



Abatement of Real Estate Taxes Due to Improvements

The City of Philadelphia offers four Abatement programs, depending on the project type:

- Ordinance 1130 — New or Rehab Construction for Commercial & Industrial Properties (includes Rental Apartments)
- Ordinance 1456-A — New Construction for Residential Properties (sale/owner-occupant only)
- Ordinance 961 — Rehab Construction for Residential Properties (sale/owner-occupant only)
- State Act 175 — Development of Residential Properties (for developers during construction for up to 30 months)

Application Instructions

Here are general instructions for all four types of abatements. Please also refer to the guidelines for each abatement type to ensure that your application is complete and correct.

- **Submit a separate application for real estate parcel and/or for each individual end use** (ex. one application for each individual unit in a building being converted to condos).
- **Check off the type of abatement you are applying for.** If you are applying for more than 1 abatement type for a project, submit one application for each abatement type.
- **Use the official address as assigned by the Office of Property Assessment.** Do not use a proposed future address or any other address the property is known by.
- **Attach the construction permit(s).** You do not need to include permits for foundations, electrical, HVAC or plumbing. Applications without permits will not be processed.
- **Include a mailing address, if different than the project address.** You cannot use a PO Box as an off-site mailing address.

Program Guidelines

- **The Tax Abatement is on the value added due to the improvements.** The value of the land and any pre-existing improvements remains taxable. Taxable values may increase during the abatement period unrelated to the improvements (ex. changes in market trends). Improvements that do not affect the assessed value will not result in an abatement.
- **You must be in good standing for all payments due to the City.** To be eligible for the program, you must be and remain current on all City of Philadelphia taxes, fees, rents and charges. Failure to be in compliance will result in a denial of your application. The Department of Revenue will review applicants annually for continued compliance. If the applicant becomes non-compliant, the abatement will be terminated and all taxes will become due.
- **You must file your application on time.** For Ordinance 961 and State Act 175, the application must be filed by December 31st of the year that the construction permit is issued. For Ordinances 1130 and 1456-A, the application must be filed within 60 days of the building permit being issued.
- **After your application has been approved, you must submit a completion certificate and/or related documents to start the abatement.** Once the project has been completed, you must return to the OPA an owner's completion certificate and an affidavit or certificate of occupancy from the Department of Licenses & Inspections, if required.

Return Completed Applications to:

City of Philadelphia – Office of Property
Assessment
Abatement Unit
The Curtis Center – 3rd Floor West
601 Walnut Street
Philadelphia, PA 19106



Abatement of Real Estate Taxes Due to Improvements

Ordinance 961

Rehab Construction for Residential Properties (sale/owner-occupant only)

This program offers an abatement from Real Estate Taxes on improvements to existing residential properties. Below are instructions for applying for this abatement. Please be sure to also read the general instructions for all abatement applications.

Who Applies? Property owners/developers that are rehabbing the property that will either be sold or continue to be owner-occupied by the current owner.

When to Apply? By December 31st of the year that the building permit is issued.

What Properties are Eligible? Structures that contain one or more dwelling units are eligible.

What Improvements Qualify? Improvements made under a city-issued construction permit that affect the assessed value of a property. Not all improvements will change the value of a property as determined by Office of Property Assessment evaluators.

When Does the Abatement Start? On the January 1st after the improvement is certified as complete by the owner. You must file the certificate of completion and an affidavit stating the completion date with the Office of Property Assessment before the abatement value can be assessed and started.

How Long Does the Abatement Last? Ten years. During the abatement period, Real Estate Tax bills may change due to changes in tax rates and changes in assessed value not related to the improvement. The change in value due to the approved improvements will not be taxable.

Please Remember -

- Submit a separate application for each real estate parcel and/or for each individual end use
- Check off the type of abatement you are applying for on the application
- Use the official address as assigned by the Office of Property Assessment
- Attach the construction permit(s) to the application
- Include a mailing address, if different than the project address
- You must be in good standing for all payments due to the City at all times
- You must file your application on time
- After your application has been approved, you must submit documentation of the completion date to implement the abatement

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Abatement of Real Estate Taxes Due to Improvements

Ordinance 1130

Rehab & New Construction for Commercial & Industrial Properties

This program offers an abatement from Real Estate Taxes due to rehabilitation or new construction of commercial, industrial, and any other business properties, including rental residential properties. Below are instructions for applying for this abatement. Please be sure to also read the general instructions for all abatement applications.

