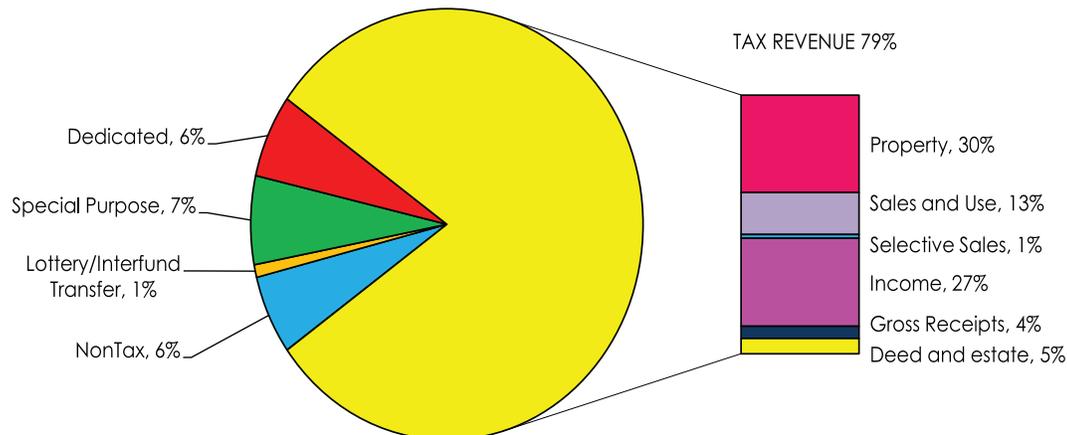


Revenue

TOTAL GENERAL FUND TAX REVENUE - FISCAL YEAR 2013



This chapter presents the revenue outlook for the District of Columbia's General Fund for FY 2012 to FY 2016. The chapter is divided into five broad sections:

- Economic Outlook: Underlying condition of the District's economy with analysis of key variables that drive the revenue estimate
- Baseline Revenues: Local, dedicated and special purpose revenues before proposals that affect revenues
- Policy Proposals: Summary of all proposals that have not been incorporated in the baseline revenues
- Detailed Tables: Additional tables showing dedicated taxes, non-tax revenue, special purpose revenue and current tax rates
- Tax Expenditures: Estimates of the revenue foregone due to tax expenditures

Revenue is derived from both tax and non-tax sources. Non-tax sources consist of fees, fines, assessments, and reimbursements, while tax sources are levies on broad measures of citizens' ability to pay (e.g., income, consumption, wealth). Some tax revenues are dedicated to special uses and are not available for general budgeting; these are called dedicated taxes. Similarly, some non-tax sources are dedicated to the agency that collects the revenues and are known as special purpose revenues.

Summary

The FY 2012 baseline estimate of \$5.7 billion in total Local fund revenue, which excludes dedicated taxes and special purpose revenue, is \$314.1 million (5.8%) greater than FY 2011 revenue. (Table 4-1.) The \$5.76 billion estimate for FY 2013 is an increase of \$58.1 million (1.0%) from FY 2012. Including dedicated and special purpose revenues and policy initiatives, total FY 2012 general fund revenue in the financial plan is \$6.54 billion, \$257.7 million more than in FY 2011 and \$6.58 billion in FY 2013, \$38.9 million more than FY 2012.

Various policy initiatives increase general fund revenue in FY 2013 by \$115.2 million. The policy initiatives are summarized in Table 4-12 and are discussed in the context of the specific revenue item for each proposal.

Table 4-1

General Fund Revenues, FY 2011-2016

(Dollars in Thousands)

Type of Revenue	FY 2011 Actual	FY 2012 Revised	FY 2013 Original	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Local Fund - Baseline	5,390,851	5,704,913	5,763,033	5,867,016	6,007,102	6,164,735
<i>% change annual</i>		5.8%	1.0%	1.8%	2.4%	2.6%
Taxes	4,905,771	5,218,812	5,307,745	5,411,806	5,583,707	5,740,984
General Purpose Non-Tax Revenues	422,905	423,726	392,113	392,035	360,220	360,576
Transfer from Lottery	62,175	62,375	63,175	63,175	63,175	63,175
Dedicated/Special Purpose - Baseline	896,073	820,957	705,337	712,484	729,916	725,388
<i>% change annual</i>		-8.4%	-14.1%	1.0%	2.4%	-0.6%
Dedicated Taxes	419,489	397,369	257,618	268,889	264,193	276,868
Special Purpose (O-Type) Revenues	476,584	423,588	447,719	443,595	465,723	448,520
Total Revenue - Baseline	6,286,924	6,525,870	6,468,370	6,579,500	6,737,018	6,890,123
<i>% change annual</i>		3.8%	-0.9%	1.7%	2.4%	2.3%
Revenue Policy Proposals		18,797	115,202	103,183	101,905	99,743
Total Revenue with Policy Proposals	6,286,924	6,544,668	6,583,572	6,682,683	6,838,922	6,989,866
Level Change		257,744	38,905	99,111	156,239	150,944
<i>% change annual</i>		4.1%	0.6%	1.5%	2.3%	2.2%
<i>Addendum: Dedicated tax revenue to enterprise funds</i>			155,619	178,048	171,091	166,555

The Economic Outlook

Despite a brightening of economic and fiscal prospects over the past year, a high degree of uncertainty clouds the future course of both the national and local economies. The possibility of cutbacks in federal spending as part of efforts to reduce federal deficits now poses the greatest risk to the District's economic and fiscal outlook. But the possibility of federal government cutbacks is not the only threat to the District's economy. Financial ripple effects from the ongoing European debt crisis, disruptions to oil supplies from the Middle East, or a downturn in the still fragile national economy could all derail the nascent District economic recovery.

National Economy

The U.S. economy has officially recovered from the recession that began over four years ago in December 2007. Real GDP has grown in 11 consecutive quarters, surpassing the prerecession peak, and the U.S. unemployment rate (seasonally adjusted) fell to 8.2 percent in March, the lowest rate in more than three years. However, growth in the national economy has been uneven and 2012 remains fragile. Employment grew by almost 2 million jobs (1.5 percent) from March 2011 to March 2012, but was still 5.2 million (3.7 percent) below the start of the recession. Falling public sector employment – federal, state and local – is now pulling down the numbers. The stock market, too, appears to be somewhat fragile. The S & P 500 stock market index in March was 6.5 percent above its level a year ago, but it has lacked clear direction.

