of the Federal extension grant to the form. The extension will not relieve the taxpayer from the obligation to pay interest and penalty from the date such return was originally due on any amount in excess of the estimated tax paid.

- (7) **Report of Changes Made in Federal Tax Return.** If as a result of a change made in business income by the Internal Revenue Service an additional amount is found to be owing the City, the Taxpayer shall file with the City a report of such change and pay

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<sup>3</sup> Amended by regulation submitted to the Department of Records on February 25, 1980 (effective March 27, 1980).

the tax due within seventy-five (75) days of receipt from the federal authorities of the final notice of such change.

## **Section 202. Payment of Tax**

- (1) The person making the return shall at the time of filing thereof pay to the Department the total amount shown by the return to be due.
- (2) Payment of the tax may be made in cash or by check or money order drawn to the order of the City of Philadelphia. Cash payments shall be made only to a cashier in the office of the Department located in the Municipal Services Building. Postage stamps will not be accepted.
- (3) Payment by Credit Card.<sup>4</sup>

### **(a) Authority to receive.**

(1) *Payments by credit card.* City of Philadelphia taxes, fees, permits and charges may be paid by credit card as authorized by this section. Payment by credit card is voluntary on the part of the taxpayer. Only credit cards approved by the Commissioner may be used for this purpose, only the types of tax liabilities, fees, permits and charges specified by the Commissioner may be paid by credit card and all such payments must be made in the manner and in accordance with the forms, instructions and procedures prescribed by the Commissioner. All references in this section to tax, fees, permits and charges also include interest, penalties, additional amounts, and additions to tax.

### **(2) Definitions.**

(i) Credit card means any credit card as defined in section 103(k) of the Truth in Lending Act (15 U.S.C. 1602(k)), including any credit card, charge card, or other credit device issued for the purpose of obtaining money, property, labor, or services on credit.

(b) When payment is deemed made. A payment of tax by credit card shall be deemed made When the issuer of the credit card properly authorizes the transaction, provided that the payment is actually received by the City in the ordinary course of business and is not returned pursuant to paragraph (d)(3) of this section.

### **(c) Payment not made.**

(1) *Continuing liability of taxpayer.* A taxpayer who tenders payment of taxes by credit card is not relieved of liability for such taxes until the payment is actually received by the City and is not required to be returned pursuant to paragraph (d)(3) of this section.

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<sup>4</sup> Added by regulation submitted to the Department of Records on July 20, 2004 (effective August 19, 2004).

(d) Resolution of errors relating to the credit card or debit card account.

(1) *In general.* Payments of taxes by credit card shall be subject to the applicable error resolution procedures of section 161 of the Truth in Lending Act (15 U.S.C. 1666), section 908 of the Electronic Fund Transfer Act (15 U.S.C. 1693f), or any similar provisions of state or local law, for the purpose of resolving errors relating to the credit card account, but not for the purpose of resolving any errors, disputes or adjustments relating to the underlying tax liability.

(2) *Matters covered by error resolution procedures.*

(i) The error resolution procedures of paragraph (d)(1) of this section apply to the following types of errors—

(A) An incorrect amount posted to the taxpayer's account as a result of a computational error, numerical transposition, or similar mistake;

(B) An amount posted to the wrong taxpayer's account;

(C) A transaction posted to the taxpayer's account without the taxpayer's authorization; and

(D) Other similar types of errors that would be subject to resolution under section 161 of the Truth in Lending Act (15 U.S.C. 1666), section 908 of the Electronic Fund Transfer Act (15 U.S.C. 1693f, or similar provisions of state or local law.

(ii) An error described in paragraph (d)(2)(i) of this section may be resolved only through the procedures referred to in paragraph (d)(1) of this section and cannot be a basis for any claim or defense in any administrative or court proceeding involving the Commissioner or the City.

(3) *Return of funds pursuant to error resolution procedures.*<sup>5</sup> If a taxpayer is entitled to a return of funds pursuant to the error resolution procedures of paragraph (d)(1) of this section, the Commissioner may, in the Commissioner's sole discretion, effect such return by arranging for a credit to the taxpayer's account with the issuer of the credit card or any other financial institution or person that participated in the transaction in which the error occurred.

(4) *Matters not subject to error resolution procedures.* The error resolution procedures of paragraph (d)(1) of this section do not apply to any error, question, or dispute concerning the amount of tax owed by any person for any year. For example, these error resolution procedures do not apply to determine a taxpayer's entitlement to a refund of tax for any year for any reason, nor may they be used to pay a refund. All such matters shall be resolved

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<sup>5</sup> Paragraphs (3)-(5) incorrectly numbered in original, renumbered by compiler.

through administrative and judicial procedures established pursuant to the City Code and the rules and regulations there under.

(5) *Section 170 of the Truth in Lending Act not applicable.* Payments of taxes by credit card or debit card are not subject to section 170 of the Truth in Lending Act (15 U.S.C. 1666i) or to any similar provision of state or local law.

(e) Fees or charges. Taxpayers wishing to pay obligations to the City and School District using credit cards will be subject to certain terms and conditions, including the payment of related processing fees, as follows:

(1) A fee of \$.75 per transaction to cover the City's cost of processing plus

(2) A processing fee to cover the bank or card processor's costs. The amount of such fee shall be subject to approval of the Director of Finance or his or her designee and shall be prominently displayed on the application or other forms or instructions to be provided to and submitted by the taxpayer.

(f) Authority to enter into contracts. The Commissioner may enter into contracts related to receiving payments of tax by credit card if such contracts are cost beneficial to the City. The determination of whether the contract is cost beneficial shall be based on an analysis appropriate for the contract at issue and at a level of detail appropriate to the size of the City's investment or interest. The Commissioner may not pay any fee or charge or provide any other monetary consideration under such contracts for such payments.

