

Broad Street Brief: Racial Equality; Tax Reductions; Gun Violence

CITY HALL

Budget Hearings Begin

On Monday, budget season officially began as City Council asked questions of the Kenney administration. Gun violence, racial equity, proposed tax reductions, and economic recovery were the main topics councilmembers raised during their questioning.

Racial Equity

Most councilmembers inquired about racial equity in their lines of questioning. Councilmembers asked how the Kenney administration utilized a racial equity lens to create the budget framework, to select projects to receive capital funding, and to support Black and Brown businesses. The administration cited additional investments in the Commerce Department, a racial equity committee, and public safety initiatives as demonstrated commitments to equity, but City Council is largely demanding more.

Tax Reductions

Several councilmembers questioned why the administration was proposing modest cuts to the wage tax. The administration acknowledged that although a Philadelphian earning a median income would save \$14 annually from the proposed wage tax cuts, the tax cuts would send a signal to the business community that the city encourages economic growth and recovery. The administration also argued that it would help to shift the city away from its reliance on the wage tax in the long term. However, members of City Council voiced concerns that the proposed tax cut is inequitable. In particular, Councilmember Quiñones Sánchez expressed that the city should target lowering or eliminating the net income portion of the Business Income and Receipts (BIRT) tax instead of making small tax reductions across the board. In addition, Council President Clarke asked several questions about how developers utilize Keystone Opportunity Zones to receive tax credits.

Gun Violence

Several councilmembers, including Councilmembers Gauthier, Johnson, Jones, and Thomas, all emphasized that more funding should be dedicated to anti-violence initiatives. Councilmember Green opined that more funding should be dedicated to Community Investment Grants as community organizations work to combat gun violence.

Economic Revitalization/Reopening

Councilmember Parker emphasized the importance of investing in neighborhood commercial corridors. She also linked the parking tax to revitalizing restaurants, tourism sites, and the larger hospitality industry. Councilmember Gilmore Richardson explained why she believes that the city should create a Workforce Development office separate from the division of Workforce Development in the Department of Commerce to help coordinate between private businesses, schools, and workers. Councilmember Green inquired about when Philadelphia will lift pandemic related-restrictions, and the administration declined to provide a timeline for when all restrictions would be lifted.

Housing Investments

Councilmember Gauthier stated that more money needs to be allocated to the Housing Trust Fund, and Councilmember Gym advocated for more money to be dedicated to eviction prevention programs.

The questions from councilmembers will become more specific and granular as city departments testify in front of them during the next few weeks. You can watch the hearings live [here](#). The line of questioning from these first few days illustrates council's priorities for additional funding. A budget must be passed by June 30, and negotiations between Mayor Kenney and City Council will ramp up as we approach that date.

Next week's hearings include:

- **5/10:** Managing Director's Office, Law Department, and Chief Administrative Office
- **5/11:** School District of Philadelphia and Community College of Philadelphia
- **5/12:** Public Safety, Housing, and Planning & Development



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