

MEMORANDUM

City of Philadelphia

Date: 6/15/15

TO: Shelley Smith, City Solicitor

FROM: Jeanne Reedy, Administrative Services Director, Records Dept.

SUBJECT: Parking Tax Regulations-Revised and Restated

The above Regulations promulgated by the Department of Revenue were received in the Department of Records on 5/13/15 for filing and advertising.

Inasmuch as there were no requests for hearings, these Regulations became effective 6/15/15.

CC: Clarena I. W. Tolson, Revenue Commissioner
Joseph F. Procopio., CPA, Manager, Technical Advisory Staff
Tilahun Afessa, Director of Policy

CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
PARKING TAX REGULATIONS

April 2015

**City of Philadelphia – Department of Revenue
Parking Tax Regulations**

Table of Contents

ARTICLE I	GENERAL PROVISIONS	
Section 101.	Definitions.....	1
Section 102.	Excluded Receipts.....	1
Section 103.	Apartment Houses, Cooperatives, Hotels, Motels.....	2
ARTICLE II	IMPOSITION AND RATE OF TAX	
Section 201.	Imposition and Rate of Tax.....	3
ARTICLE III	RETURNS AND PAYMENT OF TAX	
Section 301.	Amount Due and Period Covered.....	4
Section 302.	Due Date of Return and Payment.....	4
Section 303.	Tax Returns.....	4
Section 304.	Electronic Filing and Payment.....	4
ARTICLE IV	RECORDS TO BE KEPT BY OPERATORS	
Section 401.	Daily Record Sheets.....	6
Section 402.	Claim Checks (Parking Tickets).....	6
Section 403.	Preservation of Records; Lost or Destroyed Records.....	7
Section 404.	Posting Signs.....	8
ARTICLE V	ADDITIONAL PENALTY	
Section 501.	Loss of License.....	10

PHILADELPHIA PARKING TAX REGULATIONS

ARTICLE I

GENERAL PROVISIONS

Section 101. Definitions.

For the purpose of these regulations, the following terms shall have the definitions hereinafter given:

“Condominium.” Real estate, portions of which are designated for separate residential ownership and the remainder of which is designated for common ownership by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

“Operator.” Any person conducting or operating a parking facility, and any Valet Parking Operator.

“Parking Facility.” Any outdoor or indoor area or space where more than three motor vehicles may be parked or stored for a charge, fee or other consideration excluding as of July 1, 1985, all or any portion of the common elements or limited common elements of a condominium which are used for parking spaces where such parking spaces are used exclusively by one (1) or more unit owners or tenants of unit owners who are residents of that condominium.

“Transaction.” The act of parking or storing a motor vehicle in or on a parking facility in the City or any Valet Parking, for a financial consideration, or its equivalent, under an express or implied contract.

“Valet Parking.” The act of taking a vehicle from the street whether or not a fee is charged and parking it for the vehicle operator. Attendant parking at a duly licensed parking lot or garage shall not constitute valet parking.

“Valet Parking Operator.” A person who, through its agents and employees, provides the service of valet parking.

Section 102. Excluded Receipts.

The gross receipts derived from the sale of liquid fuels, washing, polishing and mechanical servicing of motor vehicles are not includable as gross receipts from parking transactions.

Section 103. Apartment Houses, Cooperatives, Hotels, Motels.

1. Where a parking facility is maintained by an apartment house, cooperative, hotel or motel for its tenants and/or the general public, the privilege to park or store a motor vehicle will be subject to tax if :

(a) In addition to the rent or maintenance charges for the living quarters, there is a separate charge for the privilege of parking or storing a motor vehicle.

(b) There is a difference between the amount of (1) the rents, dues or charges for a living unit with parking privileges and (2) the rent, dues or charges for a comparable living unit without parking privileges. The consideration subject to tax is the difference between (1) and (2).

2. Where every tenant is entitled to parking privileges in connection with his lease or ownership of the living unit, without additional consideration for the parking privilege, there is no transaction subject to tax.

ARTICLE II
IMPOSTION AND RATE OF TAX

Section 201. Imposition and Rate of Tax.

1. The Parking Tax is imposed on every person parking or storing a motor vehicle in or on a parking facility in the City and upon every person who leaves a motor vehicle with a valet for parking in the City on or after July 1, 2008, at the rate of 20% of the amount charged for the transaction.¹

2. The tax must be collected by the operator from the person parking or storing the vehicle or leaving the vehicle for valet parking, and shall be paid over to the City as provided in Article III of these Regulations.