(g) Use and disclosure of information relating to payment of taxes by credit card. Any information or data obtained directly or indirectly by any person other than the taxpayer in connection with payment of taxes by a credit card shall be treated as confidential, whether such information is received from the City or from any other person (including the taxpayer).

(1) No person other than the taxpayer shall use or disclose such information except as follows—

(i) Card issuers, financial institutions, or other persons participating in the credit card transaction may use or disclose such information for the purpose and in direct furtherance of servicing cardholder accounts, including the resolution of errors in accordance with paragraph (d) of this section. This authority includes the following—

(A) Processing the credit card or transaction, in all of its stages through and including the crediting of the amount charged on account of tax to the City Treasury;

(B) Billing the taxpayer for the amount charged or debited with respect to payment of the tax liability;

(C) Collecting the amount charged or debited with respect to payment of the tax liability;

(D) Returning funds to the taxpayer in accordance with paragraph (d)(3) of this section;

(E) Sending receipts or confirmation of a transaction to the taxpayer, including secured electronic transmissions and facsimiles; and

(F) Providing information necessary to make a payment to state or local government agencies, as explicitly authorized by the taxpayer (e.g., name, address, and taxpayer identification number).

(ii) Card issuers, financial institutions or other persons participating in the credit card transaction may use and disclose such information for the purpose and in direct furtherance of any of the following activities—

(A) Assessment of statistical risk and profitability;

(B) Transfer of receivables or accounts or any interest therein;

(C) Audit of account information;

(D) Compliance with federal, state, or local law; and

(E) Cooperation in properly authorized civil, criminal, or regulatory investigations by federal, state, or local authorities.

(2) Notwithstanding the provisions of paragraph (g)(1) of this section, use or disclosure of information relating to credit card transactions for purposes related to any of the following is not authorized—

(i) Sale of such information (or transfer of such information for consideration) separate from a sale of the underlying account or receivable (or transfer of the underlying account or receivable for consideration);

(ii) Marketing for any purpose, such as, marketing tax-related products or services, or marketing any product or service that targets those who have used a credit card to pay taxes; and



(iii) Furnishing such information to any credit-reporting agency or credit bureau, except with respect to the aggregate amount of a cardholder's account, with the amount attributable to payment of taxes not separately identified.

(3) Use and disclosure of information other than as authorized by this paragraph (g) may result in civil liability.

(h) Effective date. This subsection (3) ("Payment by Credit Card") shall be effective immediately upon this regulation becoming final, and shall apply to payments of taxes, fees, permits and other charges made on or after such date.

### **Section 203. – Electronic Filing and Payment<sup>6</sup>**

- (1) Effective January 1, 2011 through December 31, 2011, any taxpayer that remits an average of \$20,000 or more per month will be required to file the tax return and remit the attending tax payment electronically through electronic funds transfer("EFT"). Effective January 1, 2012 and thereafter, the Department may periodically determine or change the parameters for taxpayers to electronically file tax returns and remit the attending tax payments electronically through EFT. These parameters will be posted to the Department's website and taxpayers will be notified of the changes. EFT includes automated clearinghouse (ACH debits and /or credits and any other means or technologies that may be available to obtain the funds due the City in an efficient manner. The Department may by policy or announcement provide for additional electronic means/technologies as they become available.
- (2) The application of the Department's electronic filing and payment parameters for a particular taxpayer will be determined by using the filing and payments for the taxpayer in the immediate prior calendar year. If there is no filing for the prior year, the Department may set the parameters and notify the taxpayer.
- (3) Any taxpayer who is required by this regulation to electronically file a return and fails to do so will be subject to a penalty of \$500 for each occurrence. Every month that the taxpayer fails to electronically file will constitute a separate occurrence. This penalty is in addition to any penalty due under Philadelphia Code § 19-509(4)(e).
- (4) Any taxpayer who is required by this regulation to make an electronic payment and fails to comply shall in addition to any interest, penalties and fees owed under Philadelphia § 19-509 be subject to a penalty for each occurrence as follows:
  - (a) If the amount to be paid electronically is less than or equal to \$10,000: five percent (5%) of the amount to be paid electronically.

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<sup>6</sup> Added by regulation submitted to the Department of Records on December 28, 2010 (effective January 27, 2011). Numbering scheme inconsistent with remainder of regulations, revised by compiler. Further amended by regulation submitted to the Department of Records on November 2, 2011 (effective December 2, 2011).

- (b) If the amount to be paid electronically is more than \$10,000 but less than \$50,000: five hundred dollars (\$500).
- (c) If the amount to be paid electronically is \$50,000 or more: one percent (1%) of the amount to be paid electronically. Every month that the taxpayer fails to make electronic payments will constitute a separate occurrence.

### **ARTICLE III**

#### **DUTIES AND POWERS OF THE COMMISSIONER OF REVENUE**

##### **Section 301. Collect and Receive Tax and Other Revenues.**

The Commissioner of Revenue shall collect and receive the taxes and other revenues imposed under Chapter 19 of the Code.

##### **Section 302. Keep Records of Receipts.**

In addition to the keeping of records now required by law or by the Code, the Commissioner of Revenue shall keep a record showing the amount received by him from each taxpayer and/or withholding agent and the date of such receipt.

##### **Section 303. Promulgate and Enforce Rules and Regulations.**

The Commissioner of Revenue is charged with the enforcement of the applicable provisions of Chapter 19 of the Code, and is authorized and empowered to prescribe, adopt, promulgate, and enforce rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions thereof.

Under the powers given him, these regulations are issued. Additional regulations and rulings will be issued from time to time as circumstances may demand.

Any taxpayer or employer desiring a specific ruling will submit in writing to the Commissioner of Revenue all of the facts involved.

