

Action Item - 40

Board of Education Meeting Date: 6/26/2025

Title: Authorization to Levy and Assess Taxes – Added 6.11.2025/ Updated 6.17.2025

Action under consideration

WHEREAS, Article XII, Section 305 of the Philadelphia Home Rule Charter requires the Board of Education to levy taxes annually within the authority prescribed by the General Assembly of the Commonwealth of Pennsylvania or the Council of the City of Philadelphia in amounts sufficient to fund current operations, interest and all other charges on debt and incidental services and to certify said tax levy to the City of Philadelphia; and

WHEREAS, the Council of the City of Philadelphia by ordinances enacted on June 9, 2017 (Bill No. 170199 and Bill No. 170200), and by ordinance enacted on June 14, 2024 (Bill No. 240180) (the “Ordinances”) has authorized the levy of taxes for school purposes as described in Sections 1, 2 and 3 of this Action Item, said rates as applicable having been established based upon the assessment of real estate by the City of Philadelphia, as returned by the Office of Property Assessment; and

WHEREAS, the Board of Education was authorized to impose certain annual taxes for school purposes within the City of Philadelphia for the year 2026; and

WHEREAS, by this Action Item, the Board of Education desires to levy and impose annual taxes for school purposes within the limits prescribed by the Council of the City of Philadelphia; and

WHEREAS, pursuant to Section 2(b)(ii) of Article VIII of the Constitution of the Commonwealth, the General Assembly has adopted the Affordable Housing Unit Tax Exemption Act, Act 58 of 2022, 72 P.S. §§ 4728.101- 4728.501, which authorizes municipalities to establish a program to exempt certain low-income property owners from paying certain increases to real estate taxes, the City of Philadelphia has adopted the low-income tax relief provisions authorized by the Act in Bill No. 240059 (enacted June 14, 2024) and amended by Bill No. 250174 (**enacted June 13, 2025**), codified as Chapter 19-4600 of The Philadelphia Code; and

WHEREAS, Section 103 of the Act, 72 P.S. § 4728.103, provides that “[a] tax exemption or special tax provision permitted under this Act shall not be enforceable until

the governing body of each local taxing authority with mutual jurisdiction to levy real estate taxes on a subject property has approved an ordinance or resolution adopting the tax exemption or special tax provision,” and Section 205 of the Act, 72 P.S. § 4728.205, provides that “[e]ach local taxing authority shall provide by ordinance or resolution, rule or regulation for the administration and enforcement of an ordinance or resolution adopted under this act.”

NOW BE IT RESOLVED,

- (A) That the Board of Education of The School District of Philadelphia, Pennsylvania, hereby levies and assesses the following taxes:
1. For the tax year 2026, a tax rate (the “Tax Rate”) of 0.7839% or seven thousand eight hundred thirty-nine ten-thousandths cents (\$0.7839) per one hundred dollars (\$100.00). The tax shall be calculated, by multiplying the Tax Rate by the Net Taxable Value of the property. Net Taxable Value shall be calculated by subtracting the amount of Homestead Exclusion, if any, provided and defined in Section 19-1301 of the Philadelphia Code, from the assessed value of the property returned by the Office of Property Assessment in the year immediately preceding the tax year, but in no event may Net Taxable Value be less than zero.
 2. For the tax year beginning July 1, 2025 a tax on the use or occupancy of real estate within the School District for the purpose of carrying on any business, trade, occupation, profession, vocation, or any other commercial or industrial activity at a tax rate (the “U&O Tax Rate”) of one and twenty-one hundredths percent (1.21%). The tax shall be computed pursuant to the formula set forth in Section 19-1806 (4) of Ordinance (Bill No. 170200) utilizing the U&O Tax Rate and the definitions of Assessed Value and Exemption Amount set forth therein.
 3. For Fiscal Year 2026 a tax on net income from the ownership, lease, sale or other disposition of real property and tangible and intangible personal property of residents of the School District of Philadelphia received or credited from January 1, 2025 to December 31, 2025, at the rate of three and seventy-five hundredths percent (3.75%) or approximately three dollars and seventy-five hundredths of a cent (\$3.75) on each one hundred dollars (\$100.00) of net income in accord with the Act of August 9, 1963, P.L. 640, 53 P.S. §16101 et seq., as amended, and Philadelphia Code § 19-1804, and in the event the rate of any tax imposed hereunder is determined to exceed any limitation imposed by statute, it is the intent of this resolution to impose such tax at the maximum permissible rate (mirroring Resident City Wage Tax).

4. For the year beginning July 1, 2025, a tax on the sales at retail of liquor and malt and brewed beverages at the rate of ten percent (10%) of the sale price in accord with Philadelphia Code §19-1805 (1994), App. No. 228.
- (B) That the Board of Education shall forthwith certify this levy of school taxes, under the seal of the School District attested by the President of the Board of Education and the Secretary, to the Office of Property Assessment, the Board of Revision of Taxes or other proper authority of the City of Philadelphia authorized to prepare tax duplicates, to be entered thereon, and by such authority to be certified to the City's Department of Revenue, such taxes to be collected as provided by law, at the same time, in the same manner and with like authority as other taxes collected in the City.
 - (C) That the officials collecting municipal taxes in the City of Philadelphia are directed to collect said taxes and do all acts necessary in connection therewith.
 - (D) In the event that subsequent to the adoption of this Action Item, any of the Ordinances are amended or modified, whether by action of City Council or otherwise, with respect to the basis upon which taxable real property is assessed for the year 2025, this Action Item shall, without further action of the Board of Education, be amended to reflect such amendment or modification.

NOW BE IT FURTHER RESOLVED,

That the Board of Education of The School District of Philadelphia adopts the special tax provisions of, and approves of the administration and enforcement system established by, Bill No. **240059**, as amended by Bill No. 250174, and hereby approves of implementation of the low-income tax relief program it establishes for the period January 1, 2026 through December 31, 2026.

Office Originating Request:
Finance