

## NONPROFIT ORGANIZATIONS

APRIL

2015

# ALERT

## PHILADELPHIA'S NONPROFIT RECERTIFICATION REQUIREMENT ABOLISHED

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On April 7, 2015, Mayor Michael Nutter signed Bill No. 150144 into law, thereby repealing a 2013 Ordinance that had required Philadelphia's nonprofit property owners to annually recertify that their properties continued to qualify for real estate tax exemption. As the Schnader Nonprofit Group reported in an earlier [Alert](#), to enforce the now-repealed Ordinance, Philadelphia's Office of Property Assessment (OPA) had previously mailed a request for information to all Philadelphia nonprofit property owners in February 2015. That information request asked nonprofit property owners to certify that they continued to qualify for property tax exemption and to provide a significant number of supporting documents. Although the OPA imposed an initial deadline of March 31, 2015 to respond to the recertification request, in response to an outcry from the nonprofit community and subsequent City Council hearings, the deadline was extended to June 1, 2015 and the requirement to provide most of the supporting documentation was eliminated.

As a result of the newly-enacted legislation, however, there is currently no requirement that Philadelphia nonprofit property owners annually recertify their eligibility for property tax exemption. In confirming this news on its website, the OPA thanked those organizations that had previously responded to the request for documentation and indicated that the information

provided would be used to help ensure that the records of the OPA are current and complete. The OPA also confirmed that it will continue to perform audits to determine whether properties remain eligible for exemption from property taxes. For now, though, there is no need for Philadelphia nonprofit property owners to respond to the OPA's earlier requests for information.

Although this turn of events is generally good news for the Philadelphia nonprofit community, owners of tax-exempt properties would be well advised to, at least annually, document the basis upon which their properties continue to be eligible for tax exemption. By doing so, they should be better prepared to appropriately respond to an OPA audit by having already assembled appropriate documents and other records to support their ongoing eligibility for property tax exemption. ♦

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