- In January, the consensus of 50 economists contributing to the Blue Chip Economic Indicators continued to forecast slow, steady growth in real GDP. Growth in real GDP in FY 2012 is expected to be 2.0 percent, and nominal growth is 3.8 percent. For FY 2013, the real and nominal growth rates are expected to rise to 2.5 percent and 4.4 percent, respectively.

Table 4-2

Forecasts of Nominal and Real U.S. GDP through FY 2016 by the Blue Chip Economic Indicators and by the Congressional Budget Office

Forecast	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	FY 2016 Estimate
(% change from the prior year)							
Real GDP							
Blue Chip	2.0	2.1	2.0	2.5			
CBO	2.1	2.1	2.1	1.2	2.7	4.8	4.5
Nominal GDP							
Blue Chip	3.0	4.1	3.8	4.4			
CBO	3.0	4.1	3.7	2.6	4.2	6.3	6.2

Source: Blue Chip Economic Indicators (January 2012) and Congressional Budget Office (January 2012). Blue Chip Indicators is only available through FY 2013. FY 2010 and FY 2011 percentage changes in the table are actual from the U.S. Bureau of Economic Analysis.

The District of Columbia Economy

The central city of the metropolitan area with the lowest unemployment rate (5.5 percent in March) of the nation's larger metropolitan areas, D.C. avoided some of the worst problems of the national recession because of the presence of the federal government. In March 2012 there were 38,500 (5.5 percent) more jobs in D.C. than when the U.S. recession began in December 2007, with the majority of the increase accounted for by the federal government. The District's economy is experiencing slowing in the federal sector, which is being more than offset by growth in the private sector.

Most indicators of the D.C. economy continue to show gains over the prior year. It should be noted, however, that some of the greatest impacts of the recession on D.C. revenues have been those associated with real property values and sales, capital gains, and business profits which are not directly tied to short term changes in employment, income, and other measures of current economic activity.

- In March 2012, there were 14,167 (2.0 percent) more wage and salary jobs located in D.C. than a year earlier as measured by the 3-month moving average. The federal government lost 3,233 (1.5 percent) over the past year; the private sector gained 17,633 (3.8 percent).
- D.C. resident employment in March 2012 was 2,466 (0.8 percent) more than a year earlier as measured by the 3-month moving average. The labor force was 2,121 (0.8 percent) higher. (This labor market information for March 2012 reflects revisions to data for 2010 and 2011 released by the U.S. Bureau of Labor Statistics at the end of February; Table 4-3 does not include these revisions.)
- D.C.'s unemployment rate in March 2012 (9.8 percent, seasonally adjusted) was 1.6 percentage points above that of the U.S. (8.2 percent).
- Due to both the presence of the federal government and a rebound in the private sector, wages earned in the District of Columbia grew 4.4 percent in the December 2011 quarter compared to the same quarter a year ago. D.C. personal income was up 5.0 percent from a year earlier.
- In April 2012, sales of single family houses were down by 3.7 percent from a year ago as measured by the 3-month moving average, and the average selling price was 13.6 percent higher. The average price of condominium units that sold in that 3-month period was 1.5 percent higher than a year earlier, and sales were 13.6 percent higher. The value of all home sale contracts was 7.9 percent higher than a year ago.
- In the quarter ending March 2012, occupied office space rose by 0.3 percent from the prior year. The commercial office vacancy rate rose to 8.9 percent (including sublet), well below the metropolitan area average of 12.5 percent. An additional 3.3 million square feet are expected to be added to inventory over the next 2 years, with the vacancy rate rising to 9.7 percent.
- In March 2012, the average room-rate for hotels was 1.7 percent lower than for the same period a year earlier as measured by the 3-month moving average, while the number of hotel room-days sold was down 0.8 percent. Revenues from room sales were down 2.4 percent.
- In March, employment in retail declined 0.2 percent from a year earlier as measured by the 3-month moving average. Employment in accommodations was up 6.6 percent, and in restaurants it was up 5.4 percent.

IHS Global Insight and Moody's Economy.com, two national companies that prepare forecasts of both national and regional economies, in recent months have been upgrading their forecasts for the D.C. economy along with improvements in the national one. The economic assumptions for the revenue estimate (see Table 4-3), are based substantially on their January 2012 forecasts. The forecasts have, however, been modified to reflect the potential sequester.

Under the provisions of the Budget Control Act of 2011, failure of the Congressional super-committee to develop a fiscal plan to reduce the federal deficit leaves open the possibility that a mandatory sequester will be imposed on federal spending beginning in January 2013. The reductions will be required to reduce federal spending by \$1.2 trillion over a ten year period, in equal amounts in each of the 10 years, with cuts divided equally between defense and discretionary non-defense spending. Although details about how such cuts would actually be carried out are missing, an analysis by the Congressional Budget Office suggests that if the sequester provision is implemented, federal defense and non-defense discretionary outlays will be reduced by an estimated 6.5 percent. Cuts of this

magnitude would have significant ramifications for the District. In FY 2010, the federal government spent a total of \$61.9 billion in the District on wages and salaries, procurement, grants, retirement and other benefits, and other direct payments. Federal spending accounted for 30.7 percent of all wage and salary jobs located in D.C., 36.9 percent of all wages and salaries earned in D.C., and 30.7 percent of District government operating expenses (through Medicaid and other grant programs). In addition, the federal government leases almost 20 percent of the commercial office space located in the District of Columbia.

