



CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE

September 22, 2026

ACCOUNTS REVIEW PANEL

RE: Accounts Receivable Charge-Off

Dear Members:

The attached annual Accounts Review Panel agenda and supporting statements reflect receivables that are recommended for charge-off. This recommendation is made in accordance with the principles set forth in Statement No. 1 by the National Council of Governmental Accounting (NCGA), as adopted by the Governmental Accounting Standards Board (GASB).

It is emphasized that this charge-off is for financial statement presentation purposes, and the proposal does not cancel taxpayer liabilities, nor delete liens recorded with the court. Moreover, the charge-off has no immediate impact on enforcement measures to recover delinquent taxes. The purpose of the annual charge-off is to ensure that both the City and School District receivables reflect their net realizable values.

Consistent with our established practice, the Self-Assessed Tax receivables are exclusively comprised of arrearages that extend beyond the Statute of Limitations. The enforcement procedures covering those taxes will remain in force, notwithstanding the reduction of receivable balances for financial statement presentation purposes.

The Agency Receivable facet of the charge-off consists of Licenses and Inspection charges and miscellaneous balances from various other departments that are deemed uncollectible.

All accounts charged off because of this recommendation are subject to reversal and reinstatement if circumstances make them collectible.

Very truly yours,

Commissioner Kathleen McColgan

Chief Collections Officer



City Charge Off Report Fiscal Year 2026



CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
TAX | WATER | LAW

Report

Real Estate Taxes

These accounts represent Real Estate Tax for the City and the School District. The total proposed charge-off amount for tax year 2016 is \$7,998,338 which represents receivables aged in the past ten years. Tax rates for 2016 were .6317% City and .7681% School. Distribution is 45.13% City and 54.87% School. The proposed charge-off is \$3,609,650 for the City portion and \$4,388,688 for the School portion.

Self-assessed City and School taxes

These accounts represent taxes reported by the taxpayer. The charge-off amount represents fiscal year 2020 which represents receivables aged in the past six years. The proposed charge-off is \$31,590,053. This proposed charge off total is comprised of \$25,683,281 in self-assessed taxes receivable, and \$5,906,772 in School District taxes receivable

Office of Administrative Review

- ALARMS-These accounts represent fines for false alarm activations exceeding the two false alarms per registration year. The charge-off represents additional receivables aged past 36 months. The proposed charge-off is \$467,371.
- SWEEPS-These accounts represent fines issued for infractions of the Philadelphia Code that cover personal conduct (e.g., smoking on public transit) or minor property owner violations (high weeds, failure to recycle, litter). The charge-off represents additional receivables aged past 36 months. The proposed charge-off is \$2,704,506.
- BURGLAR ALARM REGISTRATION FEES-These accounts represent annual charges for burglar alarm systems. The charge-off represents additional receivables aged past 36 months. The proposed charge-off is \$1,223,912.

Fire Department-Emergency Medical Services (EMS)

- Due to several major software adjustments, the Fire Department will not be submitting the FY 2026 Accounts Receivable charge-off this year. Instead, the FY 2026 charge-off will be combined with the FY 2027 charge-off and submitted to the Accounts Review Panel in 2027.

Report

License & Inspection

- Clean and Seal-These accounts represent claims for expenditures by the City for cleaning and sealing condemned properties for protection of public health and safety. These accounts have liens imposed upon them. The charge off amounts represents fiscal year 2025. The proposed charge-off is \$343,059.
- Community Life Improvement Program (CLIP)–These accounts represent claims for expenditures by the City relating to the Community of Life Improvement Program (CLIP). The work is complete only after the property owner refuses to fix the problem. These accounts have liens imposed upon them. The charge off amount represents fiscal year 2025. The proposed charge-off is \$1,272,992.
- Other Nuisance Liens–These accounts represent claims for the expenditures by the City regarding demolition, site improvement, sealing, stucco and asbestos work. These accounts have liens imposed upon them. The charge off amount represents fiscal year 2025. The proposed charge-off is \$10,461,925.

Solid Resource Fee

These accounts represent charges on any commercial establishment or multi-unit Property receiving City collection of rubbish and recycling materials. The charge off amount represents receivables aged past six years which relates to fiscal year 2020. The proposed charge-off is \$1,425,339.

Police Overtime

These accounts represent charges to outside organizations for work performed by the Police Department. The charge off amount represents fiscal year 2020. The proposed charge-off amount is \$31,774.

