

September 30, 2022

IN RE: Bruce White

DOCKET NO: 36REINPZY6970

STATEMENT OF RECORD:

1. Bruce White (hereafter "Petitioner") filed with the Tax Review Board a Petition for Appeal of interest and penalty accrued against delinquent Real Estate taxes for the property at 2118 South Street, Philadelphia, PA. This petition was filed on May 31, 2019.
2. A public hearing was held before a Tax Review Board on October 9, 2010 and continued at that time.
3. The public hearing was scheduled for January 15, 2020. Petitioner requested and was granted a continuance.
4. A public hearing before the Tax Review Board was scheduled for May 5, 2022 and Petitioner was so notified.
5. The Tax Review Board rendered its decision on May 5, 2022 and denied the petition, giving the petitioner 30 days to enter into a payment arrangement with the Department of Revenue.
6. The Petitioner has appealed to the Philadelphia Court of Common Pleas.

FINDINGS OF FACT:

1. Petitioner filed a Petition for Appeal requesting waiver of interest and penalty accrued against delinquent Real Estate taxes for the years 1997 and 2019 for the property at 2118 South Street, Philadelphia, PA.
2. The tax principal due was \$4,909.33, with interest of \$4,513.05 and penalty of \$380.67, as of the Tax Review Board hearing date, lien charges and legal fees of \$2,688.66, for a total of \$12,492.71.
3. Petitioner owned the property for all the tax years in question. Petitioner, asserted in his petition that the principal numbers due and owing were inaccurate.
4. The Petitioner paid tax year 2013.
5. The amount the Petitioner paid in 2013 was applied to lien sale years. Specifically, the, "that \$219 payment that you made in 2013, that was applied to the lien sale years. There were taxes that go back to 1989 on this one so that \$219 payment that he made was ultimately applied to 1989 and 1990s taxes that were in a trust." (Notes of Testimony; Pg. 11-12; Ln.22-4).
6. Interest, penalties and lien and legal fees continue to accrue on this tax balance as non-payment continue to occur.
7. Petitioner made no additional payments on this account.

CONCLUSIONS OF LAW:

The Philadelphia Code Chapter 19-1705(2) provides that “(u)pon the filing of any petition for the waiver of interest and penalties accruing upon any unpaid money or claim collectible by the Department of Revenue, for or on behalf of the City or the School District of Philadelphia, the Tax Review Board may abate in whole or in part interest or penalties, or both, where in the opinion of the Board the petitioner acted in good faith, without negligence and no intent to defraud.”

The collections of Real Estate tax in the City of Philadelphia are governed under Chapter 19-300- Real Estate Taxes. More specifically late payments under the Philadelphia Code,

Section 19-1303. Additions to Tax. Unless otherwise provided by special ordinance:

...

(2) Real estate taxes shall be due and paid by March 31 of the year in which such taxes shall be assessed and payable. 172.1

(3) Upon all real estate taxes paid thereafter, additions shall be imposed as follows:

(a) if paid during the month of April, an addition of one and one-half percent (1.5%);

(b) if paid during the month of May, an addition of three percent (3%);

(c) if paid during the month of June, an addition of four and one-half percent (4.5%);

(d) if paid during the month of July, an addition of six percent (6%);

(e) if paid during the month of August, an addition of seven and one-half percent (7.5%);

(f) if paid during the month of September, an addition of nine percent (9%);

(g) if paid during the month of October, an addition of ten and one-half percent (10.5%);

(h) if paid during the month of November, an addition of twelve percent (12%);

(i) if paid during the month of December, an addition of thirteen and one-half percent (13.5%).

(4) Upon all real estate taxes remaining due and unpaid on the first day of January of the year following the year for which such taxes are assessed and payable, there shall be added:

(a) as an addition to tax fifteen percent (15%) of the tax due; and

(b) interest at the rate of three-quarters of one percent (0.75%) per month,

or part thereof; and ¹⁷³

(c) an additional penalty of one percent (1%) on the first day of each month from February through August during the first year in which such tax is registered as delinquent. ¹⁷⁴

During the hearing, the Petitioner explained that he paid tax year 2013. The Real Estate tax bill principal as issued in 2013 was for \$219. However, currently the bill's principal had increased to \$255. Petitioner believes, "It stands to reason to me that this bill should've come to me at \$255 and that would've been applied to other years in the past...I understand that it was applied to the years past but the bill that the City sent me says \$219 for that year. It doesn't say \$255. That's what I'm trying to figure out". (Notes of Testimony; Pg. 15; Ln. 19-4).

The City's Attorney and Board attempted to explained the additions and capitalization, per Section 19-1303 and how with non-payment, the principal amount increased month after month and then year over year. The City's Attorney, Mr. Wakefield explained,

MR. WAKFIELD: Yes. The difference between the \$219 bill and the \$255 bill that appears now is because every month from April—on April 1st, May 1st, et cetera through December 1st of the taxable year, the principal increases. So the amount that's billed, you know, in December of 2012 or 2013 is only accurate up through and including March 31, of 2013.

Every month thereafter, it goes up. So that does explain the discrepancy between the current balance principals and the billed principals when that first bill went out.

CHAIRWOMAN KAMMERDEINER: And that would happen every year that goes unpaid not just in the year that he is citing in his example?

MR. WAKFIELD: Correct. So for every single year, in the taxable year as of April 1st and then every month thereafter additions... are added to the tax bill. That continues until December and then in January of the following year is when you start to accrue interest and that accrues on the total principal as it existed, you know, because of all the additions. So that's the reason for the discrepancy.
(Notes of Testimony; Pg. 14-15; Ln. 2-8)

Additionally, Petitioner exhibited no good faith in that there were years of non-payment.

Therefore, the decision of the Tax Review Board was to deny this petition and order payment arrangements with the Department of Revenue within 30 days.

Concurred:

Nancy Kammerdeiner- Chair

Paula Weiss

George Matthews

Dominique Ward, Esq.