

Real Estate Tax Delinquency Continues to Decline in FY18

The City of Philadelphia has continued to improve its customer service & assistance program outreach, use more effective enforcement methods, and provide a wider range of more flexible payment options to help taxpayers reduce outstanding delinquent

balances. These efforts bring needed resources to the City and School District. For each dollar collected from delinquent balances, less than one cent is spent on collection efforts by the City.

How are our collection efforts going?

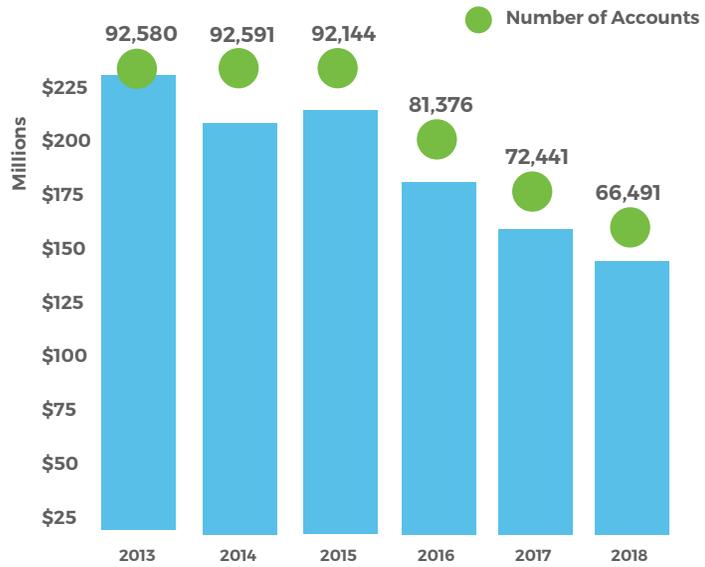
In FY 18, Revenue improved delinquent collections using a variety of strategies, including:

- Offered a new payment plan option for low-income homeowners
- Increased sequestration actions
- Collaborated with Councilmembers on delinquent taxpayer events
- More frequent and earlier billing
- Direct door-to-door outreach campaigns
- Sheriff Sales

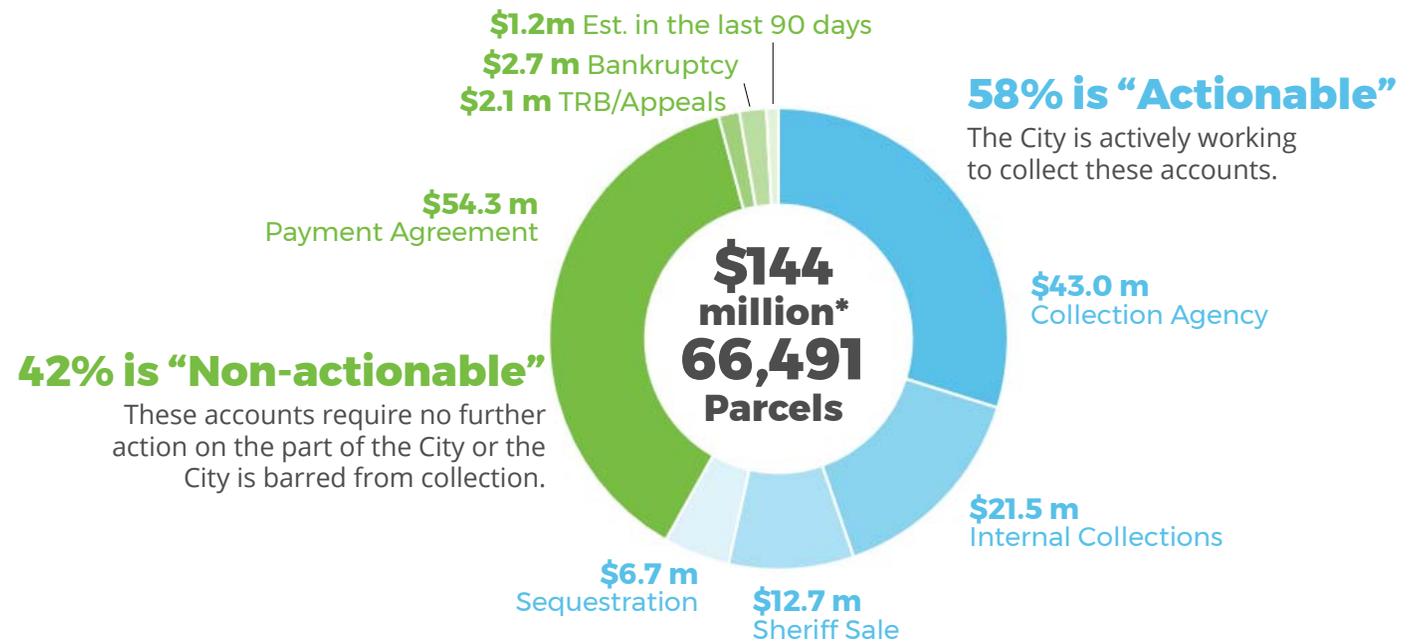
*Includes Active Periods only



Total Delinquent Real Estate Tax Principal*



How do we collect delinquent balances?