##### **Section 304. Examine Books and Records of Taxpayers.**

- (1) The Commissioner of Revenue or his agent or employee authorized by him in writing is authorized and empowered to examine the books, papers, and records and copies of tax returns filed with other taxing authorities of any taxpayer, or supposed taxpayer, or any employer, or supposed employer, in order to verify the accuracy of any return made, or if no return was made to ascertain the amount of the tax imposed under the Code.

Every taxpayer or supposed taxpayer, employer or supposed employer, is directed and required to give to the Commissioner of Revenue, or his duly authorized agent or employee the means, facilities, and opportunity for such examinations and investigations as are authorized under the Code.

- (2) Examinations Performed Outside the City. When a City of Philadelphia Revenue Examiner, in the performance of his official duties, shall travel outside the City for the purpose of examining a taxpayer's books and

records, the taxpayer shall be required to pay to the City of Philadelphia all expenses incurred (except salaries), including roundtrip traveling fare, lodging, meals, and any other necessary expenses incidental to the performance of the examination.

### **Section 305. Subpoena Taxpayer and Records.**

The Commissioner of Revenue is authorized and empowered to examine under oath any person concerning any income, gross receipts, etc. which was or should have been returned for taxation, and to this end he may compel the production of books, papers, and records and copies of tax returns filed with other taxing authorities and the attendance of all persons before him whether as parties or witnesses whom he believes to have knowledge of such income, gross receipts, etc.

He may also exercise this power by virtue of the provisions of Section 8-409 of the Philadelphia Home Rule Charter.

### **Section 306. Assess and Collect Deficiencies and Authorize Refunds.**

- (1) **Assessment and Collection of Underpayments of Tax.** If as a result of an investigation conducted by the Commissioner of Revenue a return is found to be incorrect, the Commissioner is authorized to assess and collect any underpayment of tax owing by any taxpayer, or any underpayment of tax withheld at source.

If no return has been filed and a tax is found to be owing, the tax actually owing may be assessed and collected with or without the formality of obtaining a delinquent return from the employer or taxpayer.

- (2) **Refunds.** Should a taxpayer discover that an overpayment of tax has been made, he may apply for a refund on a form to be furnished by, or obtainable from, the Department. Such refunds are governed by the provisions of Chapter 19-1700 of the Code.

The decision of the Commissioner of Revenue as to the granting of a refund shall become final only after it has been approved by the Tax Review Board.

Where an employer has erroneously withheld tax from his employee, the application for refund must be made by the employer for and on behalf of the employee. In those cases in which too much has been withheld by an employer from an employee and turned over to the Commissioner of Revenue and there has been a termination of the employee-employer relationship, the taxpayer (employee) may apply in his own right to the Commissioner of Revenue for an adjustment.

(3) Interest on Refunds.<sup>7</sup> Interest on refunds will be paid at the rate required by the Commonwealth pursuant to 41 P.S. § 202. Interest shall be allowed and paid during the period the overpayment was held, beginning with the date of the overpayment except:

- (a) When the overpayment is deducted and withheld at the source, the overpayment date shall be construed to be the last day prescribed for filing the return or report for the taxable year. For wage tax, the last day prescribed for filing the return is the due date of the Annual Reconciliation which must be complete and sufficiently detailed to verify computation of tax liability on return.
- (b) When the overpayment is the result of an estimated payment, the overpayment date shall be construed to be the last date prescribed for filing the final report or return. This rule will apply for estimated payments made for the Net Profits Tax.
- (c) If the overpayment is made with an early filing, the overpayment date shall be construed to be the last day prescribed for filing the return or report.
- (d) If the overpayment is brought to the City's attention through a Petition for Refund rather than with the filing of a return, the overpayment date is 60 days **after** the receipt of a **complete** refund request. Complete means the refund request must be sufficiently detailed to verify the computation of the amount requested, type of tax and years involved, taxpayer's name, address and account number and reason for refund.

Refund Petitions deemed to be incomplete will be sent back to the requester and the 60 days will not start until the receipt by the City of a complete Petition.

- (e) In case of refund request with filings (other than step 4) City has 75 days from prescribed due date or payment date whichever is later to refund or credit taxpayer's account. Refund requests must be complete and sufficiently detailed to verify computation of tax liability on return.

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<sup>7</sup> Amended by regulation submitted to the Department of Records on May 28, 1999 (effective June 28, 1999); internal references changed from numbers to letters for consistency by the compiler.

## **Section 307. Maintain Confidentiality of Tax Returns and Related Information.<sup>8</sup>**

### **(1) Findings.**

- (a) Both City Council and the Pennsylvania General Assembly have established as public policy that returns and records of the types taxpayers must file and retain are generally confidential, with limited exceptions. *See, e.g.*, Phila. Code § 19-506 (Requiring taxpayers to maintain certain records and making information obtained by the Commissioner confidential with limited exceptions); the Right to Know Law, 65 Pa. Stat. §§ 67.708(6)(i)(A) (protecting “personal financial information,” defined in Section 67.102 to include “information relating to an individual’s personal finances”), 67.708.(17)(ii) (protecting City noncriminal “Investigative materials, notes, correspondence and reports”), 67.708(17)(vi)(A), (C) (protecting from disclosure any “record that, if disclosed, would... Reveal the institution, progress or result of an agency investigation, except the imposition of a fine or civil penalty, the suspension, modification or revocation of a license, permit, registration, certification or similar authorization issued by an agency or an executed settlement a agreement unless the agreement is determined to be confidential by a court” or “Constitute an unwarranted invasion of privacy”); Local Taxpayers Bill of Rights Act, 53 PA. cons. Stat. § 8437 (“Any information gained by a local taxing authority as a result of any audit, return report, investigation, hearing or verification shall be confidential tax information, “ and “ except for official purposes or as provided by law, “ it is a criminal offense to “ Divulge or make known in any manner any confidential information gained in any return, investigation, hearing or verification to any person,” to “Permit confidential tax information or any book containing any abstract or particulars thereof to be seen or examined by any person,” or to “ Print, publish or make known in any manner any confidential tax information”); Local Tax Enabling Act, 53 PA. Stat. § 6924.514 (similar). *See also* Phila. Home Rule Charter § 5-1104 (“City records, the disclosure of which would invade a person’s right to privacy ... or breach a legally recognized duty of confidence, or the no0ndisclosure of which is legally privileged,... shall not be available for public inspection”); 53 Pa. Stat. § 17047 (“All laws or parts of laws now in force requiring the receiver of taxes in the city of Philadelphia to publish the names of all delinquent taxpayers, shall be so construed as to apply to the taxes upon real estate in the said city of Philadelphia, and upon personal property only when the assessed valuation of the latter shall amount to or exceed one hundred dollars”).
- (b) Confidential information can frequently be readily derived from the taxes assessed to or paid by a taxpayer, and the release of such amounts as public information can create a disincentive for taxpayers to provide complete and accurate financial information. It is in the best interests of the City and of taxpayers to reduce this disincentive.
- (2) In General. Any information gained by the Commissioner of Revenue or any other official or agent of the City as a result of any returns, investigations, hearings, or verifications required or authorized under Title 19 of the Code, including, but not limited to, amounts

