

May 4, 2020

## How to file for a refund for Use & Occupancy Tax

**Taxpayers who pay Use & Occupancy (U&O) are eligible for a refund for periods that they were not liable for the tax.**

Some taxpayers pre-pay the U&O Tax on an annual basis or may have otherwise filed and paid early. These taxpayers may now find that they have a reduced liability as a result of the Commonwealth and City's orders to close non-essential businesses due to the COVID-19 coronavirus emergency.

Read the Philadelphia Department of Revenue's [U&O guidance document for further details](#).

Taxpayers seeking a refund should amend their annual or monthly return based on the period of ordered closure. When amending the return, taxpayers should use "Line 3 – Non-taxable Exempt Amount" of the filing form to indicate the portion of their property that was not occupied through the closure order.

### 1. Calculate the amended tax liability and refund due

Using the return already filed, divide Line 7, Tax Due, if you are a monthly filer, by 30 days and if you are annual filer by 360 days. Multiply the result by the number of days tenants were ordered to close. Add the result to Line 3 of the amended return. If an exempted amount is already reflected in Line 3, add this calculation to the existing Exempt Amount.

#### For monthly filers – general guidance for single tenant properties

$$\frac{\text{Line 7 Tax Due}}{30} \times \text{Number of days tenants were ordered to close} = \text{Exemption Amount to add to Line 3}$$

#### For annual filers – general guidance for single tenant properties

$$\frac{\text{Line 7 Tax Due}}{360} \times \text{Number of days tenants were ordered to close} = \text{Exemption Amount to add to Line 3}$$

#### For multi-tenant tenant properties

Landlords who remit the tax will need to follow the above guidance for each tenant, add together the Exemption amount for each tenant, and report the change on line 3 of their amended return.

$$\frac{\text{Percent of Line 7 Tax Due allocated to the tenant}}{30 \text{ or } 360} \times \text{Number of days tenants were ordered to close} = \text{Exemption Amount to add to Line 3}$$

Note, the Use & Occupancy Tax regulations use 360 days to calculate a year and 30 days for months, regardless of the number of days in the month or year.

**2. Taxpayers will then need to [submit a refund petition](#).**

Although it may not be possible in all situations, we encourage taxpayers to wait until they are able to file one amended return to cover the entire period of closure. This helps limit the number of refunds the Department needs to process. Refunds generally take six to eight weeks to process. With limited staff processing refunds due to the City's office closure, refunds may take longer to process.

Landlords seeking a refund on behalf of their tenants must refund the applicable portion of the tax to the tenants.