

# FAQ:

## How are Mechanical Permit Fees Calculated for Commercial Projects?

### Background

Mechanical Permit fees are calculated in accordance with Section [A-902.2.7](#) of the Philadelphia Administrative Code and are intended to cover the associated operational costs of the Department.

There are multiple fee calculation methods for HVAC installations in commercial buildings, including fees based on the number of registers and diffusers, the number of appliances, and contract cost.

This FAQ is intended to outline appropriate calculations based on the type of system.

### Answer:

Common configurations and associated fee calculations are as follows:

- **Ducted Systems**: The fee shall be based upon the number of registers and diffusers.
- **Ductless Systems or Appliance Replacement**: The fee shall be based upon the number of appliances. The fee for multi-zone split systems shall be based upon the number of condensers (and not the number of air handling units).
- **Combination of Ducted and Ductless Systems**: If an application includes both ducted systems with other appliances / equipment that are not connected to the ducted system, the fee shall be based upon the sum of registers / diffusers (for ducted systems) and appliances (not connected to the ducted system).

The applicant may also elect to base the permit fee on 2% of the construction value. In accordance with Section A-902.3, this shall include the value of all material, labor, engineering and/or architectural fees, and the overhead and profit cost inherent in the contract, whether or not any such items are provided at no cost.

To request fee calculation based on construction value, the permit applicant must provide the following information with the application:

- Provide a note on the application description requesting that the permit fee be based on 2% contract value.
- Provide a copy of the executed contract, and if applicable, include a companion document showing an estimated cost breakdown of the mechanical work or adjustments for aforementioned items (i.e. design fees) that are not included in the contract.

If the applicant failed to make this request at application but wishes to do so upon receipt of the permit billing statement, they must submit a permit status request (with the executed contract) through the [online help form](#) **BEFORE** making payment.

### Additional Notes:

Refer to the Department's [website](#) and associated fee regulations for current fee structure.