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<sup>8</sup> Amended by regulation submitted to the Department of Records on March 25, 2011 (effective April 25, 2011). (Numbering scheme inconsistent with rest of regulations, renumbered by compiler.)

assessed, owing or paid, shall be confidential except for official purposes, and any person or agent divulging such information shall be subject to fines and penalties as provided under the Code. Thus, the Commissioner of Revenue shall refuse to produce tax returns when subpoenaed by a litigant in an action at law between private parties. For purposes of this Regulation, Official purposes" shall include tax collection and tax administration, including the verification of the tax compliance of current and prospective contractors and others payees of public funds. Notwithstanding the foregoing, the following qualifications shall apply:

- (a) Amounts of Obligations and Payments. The amounts of taxes due or paid by a particular taxpayer shall not be confidential where (A) the amounts in question relate to real estate taxes or water/sewer charges; or (B) applicable law or a court order requires disclosure.
- (b) In connection with any lien, lawsuit, or administrative proceeding, the Commissioner or the taxpayer may, disclose the amount claimed by the City or the taxpayer or such other information as may be necessary or appropriate for the lien or for consideration by the tribunal in connection with the proceeding. The amount of any resulting lien or judgment shall not be confidential.
- (c) Any official or agent that receives any confidential tax information in connection with a contractor compliance program or otherwise shall maintain strict confidentiality thereof.

## **ARTICLE IV INTEREST AND PENALTY**

### **Section 401. Rates.**

All taxes imposed under Chapter 19 of the Code, if not paid by the due date, shall bear interest and penalty at rates imposed under Section 19-509 of the Code as amended by Bill No. 1108 approved January 6, 1987.

### **Section 402. Waiver of Interest and/or Penalty.**

The Commissioner of Revenue may, subject to the approval of the Tax Review Board, recommend waiver of interest and/or penalty.

- (1) When Extension of Time Has Been Granted. Where the taxpayer has been granted an extension of time for filing a return and payment of tax, only interest shall be charged during the period of the extension. However, if the taxpayer shall fail to file a return and pay the tax by the extended date, interest and penalty shall be imposed from the due date.
- (2) When Federal Return Has Been Revised. Any taxpayer who files an amended return with the Federal Government, or experiences a correction in the amount of net income (or loss) as returned to the Federal Government, shall, within 75 days after filing an amended return or final determination of corrected net income or loss by the Internal Revenue Service or any other agency or Court of the United States, file an amended tax return with the Revenue Commissioner, reporting the corrected net income (or loss), and shall remit any additional tax plus interest and penalty accruing from the original due date.

### **Section 403. Waiver of Interest and Penalties pursuant to the Abatement Program as authorized Bill No. 1026.**

- (1) Length of Time For Program. The Abatement Program will begin November 1, 1986 and end January 31, 1987.
- (2) Tax Period Covered. All tax returns and payments that were due on or before January 31, 1986 are included in the program.
- (1) Taxes Covered. All City and School District taxes are covered under the program. Water and Sewer charges are not included in the program.
- (2) Amount Waived. Sixty-five (65) percent of combined interest and penalty waived for eligible applicants and eligible taxes.
- (5) Eligibility. Non-Filers and delinquents for tax obligations prior January 31, 1986 are eligible for the program. Taxpayers being investigated for municipal tax criminal prosecution are not eligible.



## **ARTICLE V COLLECTION OF UNPAID TAXES**

### **Section 501. General.**

All taxes imposed under Chapter 19 of the Code together with all applicable interest and penalties shall be recoverable by the City Solicitor as other debts of like amount are recoverable.

The City is not limited in an action to recover fines or penalties for violation of the Code to actions of assumpsit. It may resort to the use of a *capias ad respondendum* (civil arrest) against delinquent taxpayers. (See *Phila. v. Cline*, 158 Pa. Sup.179.)

### **Section 502. Limitations on Actions to Collect Taxes.**

Any suit to recover taxes, interest, and penalties must be begun within six (6) years after such taxes are due or within six (6) years after a return has been filed, whichever date is later.

### **Section 503. Suspension or Tolling of Statute of Limitations.**

This limitation shall not prevent the Collection of any tax due or determined to be due in any of the following instances:

- (1) where no return was filed by the taxpayer although a return was required to be filed by him under the provisions of Chapter 19 of the Code;
- (2) where an examination of a return filed by the taxpayer and of other evidence relating to such return which is in the possession of the Commissioner of Revenue reveals a fraudulent evasion of taxes, including, but not limited to, substantial understatement of gross receipts, net profits, etc. in any such return;
- (3) where the taxpayer has collected or withheld tax funds or money of any nature or description under the Code as agent or trustee for the City or the School District of Philadelphia and has failed, neglected or refused to pay the amount so collected or so withheld to the City or the School District of Philadelphia. (April 1980, Bill No. 27 amending Chapter 19-500 of the Philadelphia Code.)