Absent details on which parts of the federal budget will be cut and when they will occur, the estimate of the impact on the District's economy and revenue is based on the CBO analysis. About half of the cuts are assumed to affect FY 2013, with the full impact in FY 2014. For FY 2013 sequestration reduced total employment in D.C. by 8,500, resident employment by 2,200, wages earned by D.C. residents by 1.0 percent, and Personal Income by 0.6 percent. The economic assumptions for key variables are as follows:

- **D.C.'s Gross Domestic Product.** Growth rates in D.C. gross domestic product (GDP-DC), a measure of economic activity in D.C., in FY 2012 and FY 2013, respectively, are projected to be 2.0 percent and -0.6 percent. Real GDP-DC, adjusted for inflation, is expected to grow 0.4 percent in FY 2012 and -1.3 percent in FY 2013.
- **D.C.'s Personal Income.** The growth rate in Personal Income, which is mostly wages, salaries, and benefits, but which also includes investment income and transfer payments, in FY 2012 is expected to be 3.3 percent, and 2.1 percent in FY 2013. This is less than the 5.9 percent growth in FY 2011. Increases in the number of persons and households residing in D.C. contribute to the District's higher personal income levels.
- **Jobs located in D.C.** The number of jobs in the District in FY 2012 is expected to show a net increase of 3,600 (0.5 percent) in FY 2012 and, because of the federal sequester, decline by 6,900 (-1.0 percent) in FY 2013.
- **Resident employment.** In FY 2012, the D.C. labor force is expected to increase by 5,700 (1.7 percent) and rise by 4,700 (1.4 percent) in FY 2013. Resident employment is expected to rise by 3,300 (1.1 percent) in FY 2012. An additional 1,400 (0.5 percent) gain is forecast in FY 2013 even though the unemployment rises to 11.4 percent in that year.
- **Home sales and prices.** The number of housing sales (the combined total of single family and condominium units) is projected to fall by 0.7 percent in FY 2012, with prices declining by 1.3 percent. Sales and prices then increase by 6.6 percent and 2.7 percent, respectively, in FY 2013.
- **Inflation.** The Financial Plan assumes that the D.C. Consumer Price Index will rise 2.2 percent in FY 2012 and 1.9 percent in FY 2013. The rate in FY 2011 was 2.8 percent.
- **Households and population.** The Financial Plan assumes estimated households in FY 2012 of 276,600, up 4,900 (1.8 percent) from FY 2011, and 279,000 in FY 2013 (an increase of another 2,400 or 0.9 percent).

In looking further ahead to FY 2014 to FY 2016, the expectation for the Budget and Financial Plan is that this will be a period of moderate economic expansion, both nationally and in the District of Columbia, with growth in D.C. further moderated by cuts in federal expenditures related to special deficit reduction measures that have their full effect in FY 2014. By FY 2015 and FY 2016 growth in nominal GDP-DC is expected to average about 4.2 percent per year and personal income by about 4.5 percent; close to 7,000 additional jobs will be added each year. Inflation is expected to remain below 2.5 percent per year, with interest rates rising (to a 4.9 percent rate for 10-year Treasury securities in 2016), and the stock market growing at a steady pace (a gain of about 16.0 percent over the 3-year period). In the years 2014 through 2016, 5,602 new housing starts are anticipated, and 4,800 households will be added. In this period housing sales and house prices are both forecast to rise, although not returning to the surging prices and sales of the FY 2003 to FY 2005 period.

Risks

There are many downside risks and uncertainties to this forecast, including the possibility of a slowing down or reversal of national economic growth, further financial market problems and national security concerns. Possible disruptions to oil supplies and other impacts arising from uncertainties in the Middle East and problems with euro-zone economies add to these downside risks. A major risk is that the District may be more adversely affected by cut-

Table 4-3

Estimated Key Variables for the D.C. Economy for the Forecast Period, FY 2010 – FY 2016

	FY 2010 Actual	FY 2011 Est.	FY 2012 Est.	FY 2013 Est.	FY 2014 Est.	FY 2015 Est.	FY 2016 Est.
Gross State Product (nominal, billions of \$)	102.36	105.22	107.38	106.72	107.84	112.33	117.10
	4.4%	2.8%	2.0%	-0.6%	1.0%	4.2%	4.3%
Personal Income (billions of \$)	41.60	44.06	45.51	46.45	47.96	49.93	52.29
	3.2%	5.9%	3.3%	2.1%	3.2%	4.1%	4.7%
Wages and Salaries of DC Residents (billions of \$)	21.9	22.7	23.8	24.4	25.0	25.8	26.9
	3.7%	3.8%	4.5%	2.6%	2.3%	3.3%	4.4%
Population (thousands)	603.6	614.8	624.6	630.0	633.8	637.3	640.9
	1.1%	1.9%	1.6%	0.9%	0.6%	0.6%	0.6%
Households (thousands)	266.0	271.7	276.6	279.0	280.7	282.3	283.8
	1.2%	2.1%	1.8%	0.9%	0.6%	0.6%	0.5%
At-Place Employment (thousands)	708.2	713.0	716.6	709.7	699.4	704.4	713.0
	1.0%	0.7%	0.5%	-1.0%	-1.5%	0.7%	1.2%
Civilian Labor Force (thousands)	334.0	332.5	338.2	342.9	345.6	348.1	350.5
	0.5%	-0.4%	1.7%	1.4%	0.8%	0.7%	0.7%
Resident Employment (thousands)	300.4	299.2	302.5	303.9	301.8	304.2	307.8
	-0.8%	-0.4%	1.1%	0.5%	-0.7%	0.8%	1.2%
Unemployment Rate (%)	10.1	10.0	10.5	11.4	12.7	12.6	12.2
Housing Starts	1,320	1,803	2,383	1,602	1,664	1,907	2,031
Housing Stock (thousands)	296.2	297.6	301.2	304.0	305.9	307.6	309.3
	0.6%	0.5%	1.2%	0.9%	0.6%	0.6%	0.6%
Sale of Housing Units	9,400	8,800	8,735	9,315	9,493	9,847	9,844
	27.0%	-6.4%	-0.7%	6.6%	1.9%	3.7%	0.0%
Average Housing Price (thousands of \$)	613.4	626.8	618.5	635.0	660.9	690.9	722.1
	6.0%	2.2%	-1.3%	2.7%	4.1%	4.5%	4.5%
Washington Area CPI (% change from prior year)	2.2	2.8	2.2	1.9	2.4	2.4	2.1
Interest Rate on 10-year Treasury Notes (%)	3.4	3.0	2.2	2.7	3.4	4.3	4.9
Change in S&P 500 Index of Common Stock (%)*	10.6%	1.8%	0.0%	3.9%	5.5%	4.7%	5.1%

