



CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
TAX | WATER | LAW

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Kathleen McColgan
Revenue Commissioner
Chief Collections Officer

May 1, 2025

The Honorable Cherelle L. Parker
Mayor, City of Philadelphia
City Hall, Room 215
Philadelphia, PA 19107

Dear Mayor Cherelle L. Parker:

I am pleased to send you the Owner-Occupied Payment Agreements (OOPA) Annual Report, as required by Section 19-1305(7)(b) of the Philadelphia Code. As required, I am also sending copies of the report to the President and Chief Clerk of City Council.

The 2024 OOPA Report outlines important statistics about the OOPA program, and the Department of Revenue's initiatives to support eligible homeowners in managing their Real Estate Tax obligations.

OOPA protects enrolled homeowners from Sheriff Tax Sales, which is especially important since Sheriff Tax Sales resumed in July 2024. While a tool of last resort, Sheriff Sales can drive taxpayers to take the necessary actions to become compliant.

The Department of Revenue remains committed to taking a compassionate enforcement approach, especially for vulnerable residents enrolled in the OOPA program. I will be pleased to provide any additional information that you or members of City Council may request regarding the status of this program.

Sincerely,

Revenue Commissioner Kathleen McColgan
Chief Collections Officer

Enclosure

cc: Kenyatta Johnson, City Council President
Liz McCollum-Nazario, Chief Clerk of the City Council
Rob Dubow, Finance Director



2024 Annual Report Owner-Occupied Payment Agreement (OOPA)



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Executive Summary

During 2024, the Philadelphia Department of Revenue continued many of its pandemic-era enforcement policies for the Owner-Occupied Payment Agreement (OOPA) program, including pausing breach notices for accounts that would typically be considered in default. While routine outreach efforts, such as regular billing and in-person events, resumed, other initiatives like neighborhood enrollment drives (“pop-ups”) had yet to regain full momentum.

By year’s end, 8,667 homeowners were actively enrolled in OOPA, with a total of \$82.9 million in delinquent Real Estate Tax under agreement.

In 2025, the Department will renew efforts to support at-risk homeowners.

This includes:

- Resuming delinquency workshops in neighborhoods,
- Expanding outreach to promote Real Estate Tax relief programs, and
- Connecting residents with support services at Neighborhood Community Action Centers (NCACs).

Additionally, the Department plans to increase awareness of tax relief options, such as OOPA and other payment plans, by using available data to better identify and reach potentially eligible households. These efforts, combined with the return of enforcement actions, are designed to help more homeowners enroll in assistance programs and stay current on their property taxes over time.

About the Owner-Occupied Payment Agreement

The Owner-Occupied Payment Agreement (OOPA) allows all homeowners to make affordable monthly payments on past-due property taxes.

Based on the homeowner’s family size, monthly income, and household expenses, payments on delinquent taxes can range from zero to ten percent of their household’s income and may include waivers of interest and penalties of up to one hundred percent. Payment agreements do not abate principal debt, and the property will continue to accrue interest and penalty throughout the life of the agreement. Waivers of penalty and interest only occur once the agreement is paid in full.

To be eligible, residents must live in the home that they own, be an equitable owner, or be an approved Trust. To stay eligible, homeowners are required to make all qualifying monthly payments. OOPAs do not require a down payment, and some low-income and senior residents are eligible for OOPAs with a minimum monthly payment of \$0.

Taxpayers with incomes at or below 30% of HUD's Area Median Income (AMI) or those experiencing financial hardship can include future tax bills in their existing OOPA payment plan as they become due. Since 2018, to reduce the administrative burden, taxpayers who meet the income criteria have had the option to automatically include new property taxes in their existing agreement. Customers who prefer not to include the new property taxes can opt out of this automatic inclusion. According to the enabling legislation, all other participants must pay the full amount of new taxes by March 31 of each year.

OOPA TIERS

While all homeowners will qualify for an OOPA, the monthly payment amount and level of interest and penalty relief is based on which tier the homeowner is eligible for and enrolled in. The tiers are as follows:

Tier 5: Taxpayers whose monthly household income is below fifteen percent (15%) of the Area Median Income will pay zero percent (0%) of their household's monthly income. Terms for this tier include zero percent (0%) principal, zero percent (0%) of interest paid and zero percent (0%) of penalties accrued. Payments are \$0 a month.

Tier 4: Taxpayers whose monthly household income is at or below thirty percent (30%) of the Area Median Income will pay five percent (5%) of their monthly household income. Terms for this tier include zero percent (0%) of interest paid and zero percent (0%) of penalties accrued. Payment will be at least \$25 a month.