Register of Wills

These accounts represent probate fees based on estimates of decedent's assets. When the true value of assets is finally determined, the probate fees are adjusted. The proposed charge-off is \$46,031 representing the amount due for fiscal year 2026.

Report

Courts – First Judicial District of PA – Clerk of Courts

These accounts represent fines and other charges collected by the Courts of the First Judicial District (excluding Traffic Court) that are due to the City. The total write-off of \$3,432,729 represents the total fiscal year 2026

Aviation Fund

These accounts represent receivables from marginal carriers that no longer use the Airport's facilities or are out of business. The total proposed charge-off for fiscal year 2026 is \$1,306.

Other Taxes Receivable (Special Fund)

These accounts represent taxes included in the Special Fund. The total charge-off amount of \$411,440 includes Hotel Tax-\$1,289, Parking Tax-\$410,126 and Valet Parking Tax-\$25.

Report

Water Fund

The Water Fund submits the following categories of delinquent and uncollectible Water Fund accounts receivable, herein, totaling \$5,848,241 to the Accounts Receivable Panel for exclusion from Water Fund statements. The total includes \$1,941,736 Pre-petition Bankruptcy Balances, \$332 in Low Income Arrearages and \$3,906,173 in Delinquent Accounts over 1-year old.

Cover Photo credit: M. Fischetti for VISIT PHILADELPHIA

**CITY AND SCHOOL CHARGE OFF
COMPARISON OF ALL CHARGE OFF ITEMS OVER 3 YEARS
FOR FISCAL YEAR END 2026**

CITY	6/30/2024	6/30/2025	6/30/2026
Total Real Estate Tax	4,288,683	3,950,901	3,609,650
SELF-ASSESSED TAXES RECEIVABLE (GENERAL FUND)			
Wage Tax	2,996,452	3,451,405	2,981,334
Earnings Tax	3,276,191	5,076,395	6,184,452
Net Profits Tax	3,777,490	4,611,867	6,068,392
Business Income and Receipts Tax	8,138,712	14,493,668	9,912,969
Amusement Tax	5,379	3,647	31,145
Realty Transfer Tax-Audits	807,608	153,744	498,420
Outdoor Advertising Tax	1,410	161	0
Tobacco	1,798	1,068	1,861
Miscellaneous Tax	1,540	2,400	2,900
Philadelphia Beverage Tax	123,443	167,803	1,808
Total Self Assessed Taxes	19,130,023	27,962,158	25,683,281
OTHER TAXES RECEIVABLE (SPECIAL FUND)			
Hotel Tax	162,935	102,627	1,289
Vehicle Rental Tax	0	790	0
Parking Tax	191,702	0	410,126
Valet Parking Tax	0	0	25
Total Other Taxes	354,637	103,417	411,440
AGENCY RECEIVABLE (GENERAL FUND)			
Office of Administrative Review-False Alarms	77,875	1,307,250	467,371
Office of Administrative Review-Burglar Alarm Registration Fees	73,931	2,037,791	1,223,912
Office of Administrative Review-Sweeps	931,691	5,455,936	2,704,506
Fire Department-Emergency Medical Services	231,186,149	226,398,046	0
L & I-Clean & Seal	450,992	340,281	343,059
L & I-Blight/Clip	1,675,158	1,349,779	1,272,992
L & I-Other Nuisance Liens	13,639,274	11,635,307	10,461,925
Solid Resource Fee	2,779,755	1,894,217	1,425,339
Police	70,724	154,323	31,774
Register of Wills	13,209	25,774	46,031
Courts-1st Judicial District	4,030,930	3,363,070	3,432,729
Total Agency Receivable (General Fund)	254,929,688	253,961,774	21,409,638
AGENCY ACCOUNTS RECEIVABLE (SPECIAL FUND)			
Airport-aggregate Receivables	18	9,003	1,306
Total Agency Accounts Receivable (Special Fund)	18	9,003	1,306
WATER FUND			
Pre-Petition Bankruptcies	3,035,466	3,415,717	6,363,776
Low Income Arrearages	48	287	0
Delinquent Accounts (Over 1 year old)	11,545,900	9,655,838	16,141,979
Total Water Fund	14,581,414	13,071,842	22,505,755
SCHOOL			
Total Real Estate Tax	5,260,822	4,846,473	4,388,688
SCHOOL TAXES RECEIVABLE			
Liquor Tax	1,015,162	1,118,470	329,467
Use and Occupancy Tax	2,950,691	4,632,069	4,601,018
School Income Tax	589,708	695,798	976,287
Total Self Assessed School Taxes	4,555,561	6,446,337	5,906,772
GRAND TOTAL	303,100,846	310,351,905	83,916,530