*Change in S & P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2011 is the percent change from CY 2010.4 to CY 2011.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (January 2012) and Economy.com (January 2012); forecasts of the national economy prepared by the Congressional Budget Office (January 2012) and Blue Chip Economic Indicators (January 2012); BLS labor market information from December 2011; the Census Bureau estimates of the D.C. population (2011); Bureau of Economic Analysis estimates of D.C. Personal Income (September 2011); Metropolitan Regional Information System (MRIS) D.C. home sales data (December 2011), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); Delta Associates information on commercial office buildings and residential property in D.C. (December 2011); and Reis information on apartment buildings in D.C. (December 2011).

backs in federal spending and the federal presence in the District than what has already been incorporated in this revenue estimate.

Not all uncertainty is on the down side, however. According to the U.S. Census Bureau, D.C.'s population grew to 617,996 in July 2011, an increase of 16,273 (2.7 percent) from the April 2010 Census count. Growing interest on the part of individuals and employers in locating in D.C. could result in an economy stronger than assumed in this revenue forecast.

Revenues

General Fund

The General fund, used to finance government operations, is composed of three funds: Local, Dedicated, and Special Purpose. Table 4-4 reports estimated local fund revenue by major revenue source for the period FY 2012 to FY 2016, along with actual FY 2011 revenues. Tables 4-13 and 4-14, at the end of this chapter, provide information on year-to-year percentage and absolute changes for the major revenue sources.

The Local fund includes both tax revenue and non-tax revenue. The following section highlights the components and discusses the transfers from the Local fund to Dedicated funds. Special Purpose funds are discussed at the end.

Table 4-4

General Fund, Local Revenue by Source, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Real Property	1,715,069	1,838,290	1,953,196	2,011,067	2,062,799	2,115,859
<i>Transfer to TIF/Pilot</i>	<i>(30,560)</i>	<i>(33,050)</i>	<i>(36,589)</i>	<i>(40,803)</i>	<i>(47,667)</i>	<i>(46,392)</i>
Real Property (net)	1,684,509	1,805,240	1,916,607	1,970,264	2,015,132	2,069,467
Personal Property	52,696	53,154	53,686	54,647	55,193	55,745
<i>Transfer to Neighborhood Investment Fund</i>	<i>(3,092)</i>	-	-	-	-	-
Personal Property (net)	49,604	53,154	53,686	54,647	55,193	55,745
Public Space Rental	32,980	32,604	32,930	33,259	33,592	33,928
<i>Transfer to DDOT Unified Fund</i>	<i>(32,980)</i>	-	-	-	-	-
<i>Transfer to DDOT Enterprise Fund</i>	-	-	-	<i>(500)</i>	<i>(500)</i>	<i>(500)</i>
Public Space Rental (net)	-	32,604	32,930	32,759	33,092	33,428
Total Property (net)	1,734,113	1,890,998	2,003,223	2,057,670	2,103,417	2,158,640
General Sales	1,014,901	1,045,942	1,066,152	1,105,077	1,148,533	1,200,757
<i>Transfer to Convention Center</i>	<i>(97,996)</i>	<i>(100,748)</i>	<i>(103,729)</i>	<i>(109,005)</i>	<i>(114,054)</i>	<i>(120,132)</i>
<i>Transfer to TIF</i>	<i>(45,379)</i>	<i>(30,335)</i>	<i>(34,872)</i>	<i>(54,382)</i>	<i>(42,468)</i>	<i>(38,902)</i>
<i>Transfer to DDOT (parking tax)</i>	<i>(31,209)</i>	-	-	-	-	-
<i>Transfer to Ballpark Fund</i>	<i>(9,512)</i>	<i>(9,655)</i>	<i>(9,895)</i>	<i>(10,321)</i>	<i>(10,729)</i>	<i>(11,219)</i>
<i>Transfer to Healthy DC Fund</i>	-	<i>(161)</i>	<i>(427)</i>	<i>(854)</i>	<i>(1,709)</i>	<i>(3,418)</i>
<i>Transfer to WMATA</i>	-	<i>(55,254)</i>	<i>(57,202)</i>	<i>(59,864)</i>	<i>(62,428)</i>	<i>(65,102)</i>
<i>Transfer to Healthy Schools</i>	-	<i>(4,266)</i>	<i>(4,266)</i>	<i>(4,266)</i>	<i>(4,266)</i>	<i>(4,266)</i>
<i>Transfer to ABRA</i>	-	<i>(460)</i>	<i>(460)</i>	<i>(460)</i>	<i>(460)</i>	<i>(460)</i>
General Sales (net)	830,805	845,063	855,301	865,925	912,419	957,258
Alcohol	5,630	5,517	5,473	5,407	5,299	5,193
Cigarette	34,405	37,068	36,353	35,963	35,577	35,196
Motor Vehicle	42,564	38,000	38,760	39,535	40,326	41,132
Motor Fuel Tax	30,001	24,000	23,750	23,500	23,250	23,000
<i>Transfer to Highway Trust Fund</i>	<i>(30,001)</i>	<i>(24,000)</i>	<i>(23,750)</i>	<i>(23,500)</i>	<i>(23,250)</i>	<i>(23,000)</i>
Total Sales (net)	913,404	925,648	935,887	946,830	993,621	1,038,779

(Continued on next page)

Table 4-4 (continued)

