

**City of Philadelphia  
Department of Revenue**

**Filing Deadline: March 31, 2018**

**Application for Deferral of Real Estate Tax for Taxpayers Based Upon Household Income, Household Expenses, and Available Liquid Assets (Philadelphia Code §19-1307)**

**Print Owner's/Applicant's Name:**

**Owner's Social Security Number:**

**Print Property Address (Must be Principal Residence):**

**OPA Account Number:**

**Telephone Number:**

**E-mail Address:**

**Total Annual Household Income:** (See Instructions)

**Number of Persons Residing in Household:**

**Total Amount Household Expenses:** (See Instructions)

**Available Excess Liquid Assets:** (See Instructions)

**Certification Statement:**

**I, the undersigned, assert the following:**

- **I am the Owner and use the property as my principal residence; and**
- **I would suffer substantial hardship in the absence of the requested deferral.**

**I hereby certify that the statements contained herein are true and correct to the best of my knowledge. I understand that if I knowingly make any false statements herein, I am subject to such penalties as may be prescribed by statute or ordinance.**

**Owner's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Note: The Department may require the Owner to submit such materials as the Department deems necessary to evaluate the Owner's assertion of hardship.**

**Mail Completed Application To:**

**Philadelphia Department of Revenue  
P.O. Box 53190, Philadelphia, PA 19105**

**Questions: 215-686-6442**

**E-Mail [revenue@phila.gov](mailto:revenue@phila.gov)**

**For Department Use Only:**

Application Approved: \_\_\_\_\_

Application Rejected: \_\_\_\_\_ Reason for Rejection: \_\_\_\_\_

# City of Philadelphia – Department of Revenue

## Real Estate Tax Deferral Program and Application Instructions

### A. Program Requirement Highlights

- An Owner, on a form as prescribed by the Department, must certify that the Owner: a) uses the property as the Owner’s principal residence; and b) would suffer substantial hardship in the absence of the requested deferral.
- Hardship Deferral is determined by consideration of three (3) factors: Household Income; Reasonable Household Expenses; and Available excess liquid assets. **Household Income** is all income received, from whatever source derived (including Social Security), by the taxpayer/owner and members of his or her household while residing in the homestead. **Reasonable household expenses** include but are not limited to: housing, food, utilities, transportation, education, health care, debt service payments, and overall tax burden. **Available excess liquid assets** shall be those liquid assets (cash, bank deposits, stock, bonds, etc.) available for use after subtracting reasonable household expenses. An increase in real estate taxes to 2.5 times the amount of real estate tax on the property in the immediately preceding tax year shall be considered to support a finding of hardship without regard to the three (3) factors. **There are four (4) tiers of annual Household Income** based upon a percentage of Area Median Income of the Philadelphia metropolitan area, as determined by the U. S. Department of Housing and Urban Development (“HUD”) – see table below.
- Deferrals are subject to six (6) conditions: 1) Assessment of simple interest at an annual interest rate no greater than two (2) percentage points above the interest rate in effect on one year U.S. Treasury bills on the first day of each year for which interest is assessed; 2) Payments are exempt from additions and interest under §19-1303; 3) Payments are subject to lien by the City and School District; 4) Deferral terminates upon transfer of the property; 5) All real estate taxes on the property are current or subject to a payment agreement that is not in default; 6) Owner may satisfy the debt at any time prior to the sale of the property.
- The Department may, at its discretion, no more than once every twelve (12) months, request a taxpayer to recertify eligibility for the deferral.
- Deferral amount shall also be deferred from Real Estate Tax owing on the property in future years provided the Real Estate Tax on the property is at least 115% of the Real Estate Tax in the year immediately preceding commencement of the deferral – as long as the Owner continues to be eligible and meets the conditions regarding the deferral.

	<b>Area Median Income as Determined by HUD for Fiscal Year 2017 is \$83,200.</b>	
	Eligible Annual Household Income for Consideration of Hardship is:	Real Estate Tax Liability must be:
<b>Tier 1</b>	Annual Household Income greater than 70% of Area Median Income: \$58,241 or greater	Real Estate Tax greater than 25% of annual household income - See Example 1
<b>Tier 2</b>	Annual Household Income greater than 50% up to and including 70% of Area Median Income: \$40,601-\$58,240	Real Estate Tax greater than 12% of annual household income
<b>Tier 3</b>	Annual Household Income greater than 30% up to 50% of Area Median Income: \$24,961-\$41,600	Real Estate Tax greater than 8% of annual household income
<b>Tier 4</b>	Annual Household Income 30% or less of Area Median Income: \$24,960 or less	Real Estate Tax greater than 5% of annual household income - See Example 2

**EXAMPLE 1:** A taxpayer’s annual household income is \$60,000 which is within the income criteria for Tier 1. The taxpayer’s real estate tax liability would have to be greater than \$15,000 (\$60,000 x 25%) i.e., \$15,001 or higher.

**EXAMPLE 2:** A taxpayer’s annual household income is \$20,000 which is within the income criteria for Tier 4. The taxpayer’s real estate tax liability would have to be greater than \$1,000 (\$20,000 x 5%) i.e., \$1,001 or higher.

### B. Application and Approval Process

- (1) The completed application is to be returned to the Department of Revenue at the address listed on the application no later than March 31 of the tax year for which the deferral is requested.
- (2) The Department shall determine the deferral amount for which the owner is eligible and shall advise the Owner of its decision within thirty (30) days after receiving a **completed** application. The Owner may elect to defer an amount less than the eligible amount determined by the Department.

C. 19-1307 of The Philadelphia Code can be accessed on line at: <http://www.phila.gov> for further information.  
Select City Code and Charter, Title 19, Chapter 19-1300