

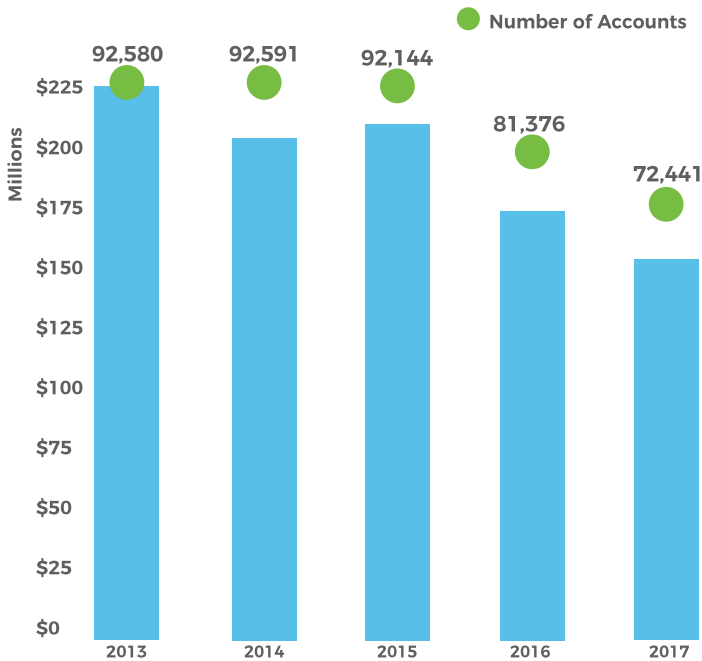
Real Estate Tax Delinquency in Philadelphia

The City of Philadelphia is improving customer service and assistance programs to prevent delinquency before it happens, and strategically increased enforcement to reduce the amount

owed. Challenges remain, but Real Estate Tax delinquency continues to decline. These efforts bring needed resources to the City and School District of Philadelphia.

How are our collection efforts going?

Total Principal Real Estate Tax Delinquency



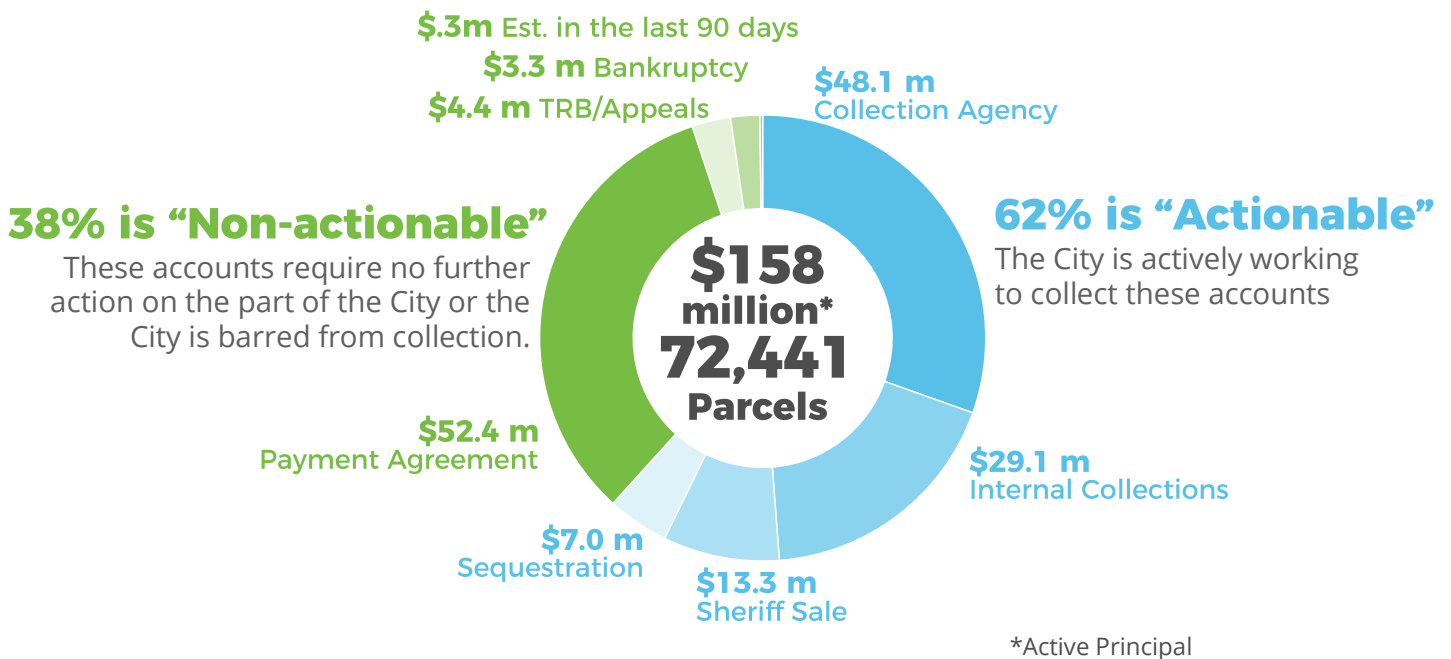
The trend continues, dramatic reduction in delinquency