Some taxpayers may still qualify to pay zero percent (0%) of their monthly income if:

- They are 65 years or older; or
- They are 55 years old or older and a widow or widower of someone who passed away at age 65 or older; or
- They are permanently disabled; or
- A review of their household income and expenses shows they cannot afford the \$25 minimum monthly payment.

Tier 3: Taxpayers whose monthly household income is above thirty percent (30%) but no more than fifty percent (50%) of the Area Median Income will pay eight percent (8%) of their monthly household income. Terms for this tier include fifty percent (50%) of interest paid and zero percent (0%) of penalties accrued.

Tier 2: Taxpayers whose monthly household income is above fifty percent (50%) but no more than seventy percent (70%) of the Area Median Income will pay ten percent (10%) of

their monthly household income. Terms for this tier include one hundred percent (100%) of interest paid and zero percent (0%) of penalties accrued.

Tier 1: Taxpayers whose monthly household income is above seventy percent (70%) of the Area Median Income are eligible for an agreement at the Department's discretion. However, the Department's policy is to offer an OOPA to all homeowners regardless of income.

The following table outlines the tier to which a Philadelphia taxpayer is eligible based on their household size and income.

2024 Tier Eligibility

Household size	Monthly income				
	Tier 5	Tier 4	Tier 3	Tier 2	Tier 1
1	\$0 – \$1,004	\$1,005 – \$2,008	\$2,009 – \$3,346	\$3,347 – \$4,683	\$4,684 and up
2	\$0 – \$1,150	\$1,151 – 2,296	\$2,297 – \$3,825	\$3,826 – \$5,350	\$5,351 and up
3	\$0 – \$1,292	\$1,293 – 2,583	\$2,584 – \$4,304	\$4,305 – \$6,021	\$6,022 and up
4	\$0 – \$1,433	\$1,434 – \$2,867	\$2,868 – \$4,779	\$4,780 – \$6,688	\$6,689 and up
5	\$0 – \$1,550	\$1,551 – 3,100	\$3,101 – \$5,163	\$5,164 – \$7,225	\$7,226 and up
6	\$0 – \$1,667	\$1,668 – \$3,497	\$3,498 – \$5,546	\$5,547 – \$7,758	\$7,759 and up
7	\$0 – \$1,779	\$1,780 – \$3,945	\$3,946 – \$5,929	\$5,930 – \$8,296	\$8,297 and up
8	\$0 – \$1,896	\$1,897 – \$4,393	\$4,394 – \$6,313	\$6,314 – \$8,829	\$8,830 and up
9	\$0 – \$2,008	\$2,009 – \$4,842	\$4,843 – \$6,692	\$6,693 – \$9,363	\$9,364 and up
10	\$0 – \$2,125	\$2,126 – \$5,290	\$5,291 – \$7,075	\$7,076 – \$9,900	\$9,901 and up
You pay	0% of your monthly income	5% of your monthly income	8% of your monthly income	10% of your monthly income	10% of your monthly income
Interest you pay	0%	0%	50%	100%	100%
Penalties you pay	0%	0%	0%	0%	100%

MONTHLY PAYMENT AMOUNT DETERMINATION

There are two ways that the tier and monthly payment amount can be determined for an applicant:

Option 1: A set amount based on your household income.
Monthly payments are set as a percentage of household income.

Option 2: An individualized amount based on household income and expenses.

In this option, household income and expenses are evaluated. The Department of Revenue reviews the information provided and reserves the right to disallow expenses that are not reasonable and necessary. Any remaining funds in the budget will be allocated towards Real Estate Tax and used to establish the regular monthly payment for the Owner-Occupied Payment Agreement. The minimum monthly payment is \$25 for taxpayers who meet the criteria for a tier 4 OOPA and \$0 for taxpayers qualifying for a tier 5 OOPA.

CHANGES TO OOPA IN 2024

During the reporting period, the Department implemented the following changes, including:

- In 2024, the Department of Revenue implemented Spanish language versions of all OOPA agreements (tiers 1-5) in the Philadelphia Tax Center. Taxpayers and Revenue representatives can now generate Spanish-language legal agreements as needed.

TAXPAYER OUTREACH AND MULTI-LINGUAL SUPPORT

- **Translated Application Materials:** Revenue continued its policy of making paper OOPA forms available in languages other than English, such as Spanish and traditional Chinese.
- **Assistance Outreach Map:** Revenue launched a Real Estate Tax Assistance Outreach Map to guide focused outreach efforts, featuring layers that prioritize neighborhoods based on delinquency and enrollment in a residential payment agreement.
- **Blog Posts & Social Media:** Revenue continued its strategy of regularly publishing plain language blogs, breaking down eligibility requirements and steps to apply for various assistance programs. Four of these blog posts were about OOPAs and two were translated into Spanish. Revenue amplifies blogs through the Department's many social media accounts.

