

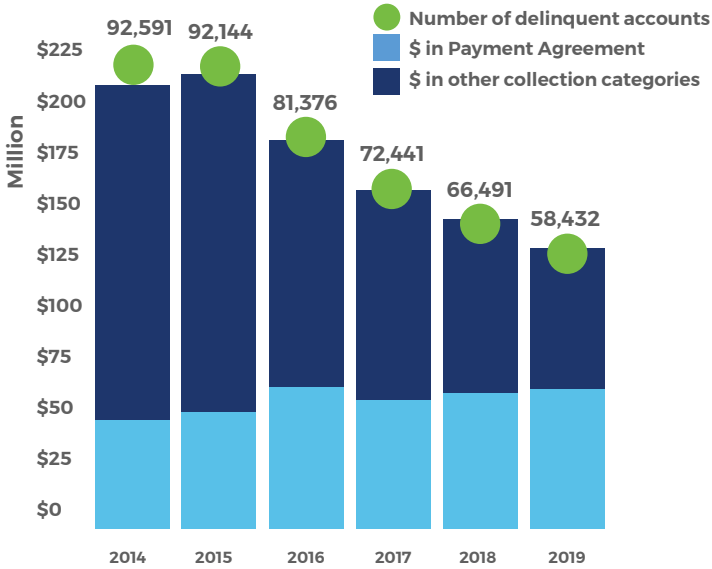
Real Estate Tax Delinquency Continues to Decline in FY19

The City of Philadelphia continues to improve customer service and assistance program outreach and provide a wide range of flexible payment options to help taxpayers reduce delinquent balances. These efforts facilitated a 37% decline in active principal since 2014. For each dollar

collected from delinquent balances, the City spends less than one cent on collection efforts.

Although this report was prepared prior to the COVID-19 pandemic, Revenue is committed to providing compassionate enforcement tools taxpayers to ensure taxpayer compliance.

How are our collection efforts going?



Decline in active principal in last 5 years

In FY19, Revenue improved delinquent collections using a variety of strategies, including:

- Collaborated with City Councilmembers to attend over 300 community events and host five neighborhood **pop-up events**, enrolling residents into agreements on the spot
- Collaborated with the Law Department to collect \$15.5m from **sequestration** actions, \$46m through the **Sheriff Sale** process, and **Act 93 lien placements** on properties in non-Philadelphia municipalities; 53 liens worth \$383,500.

*Includes Active Periods only

How do we collect delinquent balances?



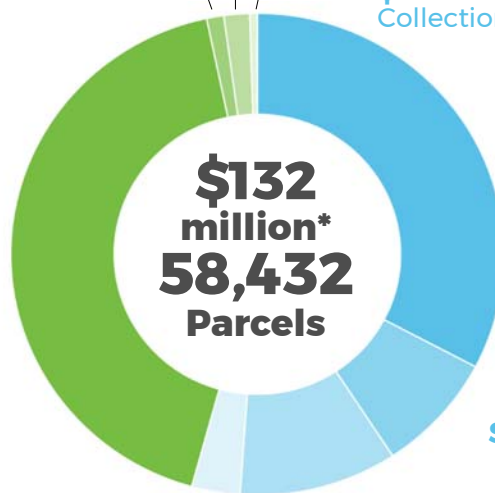
Share of delinquency in payment agreements is up 95% since 2014

46% is "Non-actionable"

These accounts require no further action on the part of the City or the City is barred from collection.

\$56.0 m Payment Agreement

\$0.7 m Est. in the last 90 days
 \$2.2 m Bankruptcy
 \$1.5 m TRB/Appeals



54% is "Actionable"

The City is actively working to collect these accounts.

*Includes Active Periods only

Who is delinquent?

