

**REGULATIONS OF  
THE OFFICE OF PROPERTY ASSESSMENT OF THE CITY OF PHILADELPHIA**

**ARTICLE I  
GENERAL PROVISIONS**

**Section 101. Definitions.**

The following words and phrases when used in the Regulations of the Office of Property Assessment of the City of Philadelphia shall have the meanings given to them in this Section unless specifically provided otherwise or unless the text clearly indicates otherwise:

- (a) “Code.” The Philadelphia Code.
- (b) “DIT.” Development Impact Tax established by Chapter 19-4400 of the Code.
- (c) “OPA.” Office of Property Assessment of the City of Philadelphia.
- (d) “Regulations.” Regulations of the Office of Property Assessment of the City of Philadelphia.
- (e) “Total Project Costs.” Entire estimated cost of construction or improvement, including all costs covered by the Building Permit as well as the cost of all electrical, plumbing, mechanical, fire suppression systems, and interior finishes.
- (f) “Building Permit.” A permit for construction issued for an Eligible Property by the Department of Licenses & Inspections pursuant to § 4-A-301.1.1 of the Code.

**ARTICLE II**  
**IMPROVEMENTS TO RESIDENTIAL PROPERTIES AND DETERIORATED  
INDUSTRIAL, COMMERCIAL OR OTHER BUSINESS PROPERTIES FOR  
PURPOSES OF DETERMINING ELIGIBILITY FOR EXEMPTION FROM REAL  
ESTATE TAXES**

**Section 201. Application.**

Upon application, OPA may grant a real estate tax exemption upon improvements to certain eligible properties. Improvements to residential properties and deteriorated industrial, commercial or other business properties as well as new construction of residential properties may qualify for exemption, as provided by §§ 19-1303.2, 19-1303.3, and 19-1303.4 of the Code. The Building Permit issued shall determine the property's eligibility for exemption as improved or newly constructed pursuant to the applicable section of the Code.

**Section 202. Improvements for Purposes of Determining Eligibility for Exemption from Real Estate Taxes**

(a) Repairs, constructions, or reconstruction, including additions and alterations, shall be deemed improvements eligible for real estate tax exemption when they have the effect of rehabilitating a structure or property so that it becomes habitable or attains a higher degree of housing safety, health or amenity, or is brought into compliance with the laws, ordinances, or regulations of the City of Philadelphia. Repairs, constructions, or reconstruction that do not exceed \$15,000.00 in total project costs shall not qualify as improvements.

(b) Ordinary upkeep and maintenance shall not qualify an improvement. Work that is either required to keep a property in the same or similar condition or is expected to be required to repeated within a ten (10) year period will be deemed a non-improvement.

(c) Improvements may include, but are not limited to:

(1) New construction, additions, and/or alterations that change the square footage of a structure;

(2) Rehabilitation of an existing uninhabitable structure or portion thereof to make it habitable;

(3) Rehabilitation of an existing structure or portion thereof causing it to attain a higher degree of housing safety, health, or amenity;

(4) Rehabilitation of an existing structure or portion thereof causing it to become compliant with applicable laws, ordinances, or regulations;

- (5) Rehabilitation or alterations performed to change the use of the structure or portion thereof;
- (6) Structural modifications to an existing structure or portion thereof;
- (7) Work performed to change the number of residential dwelling units in an existing structure; or
- (8) Capital improvements to an existing structure that are beyond regular maintenance.

(d) Non-improvements include, but are not limited to, the following work when performed in isolation:

- (1) Painting, wallpapering, or paneling of existing walls;
- (2) Installation or repair of carpeting, tile, or hardwood flooring;
- (3) Repair or replacement of an existing heating and/or cooling system;
- (4) Repair, updating, or replacement of electrical system;
- (5) Repair, updating, or replacement of plumbing system;
- (6) Repair or replacement of existing roof;
- (7) Repairs to exterior brick walls and/or pointing;
- (8) Repairs to exterior stucco walls;
- (9) Repair or replacement of existing property sidewalk(s);
- (10) Installation, repairs, or replacement of fences; or
- (11) Exterior landscaping work.

(e) With the exception of installation, repairs, or replacement of fences and exterior landscaping work, work deemed a non-improvement under Section 202(d) when performed in isolation may be eligible for exemption when performed as part of a larger rehabilitation or modification project that qualifies for an improvement under Section 202(c), or when performed in combination with other such work considered a non-improvement when performed in isolation, if such combination constitutes rehabilitation or modification sufficient to qualify under Section 202(c).

