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By Catherine Lucey and JAN RANSOM and Daily News Staff Writers

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Big property tax changes are likely on the way, but if you've been living for years in a neighborhood that's now booming, two City Councilmen want to help you out.

Councilmen Jim Kenney and Mark Squilla are putting the finishing touches on legislation they expect to introduce next week that seeks to provide property tax relief to longtime residents of gentrifying areas -- folks who could take a beating under Mayor Nutter's plan to shift to a property tax system based on market values, known as the Actual Value Initiative (AVI).

"The concern that Mark Squilla and I have are the long term residents who are living in areas where many people took advantage of the 10-year tax abatement and in many cases are facing a massive increase in market value," Kenney said.

Under Kenney and Squilla's proposal, owner-occupiers who have been in their homes for a decade or more could be forgiven part of their tax bill. Their legislation caps taxation at three times the market value assigned the house when you bought it. So if you bought a house 20 years ago that the city said was worth \$40,000, under AVI you could be taxed at a valuation of no more than \$120,000, even if your house is now valued at \$400,000. The tax forgiveness would last until you sold the house or the title changed hands.

Kenney said about 30,000 residents could qualify for relief, in neighborhoods that include Fishtown, Northern Liberties, Queen Village and Graduate Hospital.

Finance Director Rob Dubow said the city was supportive of gentrification protection, but hadn't reviewed all the details.

Debate continued to rage in Council yesterday over whether to approve AVI and how to provide for the cash-strapped school district. Nutter's plan would collect \$94 million in additional property tax revenue next year for the schools. But some Council members are looking at other ways to raise the extra cash. One option they're considering is raising a business tax called the Use and Occupancy Tax instead.

State representatives Mike O'Brien and Rosita Youngblood held a hearing in Philadelphia yesterday on their proposal to divert state tax revenue from Pennsylvania casino profits, now slated to keep the wage tax at its current levels, to schools instead. Dubow said the proposal would force the city to raise the wage tax or cut the budget elsewhere to maintain the current wage tax rates.

Contact Catherine Lucey at 215-854-4172, luceyc@phillynews.com or follow @phillyclout on Twitter. Read her blog "PhillyClout" at www.phillyclout.com.

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