### **Section 504. Claims Against Bankrupt Taxpayers.**

A claim for taxes imposed under Chapter 19 of the Code against a bankrupt taxpayer, is entitled to a priority by virtue of Section 64 of the U. S. Bankruptcy Act.

A discharge in bankruptcy shall not release the bankrupt taxpayer from payment of taxes

due by him under Chapter 19 of the Code.

#### **Section 505. Dishonored Checks.**

If any check received in payment of taxes, fees, rents or other charges, or other revenue is returned unpaid by the bank, there shall be added to the amount due the sum of twenty (20) dollars to cover the additional cost to the City. (July 1983 Bill No. 1669 amending Philadelphia Code Section 19-509).

#### **Section 506. Application of Payment for Real Estate Taxes.<sup>9</sup>**

All payments for real estate taxes shall be applied to the oldest real estate tax year first and apportioned to tax principal, interest, penalties, costs and fees, regardless of any designation made by the taxpayer or his or her agent. However, if such allocation would result in a taxpayer being unable to take advantage of the Senior Citizen Real Estate Tax Rebate Program offered by the Commonwealth of Pennsylvania or being unable to enter into the Installment Payment Program, as defined in Philadelphia Code §19-1305, the taxpayer may apply for a different allocation of the payment. The method of applying for a change in allocation will be set forth by the Philadelphia Department of Revenue. Upon finding that the oldest year first allocation would prevent the taxpayer from taking advantage of or entering into either such program, the Department of Revenue may permit a different allocation of payments. The Department of Revenue's response to the taxpayer must be in writing.

Payments made by a taxpayer who has entered into an agreement to pay delinquent real estate taxes, which agreement requires that the taxpayer pay current real estate taxes on time, shall be permitted to have payments applied to such current year taxes so long as that taxpayer has not otherwise broken the agreement.

#### **Section 507. Tax Amnesty Program.<sup>10</sup>**

- (1) The Amnesty Program (the "Program") established by the Department of Revenue (the "Department") pursuant to Section 19-513 of The Philadelphia Code is available for the period beginning May 3, 2010 and ending June 25, 2010, as further described in this Regulation (the "Amnesty Period").

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<sup>9</sup> Added by regulation submitted to the Department of Records on May 19, 1997 (effective June 18, 1997).

<sup>10</sup> Added by regulation submitted to the Department of Records on March 5 2010 (effective April 4, 2010). Originally numbered Section 506, a number already in use, renumbered by compiler.

- (2) The Program shall apply to any taxes imposed and collected by The City of Philadelphia (the "City") or the School District of Philadelphia (the "School District") originally due and payable on or after February 1, 1986 and on or before June 30, 2009 (the "Eligibility Period").
- (3) (a) Delinquent taxpayers that are eligible for the Program and comply with the requirements of this Regulation will satisfy their eligible tax delinquencies for all taxes imposed by or for the City or School District except for the Sales and Use Tax and Hotel Occupancy Tax imposed pursuant to Section 19-2701 and the General Acute Care Hospital Assessment and High Volume Medicaid Hospital Assessment imposed pursuant to Section 19-3502 (the "Eligible Taxes"), through the filing of any delinquent returns and the payment of all tax principal plus half (50%) of accrued interest plus all lien charges and court costs, with waiver of the accrued penalties, fines and 50% of accrued interest.
- (b) For purposes of this Regulation, a taxpayer is "delinquent" with respect to payment of a tax or the filing of a return if the due date has passed and the taxpayer has not paid the tax in full or filed the return, as applicable.
- (c) For purposes of this Regulation, if applicable law requires the payment of an estimated tax amount, the payment is "due and payable" only when the final payment or reconciliation of tax principal is due, and not on the due date of the estimated tax payment. This excludes estimated 2009 Business Privilege Tax from the Program. However, 2009 Wage (including Earnings) and Liquor by the Drink Taxes due and payable on or before June 30, 2009 may be eligible.
- (4) The Program shall be available to any taxpayer who is delinquent in the payment of tax as of the first day of the Amnesty Period, except that the Program shall not be available to a taxpayer who:
- (a) Received notice that the taxpayer is the subject of a criminal investigation for an alleged violation directly relating to any law imposing a City of Philadelphia or School District of Philadelphia tax;
- (b) Has been named as a defendant in a criminal complaint alleging any violation directly relating to a City of Philadelphia or School District of Philadelphia tax;  
or
- (c) Participated in any prior tax amnesty program of the City or was an officer of a company that participated in any such prior program.

The exceptions set forth in paragraphs 4.a and 4.b above shall not apply if the taxpayer has been notified that the investigation has concluded and no charges will be filed, or if no charges have been filed and all potentially applicable statutes of limitation have expired, or if all filed charges have been withdrawn, or if the taxpayer has been acquitted of all such

charges.