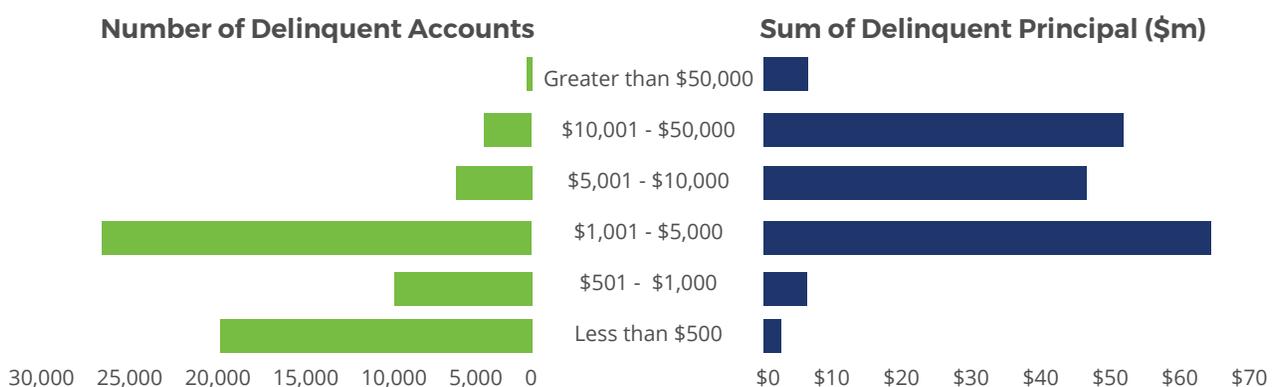


How much are the individual debts?

3 out of 10 delinquent properties owe less than \$500.

Yet, accounts with principal balances less than \$500 only make up 2% of total delinquent Real Estate Tax principal.

\$105.9 million (59% of the total delinquent principal) is held by accounts with balances greater than \$5,000.



*Includes Active Periods only

Who is delinquent?

Owner Location

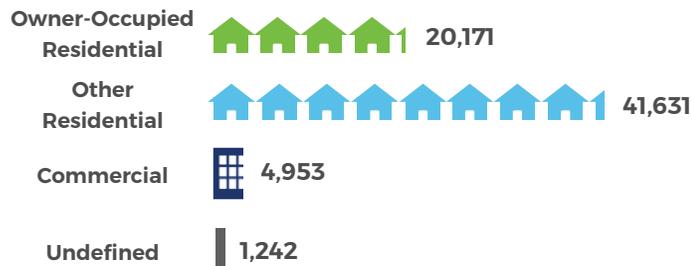


Did you know?

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.

In FY18 the City placed over \$300,000 in Real Estate Tax liens in Philadelphia's four PA suburban counties.

Number of delinquent parcels by property type



Of Delinquent Accounts:

61% had delinquent balances in FY18 and prior years

25% were delinquent for the first time in FY18

14% paid their 2017 Real Estate Taxes but have earlier delinquencies. Nearly half of these accounts are in payment agreements

Includes Active and Inactive Periods

The Numbers by City Council District

Council District	Number of Delinquent Accounts	Active + Inactive Principal Due	Average Principal Balance	Number of Delinquent Homeowners	Percent of Accounts in a Payment Agreement
1	4,290	\$11,687,037	\$2,724	1,287	21%
2	5,750	\$14,996,568	\$2,608	1,757	25%
3	10,069	\$28,862,676	\$2,866	3,276	28%
4	6,793	\$21,421,679	\$3,153	2,277	28%
5	12,924	\$25,683,477	\$1,987	2,513	17%
6	1,991	\$6,286,382	\$3,157	801	24%
7	10,624	\$19,704,794	\$1,855	2,483	20%
8	10,459	\$35,735,871	\$3,417	3,347	28%
9	3,708	\$15,160,348	\$4,089	1,930	37%
10	1,152	\$4,514,084	\$3,918	500	24%
Undefined	237	\$365,615	\$1,543	0	0%

What are Revenue's next collection strategies?

In Fiscal Year 2019, the City will:

- Promote new payment agreement options
- Leverage existing enforcement tools, including placement with a collection agency, filing liens, sequestration, and Sheriff Sales to encourage compliance and reduce chronic delinquency
- Continue to evaluate the effectiveness of pop-up events, street teams, and other outreach efforts in neighborhoods with high levels of delinquency to increase assistance program participation and payment agreement enrollment

Notes about this data:

This report uses data current through June 2018. Amounts in this report refer to principal due for active and inactive periods. Active periods refers to periods after January 1, 2008. Older debts, including interest, penalties, and other fees are much less likely to be collected and are often reduced or waived if and when payment does occur. Presenting the active principal delinquency is reflective of reasonable expectations for collections.

Active delinquent balances also include properties that are currently under appeal. These accounts may have adjustments to principal balance at a later date.