General Fund, Local Revenue by Source, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Individual Income	1,296,598	1,446,449	1,406,185	1,435,811	1,493,816	1,530,871
Corp. Franchise	216,280	237,534	245,424	252,038	263,356	266,310
U. B. Franchise	143,404	150,404	154,666	154,942	162,501	171,172
Total Income	1,656,282	1,834,387	1,806,275	1,842,791	1,919,673	1,968,353
Public Utility	149,745	149,745	149,880	151,552	152,929	155,032
<i>Transfer to Ballpark Fund</i>	<i>(8,897)</i>	<i>(9,594)</i>	<i>(9,603)</i>	<i>(9,710)</i>	<i>(9,799)</i>	<i>(9,933)</i>
Public Utility (net)	140,848	140,151	140,277	141,842	143,130	145,099
Toll Telecommunications	60,820	60,820	61,428	62,042	63,283	63,916
<i>Transfer to Ballpark Fund</i>	<i>(2,373)</i>	<i>(2,373)</i>	<i>(2,397)</i>	<i>(2,421)</i>	<i>(2,469)</i>	<i>(2,494)</i>
Toll Telecommunications (net)	58,447	58,447	59,031	59,621	60,814	61,422
Insurance Premiums	69,738	76,014	76,014	76,014	76,014	76,014
<i>Transfer to Healthy DC Fund</i>	<i>(25,101)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>
Insurance Premiums (net)	44,637	51,014	51,014	51,014	51,014	51,014
Healthcare Provider Tax	13,439	12,000	12,000	12,000	12,000	12,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(13,439)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>
Ballpark fee	33,311	25,000	25,125	25,929	26,125	27,250
<i>Transfer to Ballpark Fund</i>	<i>(33,311)</i>	<i>(25,000)</i>	<i>(25,125)</i>	<i>(25,929)</i>	<i>(26,125)</i>	<i>(27,250)</i>
Hospital Bed Tax	9,008	15,562	15,562	15,562	-	-
<i>Transfer to Hospital Fund</i>	<i>(9,008)</i>	<i>(15,562)</i>	<i>(15,562)</i>	<i>(15,562)</i>	-	-
ICF-MR Assessment	1,254	2,000	2,000	2,000	2,000	2,000
<i>Transfer to Stevie Sellows</i>	<i>(1,254)</i>	<i>(2,000)</i>	<i>(2,000)</i>	<i>(2,000)</i>	<i>(2,000)</i>	<i>(2,000)</i>
HSC Contribution	5,000	5,000	5,000	5,000	5,000	5,000
<i>Transfer to Healthy DC Fund</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>
Total Gross Receipts (net)	243,932	249,612	250,322	252,477	254,958	257,535
Estate	87,230	50,000	45,000	45,000	45,000	45,000
Deed Recordation	164,572	156,889	165,393	165,393	165,393	169,080
<i>Transfer to HPTF</i>	<i>(24,686)</i>	<i>(23,533)</i>	<i>(24,809)</i>	<i>(24,809)</i>	<i>(24,809)</i>	<i>(25,362)</i>
Deed Recordation (net)	139,886	133,356	140,584	140,584	140,584	143,718
Deed Transfer	131,710	129,189	137,005	137,005	137,005	139,952
<i>Transfer to HPTF</i>	<i>(15,691)</i>	<i>(19,378)</i>	<i>(20,551)</i>	<i>(20,551)</i>	<i>(20,551)</i>	<i>(20,993)</i>
Deed Transfer (net)	116,019	109,811	116,454	116,454	116,454	118,959
Economic Interests	14,905	25,000	10,000	10,000	10,000	10,000
Total Other Taxes (net)	358,040	318,167	312,038	312,038	312,038	317,677
TOTAL TAXES NET OF DEDICATED TAXES	4,905,771	5,218,812	5,307,745	5,411,806	5,583,707	5,740,984
Licenses and Permits	76,020	74,096	75,440	72,225	73,594	71,478
Fines and Forfeits	126,251	154,396	147,471	147,693	145,053	142,545
Charges for Services	75,612	61,029	60,425	60,656	60,886	59,452
Miscellaneous	130,733	113,443	89,980	91,527	80,687	87,101
TOTAL NON-TAX	408,616	402,964	373,316	372,101	360,220	360,576
Lottery	62,175	62,375	63,175	63,175	63,175	63,175
Interfund Transfer	14,289	20,762	18,797	19,934	-	-
TOTAL LOCAL FUND REVENUE NET OF DEDICATED TAXES	5,390,851	5,704,913	5,763,033	5,867,016	6,007,102	6,164,735

Local Fund

Property Taxes

Real-Property Tax

In FY 2011, \$1.715 billion was collected before dedicated distributions; a 5.8 percent decrease from FY 2010. This decrease in collections was driven by an approximately 12 percentage point drop in the growth rate of commercial property (Class 2) collections, compared to 2010 collections. Class 2 collections account for approximately 67 percent of total real property tax collections. Despite declining residential (Class 1) property values due to the lingering effects of the most recent economic recession and national real estate collapse, collections in this class continued to increase primarily because the assessment cap policy for homestead properties causes the tax liability for a significant number of homesteads to increase 10 percent annually, even though the respective home values did not grow as much. Class 1 tax collections account for approximately 32 percent of total real property tax collections.

Residential Property. Due to the deflating housing bubble and the lingering economic recession, residential property value declines continued in CY 2011 due to even fewer residential property sales. This sustained relative weakness in the residential sector is expected to continue over the next few years. However, Class 1 tax collections are expected to grow approximately 2.5 percent annually for FYs 2012 to 2016 due to rising property values of large apartment buildings. Total Class 1 tax collections are also expected to grow because of the assessment cap for many homestead properties that causes the annual tax liability to increase 10 percent annually notwithstanding the change in the market value of such properties.

Commercial Property. Market rate sales of commercial property virtually disappeared in 2009 but began to rebound in 2010. In the summer and fall of 2010, there was an increase in the number of large commercial property sales at prices on average 30 percent above the 2010 assessment value. As a result, Class 2 assessment values will rebound in FY 2012 almost to FY 2010 levels, but growth will begin to gradually moderate in FY 2013.

The factors that affect residential and commercial property assessment values mean that, after a decline of 6.9 percent in FY 2011, total real property tax revenue after dedicated distributions will grow 7.2 percent in FY 2012 and by only 6.2 percent in FY 2013.

General obligation bonds. In addition to providing revenue for government services, real property taxes support the District's general obligation bonds used for capital investment. For FY 2012, the percentage of real property tax collections dedicated to the repayment of principal and interest on the District's General Obligation Bonds is 14 percent.