**ARTICLE III**  
**EXEMPTION FROM REAL ESTATE TAXES FOR MIXED-USE PROPERTY**

**Section 301. Authorized Exemptions.**

(a) Newly constructed and improved properties designed for both residential and non-residential uses (mixed-use properties) may be eligible for one temporary real estate tax exemption pursuant to §§ 19-1303.2, 19-1303.3 or 19-1303.4 of the Code.

(b) If a taxpayer submits more than one application for exemption, the exemption shall be subject to a single eligibility determination by OPA if the Building Permits supporting the applications are issued no more than six (6) months apart. The taxpayer shall be responsible for amending any existing exemption application to request OPA's consideration of improvements for which exemption is sought that were not included in the original application. Exemption applications based on Building Permits issued more than six (6) months apart shall be subject to separate consideration for exemption pursuant to §§ 19-1303.2, 19-1303.3 or 19-1303.4 of the Code as separate applications.

**Section 302. Construction of New Mixed-Use Property.**

(a) Newly constructed mixed-use property may qualify either as residential property eligible for exemption pursuant to § 19-1303.4 or as non-residential property eligible for exemption pursuant to § 19-1303.3.

(b) The predominant use of the newly constructed property's assessable square footage shall determine the qualifying exemption.

(1) Property shall be considered residential property for purposes of § 19-1303.4 if fifty percent (50%) or more of the newly constructed assessable square footage is dedicated to residential use.

(2) Property shall be considered non-residential property for purposes of § 19-1303.3 if more than fifty percent (50%) of the newly constructed assessable square footage is dedicated to non-residential use.

**Section 303. Improvements to Existing Property That Will Be Mixed-Use After Improvements.**

(a) Existing property subject to improvements, as defined in Section 202 of these Regulations, that will remain or become mixed-use after improvements may qualify either as residential property eligible for exemption pursuant to § 19-1303.2 or as non-residential property eligible for exemption pursuant to § 19-1303.3.

(b) The predominant use of the portion of the property subject to improvements shall determine the qualifying exemption.

(1) Property shall be considered residential property for purposes of § 19-1303.2 if fifty percent (50%) or more of the assessable square footage subject to improvements will, after improvements, be dedicated to residential use.

(2) Property shall be considered non-residential property for purposes of § 19-1303.3 if more than fifty percent (50%) of the assessable square footage subject to improvements will, after improvements, be dedicated to non-residential use.

#### **Section 304. Exemption Calculation.**

(a) Assessable square footage dedicated to residential use shall include, but not be limited to:

(1) Areas designed for occupancy by one or more families, such as apartments, condominium units and cooperative units.

(2) Areas designed for occupancy for group living, as defined in § 14-601(2)(b) of the Code.

(3) Common spaces, such as lobbies and garages, available for use by residential occupants.

(4) Unfinished spaces or portions thereof, such as garages and storage spaces, that are utilized by residential occupants.

(b) Assessable square footage dedicated to non-residential use shall include, but not be limited to:

(1) Areas primarily designed for occupancy by commercial or other non-residential businesses.

(2) Unfinished spaces or portions thereof, such as garages and storage spaces, that are utilized by commercial or other non-residential businesses.

#### **Section 305. Exemption Revocation.**

(a) OPA shall have authority to terminate or adjust any real estate tax exemption if it determines that the predominant use of the property is not consistent with the granted exemption.

**ARTICLE IV**  
**DEADLINES FOR SUBMISSION OF APPLICATIONS FOR REAL ESTATE TAX  
EXEMPTION PURSUANT TO §§ 19-1303.2, 19-1303.3 AND 19-1303.4**

**Section 401. Application Period.**

(a) A written application for Real Estate Tax Exemption may be filed with OPA upon issuance of the Building Permit.

(1) The application period for exemption applications filed pursuant to § 19-1303.3 or § 19-1303.4 shall extend until sixty (60) days after issuance of the Building Permit.

(2) The application period for exemption applications filed pursuant to § 19-1303.2 shall extend until December 31<sup>st</sup> of the calendar year in which the Building Permit is issued.

(b) Exemption applications shall be denied if the Applicant fails to timely file within the application period.