

Philadelphia City Councilmember Introduces Bill To Impose Wealth Tax on Stocks and Bonds

On March 31, Philadelphia City Councilmember Kendra Brooks introduced an ordinance that would impose a tax on certain intangible property, including direct holdings in stocks and bonds, at 0.4 percent. The legislation is based on the County Personal Property Tax authorized by state statute, as modified by a 2002 Pennsylvania Supreme Court decision that found unconstitutional an exemption in the county tax for stock in companies that are liable or excluded from the former Capital Stock — Franchise Tax.

The proposed ordinance tracks other exclusions in the state statute that exempt pensions, retirement accounts, and traditional checking and savings accounts. The Pennsylvania Budget and Policy Center determined that an implemented tax could raise between \$240 million and \$280 million a year. Councilmember Brooks refers to this legislation as a “wealth tax” and believes wealthy Philadelphians would be most impacted by this proposal.

During a press conference to build support for the bill, Councilmember Brooks was joined by former presidential candidate Senator Elizabeth Warren (D-Mass.) and other advocates from the region. Senator Warren has been the leading advocate for a “wealth tax” on the federal level.

In 2020, Councilmember Brooks introduced a different iteration of this tax. It was referred to the Committee on Finance, but the 2020 bill was never heard in committee. Many counties throughout Pennsylvania, including Philadelphia, imposed the county tax on personal property until the 1990s. Philadelphia did not reimpose the tax after the Supreme Court decision.

City Council must finalize the budget for the upcoming fiscal year by June 30, 2022.

For more information on this proposed policy, please contact a member of our team.



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