Transfer to Tax Increment Financing (TIF) Fund: In FY 2012, \$33.0 million of real property tax collections will be dedicated to the repayment of Tax Increment Financing and PILOT bonds. This amount will increase to \$36.6 million in FY 2013 due to continuing development progress at previously authorized TIF projects, expected increased assessments for existing TIF properties, and TIF transfers that may be required for potential new debt issuances.

Personal Property Tax

In FY 2011, gross total personal property tax collections totaled \$52.7 million. Based on national and regional economic indicators that suggest a gradual increase in the level of business activity and a subsequent increase in the total level of new business investment, gross collections are expected to grow 0.9 percent to \$53.2 million in FY 2012. Total gross personal property tax collections are expected to grow at an annual average rate of approximately 1.0 percent per annum for FY 2013 to FY 2016 as the District of Columbia's economy recovers.

Table 4-5

Property Tax Revenue, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Real Property	1,715,069	1,838,290	1,953,196	2,011,067	2,062,799	2,115,859
<i>Transfer to TIF/Pilot</i>	<i>(30,560)</i>	<i>(33,050)</i>	<i>(36,589)</i>	<i>(40,803)</i>	<i>(47,667)</i>	<i>(46,392)</i>
Real Property (net)	1,684,509	1,805,240	1,916,607	1,970,264	2,015,132	2,069,467
Personal Property	52,696	53,154	53,686	54,647	55,193	55,745
<i>Transfer to Neighborhood Investment Fund</i>	<i>(3,092)</i>	-	-	-	-	-
Personal Property (net)	49,604	53,154	53,686	54,647	55,193	55,745
Public Space Rental	32,980	32,604	32,930	33,259	33,592	33,928
<i>Transfer to DDOT Unified Fund</i>	<i>(32,980)</i>	-	-	-	-	-
<i>Transfer to DDOT Enterprise Fund</i>	-	-	-	<i>(500)</i>	<i>(500)</i>	<i>(500)</i>
Public Space Rental (net)	-	32,604	32,930	32,759	33,092	33,428
Total Property Taxes (net)	1,734,113	1,890,998	2,003,223	2,057,670	2,103,417	2,158,640
Policy Proposals	-	-	5,618	7,485	7,616	7,065

Transfer to Neighborhood Investment Fund: In FY 2011, \$3.1 million of personal property tax revenue was diverted to the Neighborhood Investment Fund (NIF), a fund established to pay for a variety of community revitalization projects. Future transfers, including in FY 2012, have been suspended.

Public Space Rental

In FY 2011, revenue from public space rentals amounted to \$33.0 million. In conjunction with moderating assessment values for Class 2 properties, collections are expected to decrease by 1.1 percent to \$32.6 million in FY 2012. Revenue from public space rentals are expected to grow at an annual average rate of 1.0 percent per annum for FY 2013 to FY 2016.

Transfer to District Department of Transportation (DDOT): The “District Department of Transportation Unified Fund Amendment Act of 2007” required that all revenue from the public space rentals be deposited annually into the DDOT Unified Fund. However, in 2010, the DDOT Unified Fund was repealed effective FY 2012 and all public space rental revenue will remain in the Local fund in FY 2012 and beyond.

Policy Proposals:

- Repeal subject to appropriation sections from existing law
- Nonprofit affordable housing relief fund
- DCRA vacant property program enhancement
- Index homestead exemption from 2011

General Sales and Use Taxes

In FY 2011, \$1,014.9 million was collected before dedicated distributions, a 3.9 percent increase from FY 2010. Personal income, an economic driver of the sales and use tax grew by 5.9 percent in FY 2011, following 3.2 percent growth in FY 2010. In FY 2012, sales tax revenue is expected to grow at a rate of 3.1 percent to \$1.046 billion. Growth in FY 2013 is expected to slow to 1.9 percent and strengthen to above 4 percent in the out years.

Transfer to Convention Center Fund: The formula financing the Convention Center Fund includes only taxes directly linked to the hospitality sector. The hotel tax rate is 14.5 percent— 4.45 percent is dedicated to the Convention Center Fund and 10.05 percent goes to the District's General Fund. The 10 percent sales tax rate applies mainly to restaurants but also includes rental cars, prepaid telephone cards, tickets sold for baseball games, merchandise at the baseball stadium, tickets sold for events at the Verizon Center and merchandise at the Verizon Center. Except for Verizon Center sales, the 10 percent rate includes 9 percent for the General Fund and 1 percent dedicated to the Convention Center.

Transfer to Tax Increment Financing: The District utilizes an economic development tool called Tax Increment Financing (TIF) to assist in financing economic development projects. TIF allows the incremental future revenue stream from a development project to be pledged to pay back bonds issued to help finance the development. In March 2008, in order to service a loan to renovate the Verizon Center at Gallery Place, merchandise and tickets for events at the Verizon Center became subject to a tax of 10 percent (compared to the prior rate of 5.75 percent). The revenue collected from the increased rate (10 percent less 5.75 percent or 4.25 percent) goes to a separate fund and is used to make principal and interest payments on the loan. The amount of the Verizon Center transfer is included in the TIF transfer amount.

Transfer to WMATA: Prior to FY 2012, portions of the revenue from the parking sales tax were dedicated to the DDOT Unified Fund and to the Highway Trust Fund. As part of legislation in 2010 that repealed the DDOT Unified Fund, in FY 2012 all parking sales tax revenue will be used to help meet the District's funding responsibility for the Washington Metropolitan Area Transit Authority. Effective FY 2012, the sales tax rate on parking was raised from 12 percent to 18 percent.

Transfer to Ballpark Fund: Stadium related sales tax streams are dedicated to the Ballpark Fund to pay the debt service on the baseball stadium revenue bonds. These revenue streams include taxes on tickets sold, taxes on parking at the stadium, taxes on stadium concessions and taxes on food and beverages sold in the stadium.

Transfer to Healthy DC: Effective in FY 2012, any revenues from the sales tax on medical marijuana will be transferred to the Healthy DC and Health Care Expansion fund.

