

Parking Taxes in Pittsburgh and Philadelphia:

Unprecedented Action Meets Unprecedented Resistance

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Recently, an alliance of parking operators in Pittsburgh, Pennsylvania, joined together to challenge an unprecedented 50 percent parking tax that went into effect on February 1 of this year. The tax was pushed through the city council with no opportunity for public comment, in contrast to the situation a few years ago when the city increased the tax from 26 percent (already the highest in the country), to 31 percent. This time, the city incorporated the tax due to balanced budget legislation currently in place.

The alliance, made up of several national, regional, and local parking concerns, as well as a few building owners, joined forces with the Pittsburgh Downtown Partnership (PDP) to challenge this regressive tax. Through the use of flyers in lots and garages, combined with coordinated mass communication efforts at city council hearings opposing the tax increase, the alliance was successful in influencing the city council to amend its budget to temporarily

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reduce the tax to—a still unprecedented—36 percent. Unfortunately, however, the mayor chose to veto the legislation and threatened to layoff up to 100 city employees if the city council overrode his veto. Even though the city council initially had enough votes to override the veto, they backed down in light of the mayor's threat. As it stands currently, the tax remains at a phenomenal 50 percent.

This particular fight is notable for a few reasons. First, the local legislative bodies selected the parking tax as a vehicle for increasing revenue to offset a huge budgetary shortfall. Other options not chosen include increasing the real estate tax and the per capita occupational privilege tax, which has remained at only \$10 per year since the 1960s.

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The alliance worked with the PDP to garner wide-ranging support, which came from not only parking operators, but retailers, restaurateurs, and land owners who all saw the tax as yet another reason for suburbanites to stay away from the central business district. This trend is substantiated by stories in local newspapers that point out fairly sharp declines in the number of vehicles entering the city.

We hope the tax will be short lived.

State legislators have been asked by both the mayor and the governor to take up the issue and restructure local taxes to include suburbanites in the revenue stream for the city. This will substantially slow the process, but we won't give up. Harrisburg, here we come!

Philadelphia's Fight

The resistance to the parking tax is also escalating in Philadelphia, where Robert Zuritsky, President of Parkway Corporation and the Philadelphia Parking Association, is leading the fight. “We are now battling not just one, but two issues facing the parking industry,” he says. “We are looking at a 33 percent increase in our parking tax, from 15 percent to 20 percent, as well as a 100+ percent increase in real estate taxes for open parking lots in the form of a Land Value Tax.”

The keys to the resistance are: increasing the volume of dissent; generating awareness; and engaging more individuals and organizations in the political process. “We are organizing our employees, customers, and clients,” Zuritsky says. “We are lobbying, sending e-mails, and writing letters. I have been speaking about the issue on television and radio stations, and talking to newspapers. We are also getting support from the Chamber of Commerce, small business associations, the Comptroller, and other organizations.” [P]

Keep your eye on *PARKING* magazine to stay informed of this important issue. (For more information about parking taxes, purchase the article, “Confronting a Statewide Parking Tax: The Ohio Experience,” featured in the July 2003 issue of *PARKING*, online at: www.npapark.org)