

Revenue Fact Sheet:

All Other Taxes

Understanding the Other Taxes

This fact sheet series has individually covered the City's largest taxes, but Philadelphia has a plethora of other taxes. While each brings a much smaller share of General Fund dollars, they do contribute to the City's resources and, in some cases, were designed to change behavior, such as reduced tobacco consumption. Outside of the business, income, Sales, Amusement, Philadelphia Beverage, and property taxes covered separately, the City of Philadelphia also administers the following taxes for the benefit of the General Fund:

- Mechanical Amusement Device
- Outdoor Advertising
- Tobacco & Tobacco-related Products
- Development Impact Tax

Combined, these Other Taxes are expected to generate less than \$9 million annually through FY30, about 0.1 percent of General Fund revenues. The City also administers other taxes for the benefit of other funds and entities. For example, the Parking and Valet Parking Taxes' collections support the City's Transportation Fund and are not included in this analysis, and the School Income, Use & Occupancy, and Liquor-by-the-Drink Taxes provide funds to the School District of Philadelphia. There are several taxes currently on the books that are not administered due to operational or legal barriers, like the Real Estate Non-Utilization Tax.

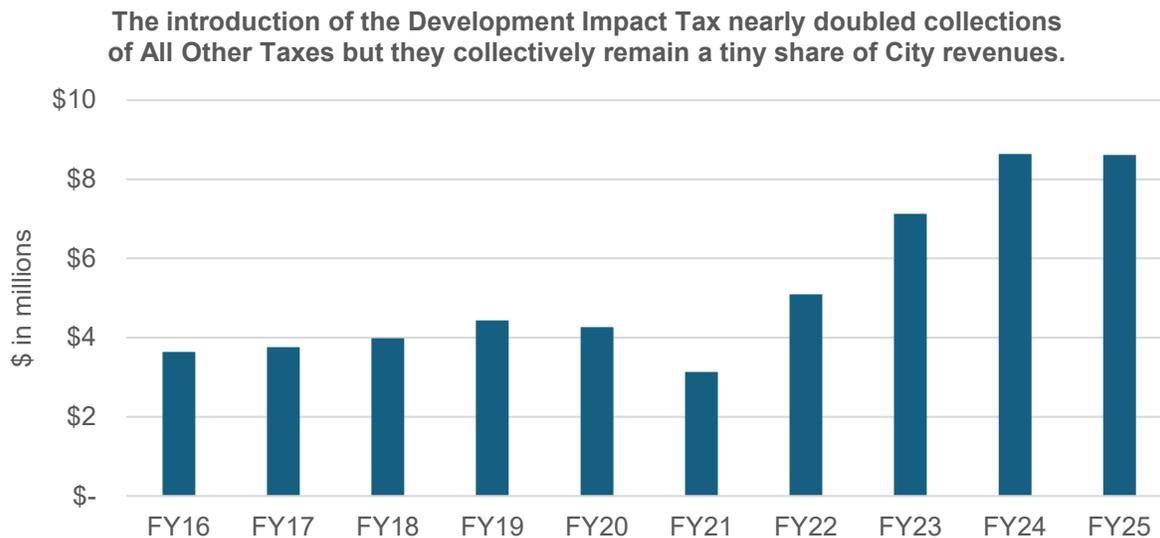
Where do the Other Taxes come from?

These other taxes are generally remitted by businesses engaged in specific activities. The oldest of the group, dating back to 1945, is the Mechanical Amusement Device Tax. It is an annual \$100 tax per machine (think video games, not slot machines) paid by those who permit their use. The amount per machine has been unchanged since 1984. The Outdoor Advertising Tax, in place since 2005, is a 7.0 percent excise tax on every transaction for purchasing, renting, or licensing space for the purpose of placing an advertisement. Often, this tax is paid by owners of billboards. The Tobacco and Tobacco-related Products Tax became effective in 2010 and is imposed on products not already taxed by the Commonwealth of Pennsylvania, which exclude cigarettes and little cigars. The included products, such as dipping and pipe tobacco, are taxed at a rate of \$0.36 per ounce and

individual items and packets of rolling papers have a tax of \$0.36 each. The tax is paid by retailers of those products. The Development Impact Tax is the most recently enacted, starting in January 2022. It is a tax on construction or improvements to real estate over \$15,000 that are eligible for a tax abatement, typically paid by developers or property owners and is assessed at \$1 per \$100 of construction work. There are several exceptions for projects that are not subject to the tax; in 2025, the law was amended to exempt affordable housing built with either City grant funds or on City-owned land. Although the proceeds go to the General Fund, the law creating the tax also directs Council to appropriate an equivalent amount to the Housing Trust Fund for workforce development related to construction and programs to help renters, homeowners, and small landlords.