Transfer to Healthy Schools: Effective in FY 2012, soft-drinks (non-alcoholic beverages not containing milk, or milk substitutes, non-carbonated fruit or vegetable juice, coffee, cocoa or tea) are no longer exempt from sales tax. \$4.266 million raised annually from taxing soft drinks goes to the Healthy Schools Fund.

Transfer to ABRA: Effective in FY 2012, the sales tax rate on alcoholic beverages for off-premise consumption was increased to 10 percent. \$460,000 of the revenue raised will annually go to fund the Reimbursable Detail Subsidy Program in the Alcoholic Beverage Regulation Administration (ABRA).

Policy Proposals:

- Expand liquor sales hours
- Increase recovery of unpaid sales taxes
- Implement annual use tax returns
- Vendor sales tax collection

Selective Sales and Use Taxes

In addition to the multi-rate general sales and use tax, the District imposes excise taxes on alcoholic beverages, cigarettes, motor vehicles, and motor fuel.

Table 4-6

General Sales and Use Tax Revenue, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
General Sales and Use Tax	1,014,901	1,045,942	1,066,152	1,105,077	1,148,533	1,200,757
<i>Transfer to Convention Center</i>	<i>(97,996)</i>	<i>(100,748)</i>	<i>(103,729)</i>	<i>(109,005)</i>	<i>(114,054)</i>	<i>(120,132)</i>
<i>Transfer to TIF/CBF</i>	<i>(45,379)</i>	<i>(30,335)</i>	<i>(34,872)</i>	<i>(54,382)</i>	<i>(42,468)</i>	<i>(38,902)</i>
<i>Transfer to DDOT (parking tax)</i>	<i>(31,209)</i>	-	-	-	-	-
<i>Transfer to Ballpark Fund</i>	<i>(9,512)</i>	<i>(9,655)</i>	<i>(9,895)</i>	<i>(10,321)</i>	<i>(10,729)</i>	<i>(11,219)</i>
<i>Transfer to Healthy DC Fund</i>	-	<i>(161)</i>	<i>(427)</i>	<i>(854)</i>	<i>(1,709)</i>	<i>(3,418)</i>
<i>Transfer to WMATA</i>	-	<i>(55,254)</i>	<i>(57,202)</i>	<i>(59,864)</i>	<i>(62,428)</i>	<i>(65,102)</i>
<i>Transfer to Healthy Schools</i>	-	<i>(4,266)</i>	<i>(4,266)</i>	<i>(4,266)</i>	<i>(4,266)</i>	<i>(4,266)</i>
<i>Transfer to ABRA</i>	-	<i>(460)</i>	<i>(460)</i>	<i>(460)</i>	<i>(460)</i>	<i>(460)</i>
Total General Sales and Use Taxes (net)	830,805	845,063	855,301	865,925	912,419	957,258
Policy Proposals	-	-	22,955	15,869	16,034	15,967

Alcoholic Beverage

In FY 2011 revenue from the alcoholic beverage tax was \$5.6 million, a 1.5 percent decrease over collections in FY 2010. We anticipate a negative 2.0 percent growth rate for FY 2012. The growth rate is projected to be -0.8 percent in FY 2013 followed by a negative 1.2 percent rate in FY 2014 and negative 2.0 percent in FY 2015 and FY 2016.

Cigarette

Revenue in FY 2011 was \$34.4 million, a 3 percent increase over FY 2010. Cigarette tax collections are expected to increase by 7.7 percent in FY 2012 to \$37.1 million, partly due to the increase in the excise tax by \$0.36 per pack of twenty cigarettes. In FY 2013 revenue from the excise tax is expected to decrease 1.9 percent to \$36.4 million. The growth rate for FY 2014 through FY 2016 is estimated to be a negative 1.1 percent.

Motor Vehicle

Collections from motor vehicle excise taxes totaled \$42.6 million in FY 2011, which is 12.8 percent growth from \$37.7 million in FY 2010. Revenue is projected to decrease by 10.7 percent to \$38 million in FY 2012. The annual growth rates in FY 2013 through FY 2016 are projected to be 2.0 percent.

Motor Fuel

Collections increased to \$30 million in FY 2011, which included revenue from prior years. Actual revenue from FY 2011 activity was \$25 million and FY 2012 collections are expected to decline 4 percent.

Transfer to Highway Trust Fund: Motor fuel excise tax revenues are dedicated to the Highway Trust Fund (HWTF). The HWTF uses both local-source and federal matching funds to construct, repair and manage eligible District roads and bridges. Approximately 400 of the 1,020 miles, 39 percent, of streets and highways and 229 bridges in the District are eligible.

Income Taxes**Individual Income Tax**

In FY 2011, individual income tax revenue was \$1,296.6 million, an increase of 16.8 percent from FY 2010. The wages and salaries earned by the District's residents increased by 3.8 percent in FY 2011. The withholding

Table 4-7

Selective Sales and Excise Tax Revenue, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Alcohol	5,630	5,517	5,473	5,407	5,299	5,193
Cigarette	34,405	37,068	36,353	35,963	35,577	35,196
Motor Vehicle	42,564	38,000	38,760	39,535	40,326	41,132
Motor Fuel Tax	30,001	24,000	23,750	23,500	23,250	23,000
<i>Transfer to Highway Trust Fund</i>	<i>(30,001)</i>	<i>(24,000)</i>	<i>(23,750)</i>	<i>(23,500)</i>	<i>(23,250)</i>	<i>(23,000)</i>
Total Selective Sales and Excise Taxes (net)	82,599	80,585	80,586	80,905	81,202	81,521
Policy Proposals	-	-	-	-	-	-

Table 4-8

Income Tax Revenue, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Individual Income	1,296,598	1,446,449	1,406,185	1,435,811	1,493,816	1,530,871
Corp. Franchise	216,280	237,534	245,424	252,038	263,356	266,310
U. B. Franchise	143,404	150,404	154,666	154,942	162,501	171,172
Total Income Taxes	1,656,282	1,834,387	1,806,275	1,842,791	1,919,673	1,968,353
Policy Proposals	-	-	5,400	9,732	9,551	9,867

component of the individual income tax, which is tied directly to wages and salaries, grew by 11 percent in FY 2011. The non-withholding component of income tax revenue, which included declarations (estimated payments), grew significantly by 185.2 percent in FY 2011. The behavior of the declarations component is tied to the performance of the stock market, which experienced double digit growth in FY 2010 because of changes in the calculation of withholding which results in a one-time increase in revenue. In FY 2012 the District anticipates \$1,446.5 million in individual income tax revenue; which is an 11.6 percent increase from FY 2011. In FY 2013 it is anticipated that individual income tax revenue would decline by 2.8 percent to \$1,406.2 million. Growth is expected to resume in FY 2014, FY 2015 and FY 2016 with revenue growth rates of 2.1 percent, 4.0 percent and 2.5 percent, respectively.

