

June 12, 2020

Use & Occupancy Tax guidance during the yellow phase of COVID-19 coronavirus reopening of non-essential businesses

Businesses allowed to re-open beginning June 5, 2020, are now subject to the Use & Occupancy (U&O) Tax.

For background, businesses ordered to close beginning March 17, 2020 as a result of safety measures enacted by the Mayor of Philadelphia were not subject to the Use & Occupancy (U&O) Tax while occupancy of their place of business was prohibited. Visit www.phila.gov/covid-19-tax-relief for the Department of Revenue's previous guidance.

Businesses allowed to open in the yellow phase, whether they choose to operate or not, are subject to Use & Occupancy Tax. Businesses that continued operations, businesses that have employees on site, or businesses that maintained employee occupancy to their place of business throughout the Mayor's order, are also subject to U & O Tax. Landlords should file and remit the U & O Tax collected from the tenants of the property still using their space for business purposes.

The Philadelphia Department of Revenue has not changed its Use & Occupancy Tax regulations. Due dates to pay the tax remain the same.

Taxpayers can find definitions of nonessential businesses from [Mayor Kenney's "Safer at Home" Yellow Phase Executive Order](#).