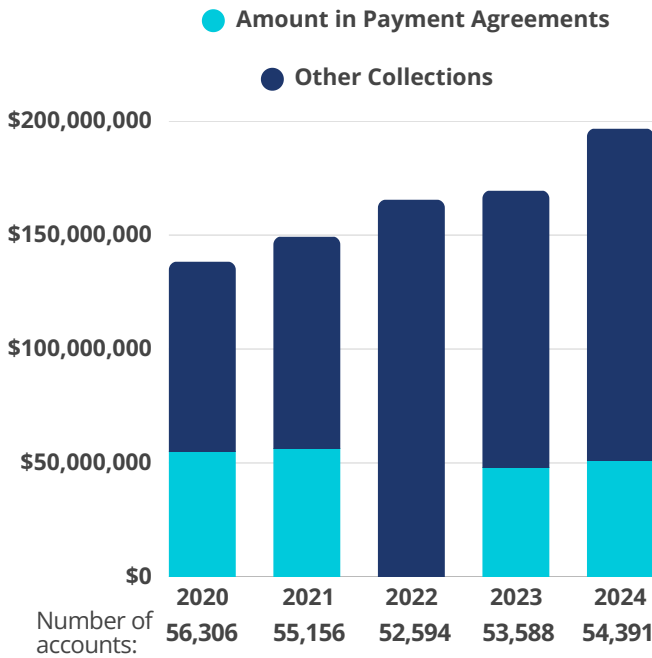


# REAL ESTATE TAX DELINQUENCY GROWS IN FY2024

## AMOUNT OF DEBT

### TOTAL ACTIVE PRINCIPAL REAL ESTATE TAX DEBT\*

\*Payment agreement data is not available for 2022



Despite the overall increase in Real Estate Tax delinquency in FY24, Revenue remains optimistic that the return to Sheriff Sales and other enforcement action will spur property owners to enter into payment agreements.

The rise in delinquency in FY24 continues the upward trend which began as a result of the COVID pandemic, but continued through the last fiscal year due to the pause of Sheriff Sales. Sheriff Sales resumed in July 2024.

To prevent delinquency before it happens, City Council also passed legislation in FY24 to enact the Low-Income Tax Freeze, which shields vulnerable homeowners from future increases to their tax bill. Keeping bills consistent protects homeowners from unaffordable tax bills in neighborhoods with rapidly rising property values.

**16%**  
Increase in delinquent principal from FY23 - FY24

**\$27m**  
Increase in delinquent principal from FY23 - FY24

## THE COLLECTION PIPELINE

### LEGEND

#### “Actionable” Total: \$137.6m

The City is using various enforcement strategies to collect these debts

**Internal Collections** \$32.6m 17%

These accounts receive regular bills and notification of balances.

**Collection Agency** \$85.4m 43%

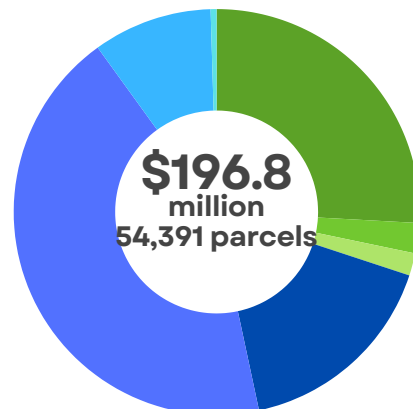
Outside collection agencies expand Revenue’s capacity to bring taxpayers into compliance, either through full payment or by entering into a payment agreement.

**Sheriff Sale** \$18.7m 9.5%

Although Sheriff Sale is an enforcement strategy of last resort, it often spurs taxpayer action.

**Sequestration** \$933k .5%

For rental properties, sequestration helps protect existing tenants from displacement.



#### “non-Actionable” Total: \$59.2m

The City is barred from collection on these accounts, or the debt is in a payment agreement.

**Payment Agreement** \$51.0m 26%

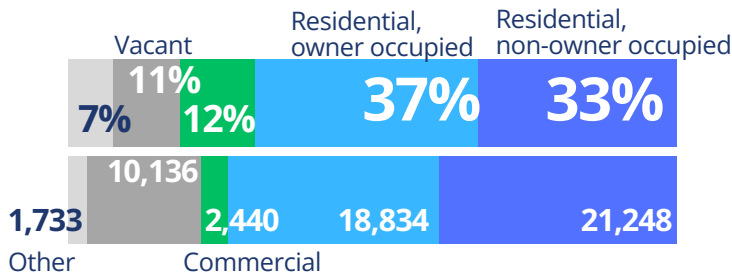
**Under Appeal** \$4.7m 2%

**Bankruptcy** \$3.5m 2%



## THE NUMBERS BY BUILDING CHARACTERISTIC

PERCENTAGE OF TOTAL DOLLAR AMOUNT OF DEBT & COUNT OF PROPERTIES



86%

of properties have a Philadelphia mailing address. Out-of-state and PA mailing addresses are each

7%

\$167m

amount of delinquency from Philadelphia owners\*

\$14m Out-of-State owners

\$15m PA, non-Philadelphia

\*Omits unclassified properties



## THE NUMBERS BY COUNCIL DISTRICT\*

Council District	Number of Delinquent Accounts	2024 Total Principal Due	Average Principal Balance	Percent of Accounts in Payment Agree.	Change in balance 2019 to 2024	2019 Principal Due
1	3,668	\$22,934,331	\$6,253	17%	↑113%	\$10,778,645
2	5,094	\$22,440,506	\$4,405	19%	↑50%	\$14,996,568
3	7,537	\$24,683,188	\$3,275	21%	↓14%	\$28,862,676
4	5,433	\$18,415,640	\$3,390	21%	↓14%	\$21,421,679
5	9,325	\$27,004,163	\$2,896	12%	↑5%	\$25,683,477
6	1,862	\$8,696,556	\$4,671	19%	↑38%	\$6,286,382
7	8,159	\$18,217,210	\$2,233	12%	↓8%	\$19,704,794
8	8,190	\$27,812,195	\$3,396	22%	↓22%	\$35,735,871
9	3,557	\$15,412,648	\$4,333	29%	↑2%	\$15,160,348
10	1,205	\$7,954,517	\$6,601	20%	↑76%	\$4,514,084

\*Omits unclassified properties



## WHAT ARE REVENUE'S NEXT COLLECTION STRATEGIES?

In FY2025, the City resumed the use of the enforcement strategies that were paused or adjusted in response to the COVID-19 pandemic. Most notably, the resumption of Sheriff Sales.

The Department will further expand its outreach efforts to increase Real Estate Tax assistance program participation. These efforts include developing a strategy to utilize data Revenue already has internally to guide outreach projects, and continuing our comprehensive outreach campaign to promote the new Low-Income Tax Freeze program.

### Notes about this data:

This report uses data current through June 2024. Amounts in this report refer to principal due for active periods after January 1, 2014. Older Real Estate Tax debts are more difficult to collect, thus presenting the active principal debt reflects reasonable expectations for collection.

Active delinquent balances also include properties that are currently under appeal. These accounts may have adjustments to principal balance at a later date.