Revenue has worked to improve collections using a variety of strategies, including:

- Expanded efforts to enroll homeowners into payment plans
- More frequent and earlier billing
- Sheriff Sales
- Sequestration
- Behavioral economics projects

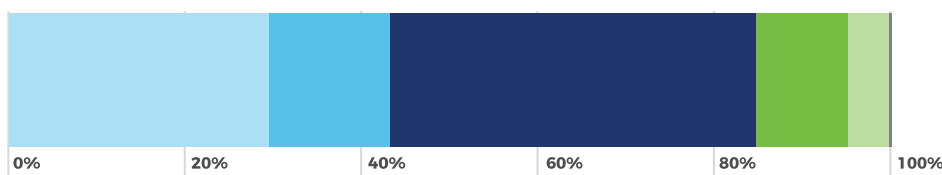
31% Decline of total principal from 2013 - 2017

How do we collect the debts?



How much are the individual debts?

Percentage of delinquent accounts, by principal amount owed



- **Less than \$500**
21,744 accounts, \$3.0 million owed
- **\$501 - \$1,000**
10,239 accounts, \$7.5 million owed
- **\$1,001 - \$5,000**
30,594 accounts, \$72.7 million owed
- **\$5,001 - \$10,000**
7,651 accounts, \$53.2 million owed
- **\$10,001 - \$50,000**
3,552 accounts, \$55.7 million owed
- **Greater than \$50,000**
90 accounts, \$10.0 million owed

Nearly 30% of delinquent properties owe less than \$500 and 43% owe \$1,000 or less. With over 30,000 accounts owing less than \$1,000 in principal, the Department of Revenue, in partnership with the Law Department, have to find the most efficient and effective means of collection. Overall, the City spends less than one cent to collect each tax dollar.

*Includes Active and Inactive Periods

Who is delinquent?

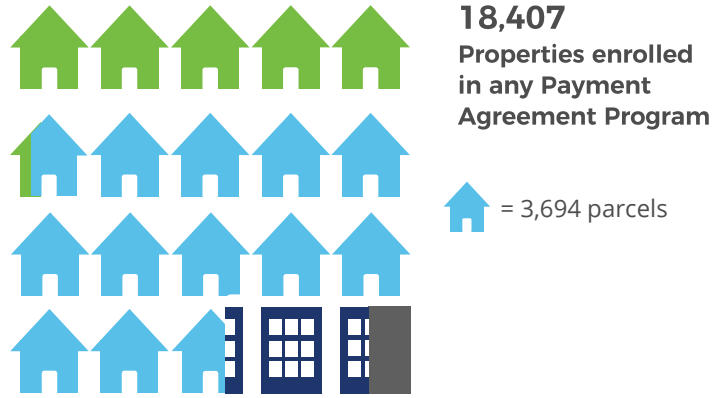
Owner Location



Did you know?

Delinquent taxpayers with property in other counties can have liens placed on property located outside of Philadelphia as a result of outstanding Real Estate Taxes in Philadelphia.

Type of Property



21% Owner-occupied Residential; 15,633 parcels

68% Other Residential; 50,478 parcels

8% Commercial; 5,850 parcels

3% Undefined; 1,909 parcels

* Includes Active and Inactive Periods

* Principal amount

The Numbers by City Council District

Council District	Number of Delinquent Accounts	Total Principal Due	Average Principal Balance	Percent of Accounts in a Payment Agreement
1	4,894	\$12,263,753	\$2,506	23%
2	6,457	\$18,126,741	\$2,807	28%
3	11,050	\$31,656,476	\$2,865	31%
4	7,205	\$23,424,576	\$3,251	32%
5	14,058	\$28,424,864	\$2,022	21%
6	1,991	\$6,300,614	\$3,165	28%
7	11,393	\$21,729,902	\$1,907	24%
8	11,028	\$38,596,753	\$3,500	31%
9	3,859	\$15,236,114	\$3,948	41%
10	1,092	\$4,524,645	\$4,143	28%
Undefined	843	\$2,205,431	\$2,616	4%

* Includes Active and Inactive periods

What are Revenue's next collection strategies?

Data analysis and expanded capacity will continue positive trends without requiring new funding

In Fiscal Year 2018, the City will

- Use data analytics to score accounts and predict the most effective enforcement tool
- Route accounts through the enforcement process using a new case management system
- Improve the Owner-Occupied Payment Agreement procedures and policies to reduce tax foreclosure



Notes about this data

This report uses data current through June 2017. Amounts in this report refer to principal due for active and inactive periods. Active periods refers to periods after January 1, 2007. Older debts, interest and penalties are much less likely to be collected and are often reduced or waived when payment does occur. Presenting the active, principal delinquency is reflective of reasonable expectations for collections.