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"Philly Mayor Pins Tax Relief Hopes On Property Assessments"

Jennifer Karpchuk quoted in article on "Philly Mayor Pins Tax Relief Hopes On Property Assessments"
Law360
April 8, 2022

In an article published on March 31, 2022, Jennifer Karpchuk discusses the hope of tax relief on property assessments. The article outlines Mayor Kenney's fiscal year 2023 spending plan and how it would maintain the city's current tax rates for its resident and nonresident wage tax and business income and receipts tax, or the BIRT, which is a departure from most of his budgets that have offered tax reductions.

The article further outlines that "Philadelphia imposes some of the highest wage taxes in the nation — 3.8398% on residents and 3.4201% on nonresidents. Kenney's previous budgets and five-year plans have generally called for trimming those rates annually, aside from a one-year increase to the nonresident wage tax that was enacted in 2020 amid uncertainty during the start of the pandemic."

Karpchuk told Law360 that the sales tax is currently sourced based on "location of fulfillment" and that Amazon doesn't have a warehouse in Philadelphia or Allegheny counties, which impose the only local sales taxes in Pennsylvania. So, if Amazon, or another business without a physical presence in Philadelphia, sells an item to a Philadelphia resident, no local sales tax is collected, she said.

"By switching the calculation to the location of the customer, this would ensure Philadelphia gets the sales tax revenue related to sales within the city," Karpchuk said.

To read the full article, subscribers may click here.