- **Community events, workshops, and presentations:** Revenue staff participated in over 200 community outreach events throughout the 2024 calendar year.
- **Cross enrollment:** Revenue uses OOPA enrollment information to streamline the enrollment process for OOPA participants who apply for water bill assistance. The Department will also enroll approved OOPA applicants into the Homestead Exemption if they do not already have it.
- **Return to Sheriff Sales and other enforcement actions:** All enforcement actions, including Sheriff Tax Sales, provide information about the availability of OOPAs and other programs and an appeal to contact City agencies for assistance. Homeowners have the ability to enter into an OOPA agreement up until the tax sale, immediately stopping the sale of an owner-occupied property.

STATISTICAL REPORTING

Philadelphia Code section 19-1305(7)(b) specifies seven metrics that the Department shall report each year:

(.1) the total number of delinquent accounts broken down by homestead and non-homestead and an aged accounts receivable for such accounts in the aggregate, breaking out amounts due for principal, penalty, and interest;

Real Estate Tax Delinquency¹ as of December 31, 2024

	Number of Accounts	Principal	Interest	Penalties	Other ²	Total
<i>Homestead</i>	24,183	\$98,513,372	\$13,634,836	\$1,530,573	\$9,714,779	\$123,393,560
<i>Non-Homestead Residential</i>	42,300	\$139,535,330	\$34,926,496	\$3,959,791	\$20,706,916	\$199,128,534
<i>All Other Properties</i>	12,611	\$87,019,748	\$23,356,491	\$2,349,885	\$9,724,527	\$122,450,650
Total	79,094	\$325,068,450	\$71,917,823	\$7,840,249	\$40,146,222	\$444,972,744

(.2) the number of notices sent pursuant to subsection (2)(b) and how many Taxpayers contacted the Department in response to such notices, broken down by homestead and non-homestead;

¹ The amounts listed include both active and inactive periods. Active periods refer to dates after January 1, 2015, where collection is most likely, while inactive periods encompass all dates, including older debt.

² The "other" category may include, but is not limited to lien fees, attorney fees, and capitalized interest, also called "additions."

Pursuant to Subsection (2)(b), the Department of Revenue initially sent **56,812** Warning of Risk of Tax Foreclosure Action notices. A second set of **50,101** notices were then sent to Taxpayers who did not respond to the first. An example of this letter is available in nine languages on the Department of Revenue website at:

<https://www.phila.gov/documents/warning-of-risk-of-tax-foreclosure/>

	Number of first notices sent	Number of second notices Sent
Owner-Occupied Properties	5,378	6,692
Other Residential Properties	47,500	39,716
All Other Properties	3,934	3,693
Total	56,812	50,101

(.3) how many Taxpayer contacts resulted in new payment agreements being made and a breakdown of such payment agreements by type, term, and amount of liability covered;

The Department of Revenue and its representatives approved 8,150 Standard Real Estate Agreements and 6,593 Owner-Occupied Payment Agreements in 2024, for a combined total of 14,743 agreements entered. Of those, 742 Owner-Occupied Payment Agreements (OOPA) were approved for taxpayers requesting this type of assistance for the first time.

2024 Standard Agreements by Term	# Accounts	\$ Under Agreement
0–12 months	7,333	\$3,249,895.18
13–36 months	769	\$8,417,925.56
37–60 months	47	\$836,696.96
>60 months	1	\$37,390.27
Total	8,150	\$ 12,541,907.97

2024 New OOPAs by Term	# Accounts	\$ Under Agreement
0–12 months	2,119	\$21,741,563.46
13–36 months	210	\$493,196.74
37–60 months	391	\$1,274,868.12
>60 months	3,873	\$47,701,907.47
Total	6,593	\$ 71,211,535.79

Total New OOPAs include agreements that have “rolled over” from a previous agreement.

(.4) how many taxpayer contacts did not result in payment agreements being made and a breakdown of the reasons for the same (e.g., lack of title, failure of taxpayer to follow up, and so on);

The Department of Revenue receives over 318,400 calls and 10,500 voicemails and does not have the technology to track and report on the reason for each individual Taxpayer's call, e-mail, letter, or office visit. The Department cannot accurately track the number of taxpayer contacts that did not result in a payment agreement.