3. Where the operator of a public parking facility or valet parking business fails to post a sign, showing the tax separately from the basic charge, or stating "tax included," the tax will be deemed not to have been collected and will be imposed on the full amount charged.

4. Any operator required to collect this tax from another person, who fails to collect the tax, shall be liable for the tax upon the full amount charged.

5. A valet parking operator shall be entitled to a credit against the parking tax to be remitted to the Department for the amount of parking tax that it had paid to an operator on account of any parking of motor vehicles with respect to which the valet parking operator has collected and remitted the parking tax.

¹ The Parking Tax previously was imposed at ten percent (10%) from 1937 until June 30, 1985, at twenty percent (20%) from July 1, 1985 to June 30, 1986, at seventeen and a half percent (17.5%) from July 1, 1986 to June 30, 1987, and at fifteen percent (15%) from July 1, 1987 until June 30, 2008.

**ARTICLE III
RETURNS AND PAYMENT OF TAX**

Section 301. Amount Due and Period Covered.

The tax due each month shall be the greater of the amount which actually was collected or the amount which should have been collected, during the previous month.

Section 302. Due Date of Return and Payment.

The tax return and the payment of the tax are due on or before the fifteenth (15th) day of the month following the month for which the tax is due.

Section 303. Tax Returns.

Every tax return filed with the Department of Revenue shall set for the following information:

1. The name and address of the operator and the address of the parking facility or valet parking business for which the return is made.
2. The business tax account number.
3. The gross receipts from all transactions.
4. The total number of motor vehicles parked during the preceding calendar month.
5. The amount of tax due.

Section 304. Electronic Filing and Payment.

- (a.) Effective January 1, 2011, through December, 31, 2011, any Operator/Valet Parking Operator that remits an average of \$20,000 or more per month will be required to file the tax return and remit the attending tax payment electronically through electronic funds transfer (“EFT”). Effective January 1, 2012, and thereafter, the Department may periodically determine or change the parameters for Operators/Valet Parking Operators to electronically file tax returns and remit attending tax payments electronically through EFT. These parameters will be posted to the Department’s website and Operators/Valet Parking Operators will be notified of the changes. EFT includes automated clearhouse (ACH) debits and/or credits and any other means or technologies that may be available to obtain the funds due the City in an efficient manner. The Department may by policy or

announcement provide for additional electronic means/technologies as they become available.

- (b.) The application of the Department's electronic filing and payment parameters for a particular Operator/Valet Parking Operator will be determined by using the filings and payments for the Operator/Valet Parking Operator in the immediate prior calendar year. If there is no filing for the prior calendar year, the Department may set the parameters and notify the Operator/Valet Parking Operator.
- (c.) Any Operator/Valet Parking Operator who is required by this regulation to electronically file a return and fails to do so will be subject to a penalty of \$500 for each occurrence. Every month that the Operator/Valet Parking Operator fails to electronically file will constitute a separate occurrence. This penalty is in addition to any penalty due under Philadelphia Code § 19-509(4) (e).
- (d.) Any Operator/Valet Parking Operator who is required by this regulation to make an electronic payment and fails to comply shall in addition to any interest, penalties and fees owed under Philadelphia Code § 19-509 be subject to a penalty for each occurrence as follows:
 - (1.) If the amount to be paid electronically is less than or equal to \$10,000: five percent (5%) of the amount to be paid electronically.
 - (2.) If the amount to be paid electronically is more than \$10,000 but less than \$50,000: five hundred dollars (\$500).
 - (3.) If the amount to be paid electronically is \$50,000 or more: one percent (1%) of the amount to be paid electronically.

Each month that the Operator/Valet Parking Operator fails to make electronic payments will constitute a separate occurrence.

ARTICLE IV
RECORDS TO BE KEPT BY OPERATORS

Section 401. Daily Record Sheets.

It shall be the duty of every person conducting or operating a parking facility or valet parking business in the City of Philadelphia to keep accurate and complete books and records to which the Revenue Commissioner, or an agent or employee authorized by him shall at all times have full access. These records shall include a daily record sheet for each facility showing:

Number of motor vehicles parked at each facility, segregated on an hourly, daily, weekly or monthly basis; the gross receipts, including the actual Parking Tax collected from all transactions.

Section 402. Claim Checks (Parking Tickets).

1. Issuance of Claim Checks. Every operator of a parking facility or valet parking business shall be required to issue a distinctive claim check or parking sticker to the owner or operator of any motor vehicle left in his custody for parking or storage. The claim checks or parking stickers shall be kept in numerical sequence.