Owner Location



Out-of-State Mailing Addresses
 \$6.6 million owed; 2,938 accounts

Other PA Mailing Addresses
 \$7.5 million owed; 3,591 accounts

Philadelphia Mailing Addresses
 \$152.5 million owed; 53,438 accounts

Of Delinquent Accounts*:

20% were delinquent for the first time in FY18

59% had delinquent balances in FY18 and prior years

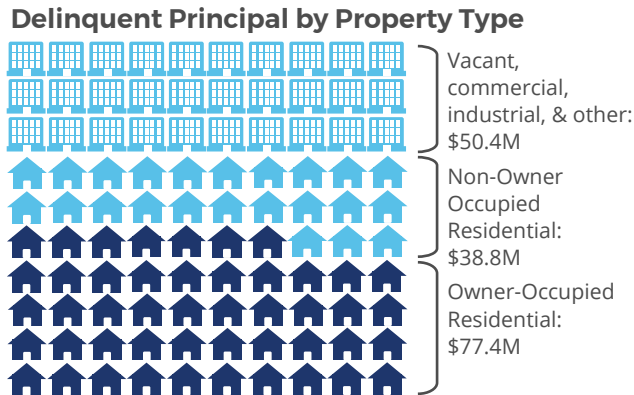
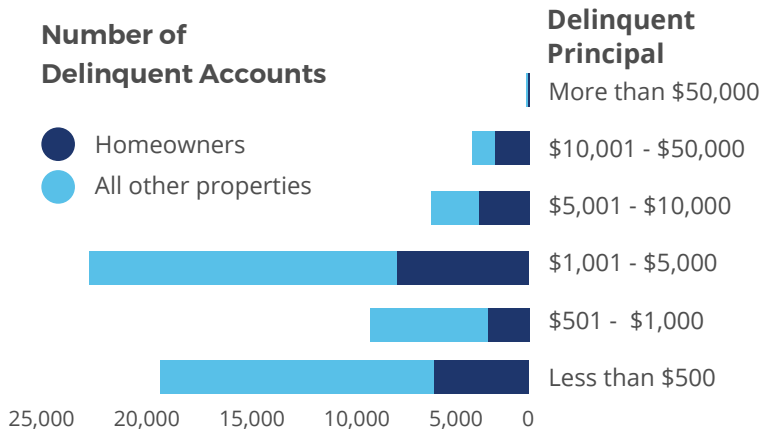
21% Had balances prior to 2018 only. Nearly a third of these accounts had balances older than 5 years only.

*Includes Active and Inactive Periods

How much are the individual debts?

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

Only 35% of delinquent accounts are owner-occupied, but hold 47% of delinquent balances



* Includes Active and Inactive Periods

The Numbers by City Council District

Council District	Number of Delinquent Accounts	Total Principal Due	Average Principal Balance	Number of Owner-Occupied Accounts	Percent of Accounts in a Payment Agreement
1	3,611	\$10,778,645	\$2,985	1,244	25%
2	5,069	\$14,996,568	\$2,762	1,759	29%
3	8,967	\$28,862,676	\$2,806	3,381	30%
4	6,248	\$21,421,679	\$3,235	2,465	31%
5	10,651	\$25,683,477	\$1,943	2,647	20%
6	1,784	\$6,286,382	\$3,489	798	28%
7	9,370	\$19,704,794	\$1,840	2,574	22%
8	9,714	\$35,735,871	\$3,416	3,573	30%
9	3,545	\$15,160,348	\$4,070	2,044	42%
10	969	\$4,514,084	\$4,685	515	28%
Undefined	39	\$365,615	\$3,197	0	0%

What are Revenue's next collection strategies?

In Fiscal Year 2020, the City will:

Begin project work on new tax system of record, improving collection and billing capabilities.

Expand enforcement tools to include more flexible options that consider economic disruptions from the COVID-19 pandemic.

Expand outreach efforts to Chinese and African immigrants neighborhoods to increase assistance program participation.

Notes about this data:

For this report, we refer to both active and inactive periods and uses data current through June 2019. Amounts in this report refer to principal due for active and inactive periods. Active periods refers to periods after January 1, 2009. 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 occurs. Presenting the active principal delinquency reflects reasonable expectations for collection.

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