(.5) the total number of taxpayers referred by the Department to housing counseling agencies or legal services agencies, including a breakdown of the number of referrals to each agency;

In 2024, ninety-nine OOPA applicants (about 13 percent of first-time OOPA applicants) requested free housing counseling and were approved.

(.6) the total number of existing payment agreements and a breakdown of such payment agreements by type, term, and amount of liability covered, which liability shall be further broken down into principal, interest, penalties, and other fees or costs;

The table below accounts for the total number of existing Owner-Occupied Payment Agreements with a breakdown of each by type, term, and amount of liability covered, including principal, interest, penalties, and other fees or costs. The amount under agreement may be less than the sum of principal + interest + penalty + other because of waivers of interest and penalty associated with the different tiers. A full explanation of the waivers can be obtained from the Department of Revenue website at: phila.gov/oopa

2024 OOPA Counts by Tier

Agreement Type by Term Range	Count	Principal	Interest	Penalties	Other Fees	Total
Tier 1 Agreements						
0–12 months	15	\$94,314.11	\$3,588.19	\$23,234.52	\$11,232.74	\$132,369.56
13–36 months	18	\$110,057.90	\$6,172.24	\$15,277.34	\$12,519.10	\$144,026.58
37–60 months	5	\$88,580.27	\$5,135.65	\$19,401.41	\$5,965.13	\$119,082.46
>60 months	9	\$137,622.33	\$4,853.83	\$160,995.35	\$13,850.64	\$317,322.15
Total Tier 1 Agreements	47	\$430,574.61	\$19,749.91	\$218,908.62	\$43,567.61	\$712,800.75
Tier 2 Agreements						
0–12 months	39	\$85,310.75	\$393.24	\$5,454.08	\$11,345.51	\$102,503.58
13–36 months	44	\$144,784.79	\$794.07	\$60,591.52	\$27,692.04	\$233,862.42
37–60 months	31	\$196,242.06	\$0.00	\$92,606.79	\$21,794.79	\$310,643.64
>60 months	23	\$396,161.23	\$47.41	\$328,348.94	\$45,170.33	\$769,727.91
Total Tier 2 Agreements	137	\$822,498.83	\$1,234.72	\$487,001.33	\$106,002.67	\$1,416,737.55
Tier 3 Agreements						
0–12 months	152	\$590,113.19	\$157.31	\$51,798.53	\$88,570.62	\$730,639.65
13–36 months	220	\$298,281.38	\$248.45	\$119,845.80	\$99,746.87	\$518,122.50
37–60 months	153	\$603,991.38	\$164.67	\$203,245.03	\$122,957.61	\$930,358.69
>60 months	253	\$2,920,778.36	\$486.40	\$1,082,930.65	\$441,611.88	\$4,445,807.29
Total Tier 3 Agreements	778	\$4,413,164.31	\$1,056.83	\$1,457,820.01	\$752,886.98	\$6,624,928.13

Tier 4 Agreements						
0–12 months	141	\$462,154.17	-\$296.38	-\$2,644.68	\$97,556.78	\$556,769.89
13–36 months	226	\$130,678.75	\$119.99	\$85.86	\$53,838.73	\$184,723.33
37–60 months	486	\$641,945.66	\$619.24	\$17,815.29	\$181,196.56	\$841,576.75
>60 months	4577	\$46,498,231.29	\$34,487.83	\$250,131.30	\$4,108,758.70	\$50,891,609.12
Total Tier 4 Agreements	5430	\$47,733,009.87	\$34,930.68	\$265,387.77	\$4,441,350.77	\$52,474,679.09
Tier 5 Agreements						
	2566	\$21,438,270.99	\$10,426.28	\$93,778.99	\$2,899,838.42	\$24,442,314.68
Total Tier 5 Agreements	2566	\$21,438,270.99	\$10,426.28	\$93,778.99	\$2,899,838.42	\$24,442,314.68
Total of all Agreements	8,958	74,837,518.61	67,398.42	2,522,896.72	8,243,646.45	85,671,460.20

We do not break Tier 5 OOPAs into months because the repayment length for Tier 5 agreements continually increase as the monthly payment is \$0 and because Revenue rolls the current year taxes into the agreement automatically. Tier 5 agreements can be terminated

(.7) the total number of payment agreements on which taxpayers defaulted during the applicable period and the reason(s) for the default.

In March 2020, the Philadelphia Department of Revenue suspended defaults for non-payment as part of the pandemic relief measures.

As of December 31, 2024, the Department has not resumed placing OOPAs into default status for non-payment.