

MAKING PAYMENTS TO THE CITY

What if I cannot pay in full?

Late payments are subject to interest and penalty charges. If you are unable to pay your tax bill in full:

- Immediately contact us so we can help you meet your tax obligations with a payment plan.
- File your tax return anyway, if one is required.
- Pay what you can.

To arrange a payment plan, the Department of Revenue normally requires a down payment, with the balance paid over 12 equal, monthly installments. The Department does have a special payment plan available for Real Estate Taxes. If we do not hear from you, we must assume that you refuse to pay and must carry out our responsibility to enforce collection of your tax obligation.

What happens if I refuse to pay, fail to file, or don't make a payment arrangement with the City?

You will be charged interest and penalties for late payments, and face a \$5,000 fine for failure to file required tax returns.

The City will attempt to contact you to provide you with the opportunity to pay voluntarily. If you do not cooperate, the City can take more aggressive actions, including:

- Referring your account to a collection agency.
- Seizing your real estate and other property.
- Revoking or denying business licenses.
- Seeking criminal prosecution that can result in up to 7 years in jail.

Help! I just realized that I owe Philadelphia back taxes.

As soon as you determine that you have a tax obligation to Philadelphia, please make arrangements to register and get an account number, file your missing returns, and pay. If you come forward before the City contacts you to disclose any past liabilities, the Department of Revenue has programs available to help you avoid the penalties.

If you call us before we find you, the Department of Revenue's Voluntary Disclosure program will work with you to reduce interest and penalties under \$10,000. Call (215) 686-6614 for more information.

CONTACT INFORMATION

E-mail:

revenue@phila.gov

Phone:

Monday-Friday 8:30am to 5:00pm
(except Tuesday when phones open at 10am)

Real Estate Tax (215) 686-6442

All other taxes (215) 686-6600

In person

Monday-Friday 8:30am to 5:00pm

Municipal Services Building
1401 John F. Kennedy Boulevard
Concourse Level

North Philadelphia
Municipal Services Center
(limited services, no cash accepted)
Hope Plaza-2761 N. 22nd Street

Northeast Municipal Services Center
(limited services, no cash accepted)
9239 Roosevelt Boulevard (rear)

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QUICK TAX FACTS



A reference guide for people living, working, or doing business in the City

BUSINESS TAXES

The Business Privilege Tax

All individuals, partnerships, associations, and corporations engaged in a business, profession, or other for-profit activity within the City of Philadelphia must register for and file the Business Privilege Tax—whether or not they earned a profit during the preceding year. Individuals and partnerships must also file the Net Profits Tax. Returns and payments are due by April 15.

Freelance work, consulting, and rental activities are also considered to be business activities and subject to the Business Privilege Tax. If you receive payment for work performed within the City of Philadelphia, and the payer does not withhold Philadelphia Wage Tax on your behalf because the payer is treating you as an independent contractor, you are considered a business, and must apply for a Business Privilege License to work within the City. You are also liable for business taxes.

To register for a tax account:

If you are liable for the Business Privilege Tax, you must register for a business tax account and obtain a Business Privilege License. You can register online or at the Municipal Services Building.

Important: Other tax types may also be due, depending on the type of business activity and the structure of your firm. You will have to identify which taxes your business is liable for when you register with the City.

Other business taxes Philadelphia businesses may be responsible for:

- Amusement Tax
- Hotel Tax
- Liquor Tax
- Mechanical Amusement Device Tax
- Net Profits Tax
- Outdoor Advertising Tax
- Parking Tax
- Real Estate Tax
- Realty Transfer Tax
- Tobacco & Tobacco-related Products Tax
- Use and Occupancy Tax
- Valet Parking Tax
- Vehicle Rental Tax
- Wage Tax

INDIVIDUAL TAXES

Wage Tax

The Philadelphia Wage Tax, also known as the Earnings Tax, is a tax on salaries, wages or commissions of anyone who lives or works in Philadelphia. Employers typically withhold Wage Taxes and remit them to the City. There is no return required for individual employees who have their Wage Tax withheld. If your employer does not withhold the Wage Tax, you must file and pay the Earnings Tax directly to the City.

Real Estate Tax

Real Estate Tax is billed and paid annually. Payments are due on March 31st, with a 1% discount for payments received before the end of February.

School Income Tax

School Income Tax is a tax on various classes of unearned income which are not subject to Philadelphia Business or Wage Taxes. Some examples of unearned taxable income include certain interest, dividends, rents, and royalties. An annual tax return and payment is required by April 15th.

TAX CREDITS, INCENTIVES, AND ABATEMENTS

To support economic activity and encourage activities that advance the common good, like creating new jobs, constructing green roofs, or supporting community development efforts, the City of Philadelphia offers a number of tax credits and incentives. Applications and information about tax credits can be found on the Department of Revenue website; by emailing revenue@phila.gov; or calling (215) 686-6600.

Additional business assistance programs, including grants and loans, are available from the Commonwealth of Pennsylvania and the City of Philadelphia. Contact the Philadelphia Department of Commerce at www.phila.gov/business or (215) 683-2100.

REPORT TAX FRAUD

If you know or suspect that a business or individual has committed tax fraud, please report it.

What should you report?

- Failure to file tax returns
- Failure to pay or correctly report taxes
- Filing false returns
- Fraudulent employee/employer withholding and filing
- Tax evasion activity
- Unlicensed businesses
- Unreported income



What information should you include?

When reporting tax fraud, please provide the name and address of the person or business suspected of tax fraud, the type of tax fraud, social security and business identification numbers (if known) and any other specific information that may help us adequately investigate the allegation. Your identity will remain confidential.

How to report tax fraud:

- Phone: (215) 686-3852
- E-mail: Taxfraud@phila.gov