- (5) If a taxpayer is delinquent in the filing of any return as of the beginning of the Amnesty Period, the taxpayer shall not be eligible for participation in the Program unless, by the close of the Amnesty Period, the taxpayer has filed all delinquent returns (whether or not the taxpayer is claiming Amnesty as to debts associated with such returns) and has so certified in the Amnesty Agreement described in paragraph 10 below.
- (6) No abatement shall be available under the Program for any interest, penalty, or fine paid prior to the start of the Amnesty Period. Taxpayers who have entered into payment agreements for delinquent taxes before the Amnesty Period shall be eligible for the Program with respect to such taxes so long as:
  - (a) All payments due under the prior agreement between July 1, 2009 and the start of the Amnesty Period are current. Any that are not current at the start of the Amnesty Period must first be made current without the benefit of the Program. The requirements of this subparagraph (a) shall not apply to a payment agreement as to which the taxpayer was already in default as of July 1, 2009.
  - (b) The payment agreement does not reflect any abatement of tax principal in settlement of litigation, unless the taxpayer has first paid all abated principal for all tax years and waived any claim to a refund or credit.
  - (c) Notwithstanding the above, taxpayers that choose to participate in the Program instead of an existing payment agreement will not receive the benefit of principal, interest, penalty or other charges that were to be abated under the terms of the payment agreement, even as to payments already made pursuant to the payment agreement. In other words, the taxpayer must choose between the benefits of the payment agreement as a whole and the benefits of the Program.
- (7) Subject to the provisions of paragraph 6, the Department shall abate attorney fees associated with a particular delinquency to the extent payment is made directly to the City's Tax Amnesty Administrator during the Amnesty Period and the taxpayer files a timely and complete Amnesty Application with Amnesty Agreement and Certification, as described below and participates in the Program as to the delinquency associated with the attorney fees.
- (8) In the event that, on or after July 1, 2009, the City or School District has secured a judgment for delinquent taxes, or a court decree or writ in aid of execution on a judgment for delinquent taxes, then such taxes shall be ineligible for abatement of interest or penalties under the Program. July 1, 2009 is hereby established as the Closing Date pursuant to Section 19-513(2)(e), because the Revenue Commissioner has determined that this date will maximize the overall collections of the City and School District.

(9) *Taxpayer Application.*

- (a) Taxpayers wishing to participate in the Program must file an application ("Amnesty Application") with the Tax Amnesty Administrator including all information requested on the Amnesty Application form provided by the City or the Tax Amnesty Administrator.
- (b) The Amnesty Application, blank copies of which will be available on the Amnesty Website established by the Tax Amnesty Administrator, must be completed and filed during the Amnesty Period, together with the Amnesty Agreement and Certification described in paragraph 10, in the manner set forth in the Amnesty Application.

(10) *Amnesty Agreement and Certification.* The Amnesty Application, which will be available on the Amnesty Website, shall include each taxpayer's agreement and certification to the following, in the manner set forth in the Amnesty Application:

- (a) The taxpayer's acknowledgement of the type, years, and amount of each tax delinquency and each fine, and agreement that the amounts stated represent no less than the amounts in fact due to the City and/or School District.
- (b) The taxpayer's certification that any and all returns for Eligible Taxes that should have been filed at any time since February 1, 1986, but had not been filed as of the commencement of the Amnesty Period, will have been filed through the Tax Amnesty Administrator and will be complete by the end of the Amnesty Period. For purposes of this Regulation, a taxpayer who has filed a final return for a tax period need not file any estimated return that may have been required.
- (c) The taxpayer's representation of the amount being paid to the City through the Tax Amnesty Administrator during the Amnesty Period, broken down by tax type, years, and amount of principal, interest, lien charges, and court costs.
- (d) The taxpayer's consent and agreement that the City may apply all amounts paid to taxes and fines owed irrespective of the extent to which the taxpayer qualifies for Amnesty, so long as the City first applies payments pursuant to subparagraph (c) above to the extent the taxpayer in fact qualifies for Amnesty.
- (e) The taxpayer's consent and agreement that the Department may reassess and collect from the taxpayer all amounts abated pursuant to the Program, and all interest, penalty, and attorney fees that would have accrued had such amounts not been abated, if within three (3) years after the end of the Amnesty Period the taxpayer either:
  - i. Becomes six (6) or more months late in filing or paying any Eligible Tax to the Department;
  - ii. The Department notifies the taxpayer that the taxpayer omitted the disclosure or filing of any return whose disclosure or filing was required pursuant to

the Program; or

iii. The Department notifies the taxpayer that the taxpayer substantially understated the tax principal liability as to taxes for which interest and penalty were abated under the Program; or

iv. The Department determines that any taxpayer certification in connection with Amnesty or the Amnesty Application or Agreement was false, or that the taxpayer has violated any provisions of the Amnesty Agreement.

The three-year and six-month periods set forth in this subparagraph (e) shall each be tolled by the pendency of a timely filed administrative or judicial appeal by the taxpayer or the City as to an Eligible Tax for any period as to which payment was due after June 30, 2009. For purposes of this subparagraph (e) only, a delinquency for a tax period for which payment was originally due and payable before February 1, 1986 shall not be considered six or more months late; and a delinquency for a tax period originally due and payable during the Eligibility Period, but which because of financial inability as discussed in paragraph 10(j) below the taxpayer does not discharge during the Amnesty Period, shall not be deemed to become six or more months late during the three year period.

(f) The taxpayer's covenant and agreement that the taxpayer shall not seek and the Tax Review Board ("Board") shall not grant any abatement of principal, or any further abatement of interest or penalties, on any Eligible Taxes as to which the taxpayer has received any abatement under the Program.

(g) The taxpayer's consent and agreement that any refunds or credits otherwise due to the taxpayer and paid within 180 days of the expiration of the Amnesty Period shall carry no interest.

(h) The taxpayer's certification that the taxpayer has not previously participated in any prior City tax amnesty program and was not an officer of any entity that previously participated in any prior City tax amnesty program.

(i) The taxpayer's certification that all taxes for which the taxpayer is liable have been disclosed and that contemporaneously with the Amnesty Agreement (or no later than the close of the Amnesty Period) all returns are being filed.

(j) The taxpayer's certification that full payment of principal, interest, lien charges, and court costs is being made on all Eligible Taxes relating to the Eligibility Period, except and to the extent that the taxpayer does not have the financial ability to make payments in any amount greater than actually paid during the Amnesty Period. The City and School District will not abate accrued interest, penalties, fines, or attorney fees for a given tax year except and to the extent the taxpayer has paid full principal and half interest.