2. Information Content of Claim Checks. There must be shown on each claim check the following information:

- a. The name of the operator of the parking facility or valet parking business;
- b. The address of the parking facility upon which motor vehicles are parked or stored;
- c. Identical numbers on each part of the claim check;
- d. Whether parking or storage is on an hourly, weekly or monthly basis;
- e. The total charge for parking or storing each motor vehicle.

3. Format of Claim Checks. Each claim check or ticket shall consist of three (3) parts, one part of which shall be issued by the operator to each patron (see Sec. 402-1 herein); a second part shall be placed upon the vehicle parked, for purpose of identification; a third part shall be retained by the operator, who shall indicate on said ticket the time of arrival and departure of the motor vehicle.

4. Use of Time Clock Required. Each operator shall maintain a time clock of the type or types approved by the Revenue Commissioner, for the purpose of recording the time of arrival and departure.

5. Facilities with Mechanical Systems for Issuing Claim Checks. Where a parking facility uses a mechanical system for the distribution of claim checks, and persons are permitted to park their own cars, and the charges for parking are paid at the termination of the parking period, the operator of such parking facility shall not be required to comply with provisions 2.c, 2.d and 3 of Section 402.

6. Metered Parking Facilities. At parking facilities where parking meters are used, the operator shall not be required to comply with the provisions of Section 402.1, 2, 3, 4.

7. Reporting of Claim Checks. Before any operator required to collect the tax imposed by this Chapter may commence using any claim checks or parking stickers in the operation of any parking facility or valet parking business, such operator shall certify the following information in writing to the Department of Revenue, at least 5 days prior to commencing the use of such claim checks or parking stickers:

The starting and ending serial numbers of the claim checks or parking stickers;

The location of the parking facility at which such claim checks or parking stickers will be used;

The location at which such claim checks or parking stickers may be inspected by the Department;

Any other identifying information required by the Department.

It is unlawful for any person who operates a parking facility to use any claim checks or parking stickers for which the information required in this subsection has not been delivered to the Department of Revenue at least 5 days prior to the use of such claim checks or parking stickers.

Section 403. Preservation of Records; Lost or Destroyed Records.

All books, records and daily record sheets shall be retained by the operator of a parking facility or facilities or valet parking business for a period of six (6) years subsequent to the year of the transaction. This requirement shall not include retention of copies of claim checks issued in connection with all transactions for each parking facility. This regulation will apply in all

cases unless advance written permission to destroy such data has been obtained from the Revenue Commissioner.

Whenever any books, records or daily record sheets are lost or destroyed, the operator shall inform the Revenue Commissioner in writing, within ten (10) days of said loss or destruction. Such written notice shall set forth in detail the books, records or daily record sheets which were lost or destroyed and all pertinent data associated with such loss or destruction.

Failure to give the required written notice shall be deemed a failure to keep proper books, records and daily record sheets under this regulation.

Section 404. Posting Signs.

1. Size and Location of Signs. Every operator of a parking facility or valet parking business shall post or display on a sign or signs, not less than 18" x 24", the basic charge or charges for parking. At least one such sign shall be posted at each entrance of the parking facility or location of the valet parking business.

2. Form and Content of Signs. The signs shall be substantially in the following form:

a. Where the operator of a parking facility lists the tax as a separate charge to the patron of the facility, the sign shall show the basic charge or charges for parking, a designated period of time, the tax stated separately, and the total charge.

SAMPLE SIGN

Name of Operator

Location of Lot

Parking Lot (Garage) License No.

Official Capacity

Time	Rate	20% Tax	Total
1 Hour	\$2.00	\$ 0.20	\$2.20

b. Where the operator of the lot does not list the tax as a separate charge to the patron of the facility, the sign shall show a designated period of time, the total charge, and the statement "tax included."

SAMPLE SIGN
Name of Operator
Location of Lot

Parking Lot(Garage) License No.

Time

1 Hour

2 Hours

All Day

Official Capacity

Total Charge

\$1.50 (Tax incl.)

\$2.50 (Tax incl.)

\$5.50 (Tax incl.)

**ARTICLE V
ADDITIONAL PENALTY**

Section 501. Loss of License.

In addition to all penalties now provided, any operator of a parking facility or facilities or a valet parking business, who violates Chapter 19-1200 of the Philadelphia Code pertaining to the Parking Tax, or any of the Parking Tax Regulations, may have his license or permit revoked, suspended, or cancelled.



**Commissioner Clarena I.W. Tolson
Chief Revenue Collections Officer**

Date: 5/11/15