10-Year Trend

Percentage-wise, All Other Tax collection grew strongly from FY16 through FY25, with a compound annual growth rate of 10.0 percent, more than double the rate for all General Fund taxes. But total collections across that decade were a de minimis amount compared to total revenues, \$52.7 million, just 0.1 percent of the \$36.8 billion in General Fund taxes collected over that time period. The introduction of the Development Impact Tax for the second half of FY22 boosted revenues from All Other Taxes significantly to \$5.1 million, compared to \$3.1 million collected the year before. The share of All Other Taxes from the Development Impact Tax is now about 45 percent.

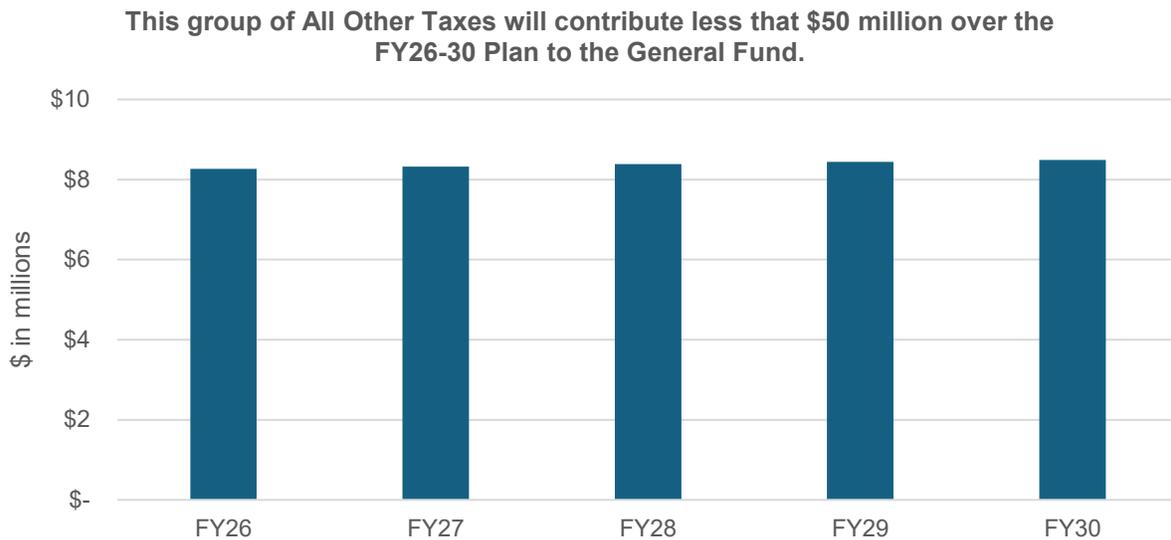


With minimal impact on the City’s revenue collections, the importance of these taxes is better considered with respect to the changes in underlying activity and the cost to administer. For example, the existence and enforcement of the Tobacco and

Tobacco-related Products Tax is expected to have a beneficial impact on access to and health impacts of tobacco.

Looking Ahead

With new exemptions from the Development Impact Tax for affordable housing starting in FY26, the City anticipates a four percent decline in collections from All Other Taxes compared to FY25. For FY27 through FY30, minimal growth of 0.7 percent annually is projected, while all General Fund Taxes are expected to have more significant growth, with a compound annual growth rate of 3.0 percent from FY26 to FY27.



The Big Picture

Given the minute share of revenue that these four taxes contribute to General Fund coffers, their ongoing utility is better measured against whether they are having the desired effects on activities in our communities and the cost to administer these taxes to both the City and the taxpayers.

Where to Learn More

For additional details on **Revenue from All Other Taxes** and the City's financial outlook:

- See PICA's [Staff Report on the Five-Year Plan for FY26-30](#) and past Staff Reports at picapa.org.
- Find the City's revenue projections and budget documents on the [Office of the Director of Finance](#) website.
- Visit the City of Philadelphia's [Office of the Director of Finance](#) website for City budget documents.