(11) *Who Must File.*

- (a) A taxpayer must file the Amnesty Application, including the Amnesty Agreement and Certification.
  - i. If two or more people share the same tax account, as with an unincorporated business or with real estate, either of which is owned by more than one person, then any of the co-owners in whom the tax account is registered with the City may file, with or without the joinder of any other co-owner.
  - ii. If two or more people otherwise share the same tax liability, as with a business and a person responsible for remitting trust taxes collected by the business for the City or the School District (as with Wage Tax or Liquor by the Drink Tax), then any of the co-responsible parties may file.
  - iii. If a partnership or other legal entity is the taxable entity under The Philadelphia Code and Revenue Regulations, as with Real Estate Tax or Wage Tax accounts, then the filing must be made by the entity.
  - iv. If the individual submitting the Amnesty Application, Amnesty Agreement, and Certification on behalf of the taxpayer is not the taxpayer, then the filer must certify to authorization to bind the taxpayer.
- (b) A co-owner or co-responsible party may join in an Amnesty Application, Amnesty Agreement, and Certification, or may file a separate Amnesty Application, Amnesty Agreement, and Certification, during the Amnesty Period.
- (c) A co-owner or co-responsible party that does not join in an Amnesty Application, Amnesty Agreement, and Certification, and does not file a separate Amnesty Application, Amnesty Agreement, and Certification, during the Amnesty Period shall have no right to the benefits of the Program if revoked by the City pursuant to paragraph 10.e above.
- (d) A taxpayer on whose behalf another person has submitted an Amnesty Application, Amnesty Agreement, and Certification shall have no right to the benefits of the Program if revoked by the City pursuant to paragraph 10.e above due to misrepresentations of the individual, even if the individual did not in fact have the authority to bind the taxpayer.
- (e) As to real estate taxes, if the owner of record is deceased and title has not been formally vested by will or intestate succession, then any person claiming rights to the property may file an Amnesty Application and make an Amnesty Agreement and Certification as if such person were the taxpayer of record, provided that such person further certifies to the death and lack of succession and agrees in writing that neither the Application nor the Agreement nor the payment nor anything in connection with the Program shall convey recognition by the City or School District as owner of the property, nor shall such person be entitled to any refund from the City or School District in the event such person is determined not to be owner, or full owner, of the property.

- (12) Participation in the Program shall not relieve a taxpayer of any right or obligation to file an amended tax return at a later date as to an Eligible Tax from the Eligibility Period. However, if the amended return shows that the taxpayer must pay additional tax principal, then the taxpayer must immediately pay full interest and penalty on the amount of the additional principal, calculated from the due date of the original tax principal had the filing for that tax period been correct. Failure to pay such amount within thirty (30) days shall be grounds for revocation of all Amnesty abatements pursuant to paragraph 10(e)(i) above.
- (13) No refund or credit shall be allowed for any interest, addition to tax, penalty, fine, attorney fee, cost, or other charge paid by the taxpayer prior to the Amnesty Period.
- (14) Any timely filed Amnesty Application and/or Amnesty Agreement and Certification may be amended, with supplemental payment, if received by the Tax Amnesty Administrator no later than June 30, 2010, which for such purposes only shall be deemed to be within the Amnesty Period. The Commissioner shall have the discretion to extend this date for the purposes of amended Amnesty Applications but not for purposes of payments.
- (15) No future amnesty program, if any, shall permit abatement of interest or penalty with respect to any taxes first due on or before June 30, 2009.



## **ARTICLE VI VIOLATIONS - FINES AND PENALTIES**

### **Section 601. Violation of Provisions of the Code.**

- (1) Failure, neglect or refusal to file any report or return required by the Code.
- (2) Failure, neglect or refusal to pay any amounts due the City.
- (3) Refusal to permit the Commissioner of Revenue or any agent or employee appointed by him in writing to examine the books, records and papers of any person subject to any tax imposed under Chapter 19 of the Code.
- (4) Knowingly making and filing any incomplete, false, or fraudulent return.
- (5) Attempting to do anything whatever to avoid the full disclosure of the amount of earnings, profits, gross receipts, etc. to avoid the payment of all or any part of the tax due.
- (6) Failure to pay over to the Department any monies which may be held as agent for the City and/or School District of Philadelphia.

### **Section 602. Fines and Penalties.**

Any person or taxpayer who violates any applicable provision of the Code shall be subject to a fine of not more than \$300 and costs for each offense together with imprisonment for no more than ninety (90) days for the non-payment of such fine or penalty and costs within ten (10) days from the imposition thereof. Such fine or penalty shall be in addition to any other section of the Code.

## **ARTICLE VII REVIEW AND APPEALS PROCEDURE<sup>11</sup>**

### **Section 701. In General**

- (1) City of Philadelphia - Department of Revenue shall consider petitions filed by taxpayers for the following reasons:
  - (a) Waiver or abatement of interest and/or penalty claimed to be due (if interest and/or penalty due is less than or equal to \$10,000 dollars).
  - (b) Refund of City and School District taxes paid.
  - (c) Compromise of tax, interest and penalties due.
- (2) The Tax Review Board of the City of Philadelphia shall consider petitions filed by taxpayers for the following reasons:
  - (a) Waiver or abatement of interest and/or penalty claimed to be due in excess of \$10,000. In addition, if the decision of the Department of Revenue for amounts equal to or less than \$10,000 is not to the satisfaction of the taxpayer, the decision may be appealed.
  - (b) Review of any assessment made by the Revenue Department.
  - (c) Appeal of a refund denied by the Revenue Department.

### **Section 702. Review and Appeals - Procedural Requirements**

It is very important for taxpayers to strictly comply with the administrative appeal procedures as outlined below since failure to follow proper procedures or adhere to time constraints will result in the loss of appeal rights. The filing of the following petitions shall be deemed an agreement by the taxpayer to toll the statute of limitations with respect to any suit for collection by the City.