TAX ACCOUNTS RECEIVABLE CHARGE OFF BASED ON 6/30/2026 STATEMENT OF ACTIVITY

Tax Type	Receivables Charge Off as of	Proposed Accounts Receivables Charge Off	Cumulative Accounts Receivables Charge Off
	6/30/2025	6/30/2026	6/30/2026
Real Estate Tax	101,078,028	3,609,650	104,687,678
Total City's Real Estate Tax	101,078,028	3,609,650	104,687,678
Wage Tax	413,641,922	2,981,334	416,623,256
Earnings Tax	119,626,458	6,184,452	125,810,910
Net Profits Tax	76,862,399	6,068,392	82,930,791
Business Income and Receipts Tax	553,494,435	9,912,969	563,407,404
Amusement Tax	2,231,639	31,145	2,262,784
Realty Transfer Tax-Audits	6,814,548	498,420	7,312,968
Outdoor Advertising Tax	1,631	-	1,631
Tobacco Tax	79,352	1,861	81,213
Miscellaneous Tax	367,590	2,900	370,490
Philadelphia Beverage Tax	463,459	1,808	465,267
Total City Self-Assessed Tax	1,173,583,433	25,683,281	1,199,266,714
TOTAL CITY TAXES	1,274,661,461	29,292,931	1,303,954,392
Real Estate Tax	128,825,869	4,388,688	133,214,557
Total School Real Estate Tax	128,825,869	4,388,688	133,214,557
Liquor Tax	64,043,928	329,467	64,373,395
Use and Occupancy	63,740,941	4,601,018	68,341,959
School Income Tax	21,440,677	976,287	22,416,964
Total School Self-Assessed Tax	149,225,546	5,906,772	155,132,318
TOTAL SCHOOL TAXES	278,051,415	10,295,460	288,346,875
Parking Tax	13,138,583	410,126	13,548,709
Valet Parking Tax	1,572,398	25	1,572,423
TOTAL SPECIAL FUND TAXES	14,710,981	410,151	15,121,132
TOTAL CITY, SCHOOL & SPECIAL FUND TAXES	1,567,423,858	39,998,542	1,607,422,399

AGENCY RECEIVABLE CHARGE OFF

FISCAL YEAR 2026

AGENCY RECEIVABLE (GENERAL FUND)

Office of Administrative Review-False Alarms	\$	467,371
Office of Administrative Review-Burglar Alarm Registration Fees	\$	1,223,912
Office of Administrative Review-Sweeps	\$	2,704,506
Fire Department-EMS	\$	-
License & Inspection-Clean & Seal	\$	343,059
License & Inspection-Clean & Seal-CLIP Programs	\$	1,272,992
License & Inspection-Other Nuisance Liens	\$	10,461,925
Solid Resource Fees	\$	1,425,339
Police	\$	31,774
Register of Wills	\$	46,031
Courts-1st Judicial District	\$	3,432,729

TOTAL AGENCY RECEIVABLE (GENERAL FUND)	\$	21,409,638
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AGENCY RECEIVABLE (SPECIAL FUNDS)

Aviation Fund	\$	1,306
Hotel Tax	\$	1,289
Parking Tax	\$	410,126
Vehicle Rental Tax	\$	-
Valet Parking Tax	\$	25

TOTAL AGENCY RECEIVABLE (SPECIAL FUND)	\$	412,746
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	\$	21,822,384
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SUMMARY OF CHARGE OFF ACCOUNTS TAXES AND AGENCY ACCOUNTS REVIEW PANEL MEETING FISCAL YEAR
ENDING JUNE 30, 2026

	CITY	SCHOOL	TOTAL
Taxes*	\$ 29,292,931	\$ 10,295,460	\$ 39,588,391
Other Taxes-Special Fund	\$ 411,440	\$ -	\$ 411,440
Subtotal	\$ 29,704,371	\$ 10,295,460	\$ 39,999,831
Agency Receivable-General Fund	\$ 21,409,638	\$ -	\$ 21,409,638
Agency Receivable-Special Funds	\$ 1,306	\$ -	\$ 1,306
Water Fund	\$ 22,505,755	\$ -	\$ 22,505,755
Subtotal	\$ 43,916,699	\$ -	\$ 43,916,699
TOTAL	\$ 73,621,070	\$ 10,295,460	\$ 83,916,530

**Includes Real Estate and Self Assessed Taxes*