

January 25, 2021

Use & Occupancy Tax guidance during fall 2020 ‘Safer at Home’ restrictions

Clarification on Use & Occupancy Tax for businesses affected by restrictions to indoor dining during the Mayor’s order announced November 16, 2020.

On November 16, 2020, the [Mayor’s office announced restrictions](#) on indoor dining at restaurants and other food service businesses in order to slow the spread of the COVID-19 coronavirus pandemic. Businesses that are ordered to close their dining rooms are not subject to Use & Occupancy Tax on the portion of their business used for indoor dining (dining rooms). This policy is in place during the effective dates of the Mayor’s order, November 20, 2020 at 5:00pm through January 15, 2021.

In general, the space used by the business to operate, for example the kitchen, continues to be subject to the tax but the restaurant may exclude areas closed by the order.

When filing, taxpayers should use “Line 3 - Non-taxable Exempt Amount” of the filing form to indicate the portion of their property exempt from the tax through the closure order.

For taxpayers who have filed and paid November and/or December 2020 Use & Occupancy Tax, but are now eligible for this exemption:

- Amend the November and December returns
- Request a refund using a [refund petition form](#), OR
- Request that the payment be moved forward to the following period by emailing revenue@phila.gov

Landlords who did not remit the tax, but have collected it through regular rent collection, must refund applicable portions of the tax to tenants.

This guidance is published in addition to previous guidance and does not replace previous policies. Visit www.phila.gov/covid-19-tax-relief for the Department of Revenue’s previous guidance.

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

Email revenuetaxadvisors@phila.gov with additional questions.