Who Applies? Property owners/developers that are rehabbing or building a property that will either be sold or leased for commercial, industrial or other business purposes. Purchasers of rehabbed or newly constructed properties are not the applicant.

When to Apply? Within 60 days of the date the building permit is issued.

What Properties are Eligible? Newly-built and improved existing commercial and industrial properties.

What Improvements Qualify? Improvements made under a city-issued building permit that affect the assessed value of a property. Not all improvements will change the value of a property as determined by Office of Property Assessment evaluators.

When Does the Abatement Start? On the January 1st after the improvement is certified as complete. You must file the certificate of completion and the certificate of occupancy issued by the Department of Licenses and Inspections. If an L&I certificate of occupancy is not needed, the owner must submit an affidavit stating the date the improvements were complete.

How Long Does the Abatement Last? Ten years. During the abatement period, Real Estate Tax bills may change due to changes in tax rates and changes in assessed value not related to the improvement. The change in value due to the approved improvements will not be taxable.

Please Remember -

- Submit a separate application for each real estate parcel and/or for each individual end use
- Check off the type of abatement you are applying for on the application
- Use the official address as assigned by the Office of Property Assessment
- Attach the construction permit(s) to the application
- Include a mailing address, if different than the project address
- You must be in good standing for all payments due to the City at all times
- You must file your application on time
- After your application has been approved, you must submit the owner's certificate and related documents to start the abatement

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Abatement of Real Estate Taxes Due to Improvements

Ordinance 1456-A

New Construction for Residential Properties (sale/owner-occupant only)

This program offers an abatement from Real Estate Taxes for new construction of residential properties that will be sold upon completion. Below are instructions for applying for this abatement. Please be sure to also read the general instructions for all abatement applications.

Who Applies? Property owners/developers that are building the residence and selling it. Purchasers of newly constructed homes are not the applicant.

When to Apply? Within 60 days of the date the building permit is issued.

What Properties are Eligible? A dwelling unit in a single house, duplex, triplex, townhouse, rowhouse, or multi-family building (including condominiums and cooperative units).

What Improvements Qualify? Improvements made under a city-issued building permit that affect the assessed value of a property. Not all improvements will change the value of a property as determined by Office of Property Assessment evaluators.

When Does the Abatement Start? The first month after the title date.

How Long Does the Abatement Last? Ten years. During the abatement period, Real Estate Tax bills may change due to changes in tax rates and changes in assessed value not related to the improvement. The change in value due to the approved improvements will not be taxable.

Please Remember -

- Submit a separate application for each real estate parcel and/or for each individual end use
- Check off the type of abatement you are applying for on the application
- Use the official address as assigned by the Office of Property Assessment
- Attach the construction permit(s) to the application
- Include a mailing address, if different than the project address
- You must be in good standing for all payments due to the City at all times
- You must file your application on time
- After your application has been approved, you must submit the owner's certificate

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Abatement of Real Estate Taxes Due to Improvements

State Act 175

Development Abatement for New or Improved Residential Properties

This program offers an abatement from Real Estate Taxes for during construction or improvement of residential properties that will be sold or rented upon completion. Below are instructions for applying for this abatement. Please be sure to also read the general instructions for all abatement applications.

Who Applies? Developers who are building or rehabbing a residential property that will be leased or sold. Purchasers and renters of newly constructed homes are not the applicant.

When to Apply? By December 31st of the year that the building permit is issued.

What Properties are Eligible? A dwelling unit in a single house, duplex, triplex, townhouse, rowhouse, or multi-family building (including apartments, condominiums, and cooperative units).

What Improvements Qualify? Improvements made under a city-issued construction permit that affect the assessed value of a property. Not all improvements will change the value of a property as determined by City evaluators.

When Does the Abatement Start? On the first day of the month after the building permit is issued by the Department of Licenses and Inspections for the construction of the improvements.

How Long Does the Abatement Last? 30 months or until the property is leased or sold, whichever comes first. During the abatement period, Real Estate Tax bills may change due to changes in tax rates and changes in assessed value not related to the improvement. The change in value due to the approved improvements will not be taxable.

Please Remember -

- Submit a separate application for each real estate parcel and/or for each individual end use
- Check off the type of abatement you are applying for on the application
- Use the official address as assigned by the Office of Property Assessment
- Attach the construction permit(s) to the application
- Include a mailing address, if different than the project address
- You must be in good standing for all payments due to the City at all times
- You must file your application on time
- After your application has been approved, the abatement will start one month following the permit date.

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