- (1) Petition for Review of Assessment

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<sup>11</sup> Article repealed and replaced by regulation submitted to the Department of Records on February 25, 1997 (effective March 27, 1997); internal references changed by compiler for numbers to precede letters to be consistent with other BIRT regulations.

- (a) Any taxpayer desiring to appeal or contest an adverse determination of tax liability by the Revenue Department must file a petition for review with the Tax Review Board. Every petition for review must be filed within sixty (60) days of the mailing date of the initial notice of the amount due. A petition for review shall be deemed to include therein, whether or not specifically stated, a request for waiver of interest and penalty.

Every petition for review shall state the reasons upon which the taxpayer relies and must include a certification by the taxpayer that the facts set forth therein are true and correct.

- (b) The filing of a petition for review with the Tax Review Board shall not stop the accrual of interest and penalties otherwise due.

(2) Petition for Waiver of Interest and/or Penalty

- (a) A taxpayer with outstanding balances for interest and/or penalties in amounts equal to or less than ten thousand dollars (\$10,000) accruing upon any unpaid money or claim collectable by the Department of Revenue may file a petition for waiver of interest and/or penalty with the Department.

Such petitions must be filed with the Department of Revenue within sixty (60) days of the date of the initial bill and must specify the reason(s) for seeking relief.

- (b) The Department of Revenue shall, within a reasonable time, consider each petition and notify the taxpayer in writing of the decision made. If the decision is not satisfactory to the taxpayer, the taxpayer may file a petition with the Tax Review Board provided such petition is filed within thirty (30) days after the mailing of the notice of the Department of Revenue's decision.
- (c) A taxpayer with outstanding balances for interest and/or penalties in amounts greater than ten thousand dollars (\$10,000) must send the petition for waiver of interest and/or penalties to the Tax Review Board. The Department of Revenue does not have the authority to consider these petitions.

(3) Petition for Refund

- (a) A petition for refund of monies collected by the Department of Revenue including but not limited to any tax, water or sewer rent, license fee or other charge, and interest and penalties thereon, shall be filed with the Department of Revenue within 3 years from the date of payment to the City or the School District of Philadelphia or the due date, whichever is later.<sup>12</sup>
- (b) Every petition for refund shall state the reasons upon which the taxpayer relies and must include a certification by the taxpayer that the facts set forth

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<sup>12</sup> Amended by regulation submitted to the Department of Records on June 25, 1999 (effective July 26, 1999).

therein are true and correct. The Department of Revenue shall, within a reasonable time, consider each petition for refund and notify the taxpayer in writing of its decision.

- (c) A decision of the Department of Revenue granting a refund in whole or in part shall become final only after it has been reviewed, approved, and/or modified by the Tax Review Board:, provided that such review and approval is not required where the Department grants a refund because of an overpayment resulting from duplication of payments or mathematical error in computation or other mechanical error such as a typographical error, or when the Department grants a refund which is less than one thousand (\$1 000) dollars.
- (d) Before the Tax Review Board disapproves or modifies any refund granted by the Department, it shall afford the taxpayer and the Department a hearing before the Board.
- (e) Any decision of the Department denying a refund in whole or in part may be appealed to the Tax Review Board by the taxpayer within 90 days after the mailing of notice of such decision to the taxpayer by the Department.

(4) Petition for Compromise

- (a) A petition for the compromise of any claim for any monies collectible by the Department of Revenue, for or on behalf of the City or School District of Philadelphia, including but not limited to any tax, water or sewer rent, license fee or other charge, and interest and penalties thereon, for an amount less than the amount claimed by the City or the School District of Philadelphia, shall be filed with the Department of Revenue and shall state the facts which the taxpayer believes warrant a finding that such compromise would be in the best interest of the City or the School District. If financial inability to pay is the basis for the petition for compromise, the petition must be accompanied by a financial statement listing assets, liabilities, income and expenditures. Additional financial records, such as Federal tax returns, may be requested by the Department in order to substantiate the taxpayer's inability to pay the obligation. Each petition for compromise shall include a certification by the taxpayer that the facts set forth therein are true and correct and must include a certified check, cashier's check or money order for the full amount of the offer. This amount will be placed in a special escrow account. If the petition for compromise is denied by the Department, the escrowed funds will be returned to the taxpayer.
- (b) The Department shall, within a reasonable time, consider each petition for compromise and notify the taxpayer in writing of its decision.
- (c) A decision of the Department, granting a compromise, shall become final only after it has been reviewed, approved, and/or modified by the Tax Review Board.
- (d) Before the Tax Review Board disapproves or modifies any compromise granted by the Department, it shall afford the taxpayer and the Department a hearing

before the Board.

- (e) Upon approval by the Tax Review Board of any compromise and payment by the taxpayer of the amount fixed by such compromise, the claim of the City or the School District of Philadelphia shall be marked paid upon the records of the Department of Revenue and any judgment or lien which may exist with respect to such claim shall be marked satisfied by the Law Department talent.

**Section 703. Appeal From Decision of the Tax Review Board.**

- (1) Decisions of the Tax Review Board pertaining to compromises and waiver of interest and/or penalty shall be final and conclusive and shall not be the subject of further review by any court.
- (2) Other decisions of the Tax Review Board may be appealed to any court of competent jurisdiction as provided by law.

**Section 704. Petitions for Abatement of Interest and Penalties in Cases Where the Real Estate Tax Claims Have Been Sold by the City or School District.<sup>13</sup>**

The Tax Review Board shall not have jurisdiction over petitions for abatement of interest and penalties filed after June 30, 1997, with respect to any real estate tax claims which have been sold by the City or the School District to a third party. Such petitions shall be heard by the Ombudsman for the Real Estate Tax Lien Sale.

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<sup>13</sup> Added by regulation submitted to the Department of Records on December 22, 1997 (effective January 22, 1998).