In FY 2012, a new individual income tax rate and bracket was added to the existing tax structure increasing the number of tax brackets and rates to four. Taxable income over \$350,000 is now taxed at a new rate of 8.95% instead of 8.5%. In addition, a limit was imposed on the itemized deductions that taxpayers could claim. Taxpayers with District adjusted gross income (AGI) greater than \$200,000 (\$100,000 if married filing separate) would have to reduce their itemized deductions by 5 percent of the difference between their AGI and \$200,000 (\$100,000 if married filing separate). The new law exempts estates and trusts from these limitations. From FY 2013, the indexing of the standard deduction and personal exemption will resume resulting in a loss of revenue for the District.

Regional and national economic performance impacts the revenue outlook for the District. Based on forecasts from Global Insight and Economy.com, it is expected that the stock market will experience a decline in FY 2012 before rebounding by just over 1 percent growth in FY 2013. It is expected that in FY 2014 there will be 4.8 percent growth followed by 5.0 percent growth in FY 2015 and FY 2016. Wages and salaries of District residents will continue to experience growth between FY 2012 and FY 2016. In FY 2012 growth is expected to be 4.5 percent and

in FY 2013 there will be a smaller increase of 2.6 percent. For FY 2014 through FY 2016 residents' wages will increase by 2.3 percent, 3.3 percent and 4.4 percent, respectively. Withholding is expected to grow by 9.4 percent in FY 2012; this is expected to be followed by a much lower growth rate of 2.5 percent in FY 2013. In FY 2014 through FY 2016 growth is expected to be 1.6 percent, 3.2 percent and 1.6 percent respectively. The non-withholding component is expected to have slower growth in FY 2012 (36.7 percent) relative to the extremely high growth experienced in FY 2011. This is expected to be followed by a decline of 51.1 percent in FY 2013 before experiencing an average growth rate of 15.3 percent between FY 2014 and FY 2016.

Business Franchise

The District collected \$359.7 million of corporate franchise tax revenue in FY 2011, an 11.1 percent increase from FY 2010 and the first year of growth since FY 2007. In FY 2012, revenues will increase by 7.9 percent to \$387.9 million due to legislative changes and the rebound in equity markets and corporate profits in calendar year 2011. In FY 2013, revenues increase by 3.1 percent, reflecting the sluggish nature of the economic recovery.

Policy Proposals:

- Index personal exemption and standard deduction from 2011
- Delay effective date for out of state municipal bond interest tax

Gross Receipts

Taxes in this category include: a tax on the gross receipts of public utilities and toll telecommunications companies operating in the District (the rate is 10 percent for residential use and 11 percent for nonresidential use where 1 percent of the 11 percent is dedicated to financing the new baseball stadium), a tax of 2.0 percent on the gross receipts of insurance companies, various health care related taxes that are dedicated to specific purposes, and a gross receipts tax on companies for baseball funding.

Public Utility

This tax is directly related to energy use, so tax revenue collections are more closely linked to weather extremes rather than to the fuel cost. (See tax rates in Table 4-18 at the end of the chapter.) Gross revenue from public utilities taxes (before the transfer for baseball stadium funding is taken) is estimated to be \$149.7 million in FY 2012 and \$149.9 million in FY 2013. It is expected to grow 1.1 percent in FY 2014 and at about the same rate in FY 2015.

Transfer to Ballpark Fund: There is a surcharge on nonresidential rates that finances the new baseball stadium. In FY 2011, \$8.9 million was collected and transferred. In FY 2012 and FY 2013, \$9.6 million will be transferred.

Toll Telecommunication Taxes

The gross revenue from the Toll Telecommunications tax (before the 1 percent transfer of the gross receipts of non-residential customers for baseball stadium funding) is estimated to be approximately \$60.8 million in FY 2012 and \$61.4 in FY 2013. It is forecast to grow at 1 or 2 percent in the period FY 2014 to FY 2016.

Transfer to Ballpark Fund: There is a surcharge on nonresidential rates that finances the new baseball stadium. In FY 2011, \$2.4 million was collected and transferred. In FY 2012 and FY 2013, approximately the same amount, \$2.4 million will be transferred.

Insurance Premiums Tax

In FY 2011, revenue collected from the insurance premiums tax, before the transfer to the Healthy DC and Health Care Expansion Fund was \$69.7 million; net revenue (after the transfer) was \$44.6 million. Revenue (after transfer to the Healthy D.C. Fund) from insurance premiums tax collections is estimated to be \$51.0 million in FY 2012 and through FY 2016.

Transfer to Healthy DC Fund: Of the insurance premiums taxes generated by policies with health maintenance organizations (HMO), seventy-five percent is distributed to the Healthy DC fund for the purpose of providing affordable health insurance to eligible individuals.

Healthcare Provider Tax (Transferred to Nursing Facility Quality of Care Fund)

The Healthcare Provider Tax is an assessment per licensed bed that is paid by each nursing facility in the District. Revenues from the assessments are dedicated to the Nursing Facility Quality of Care Fund, which is used to fund quality of care initiatives. In FY 2012 through FY 2016 the revenue from the Healthcare Provider Tax is estimated to be \$12 million.

Ballpark Fee (Transferred to Ballpark Fund)

The Ballpark Fee is a gross receipts fee that is a multi-tiered fee levied on businesses within the District with over \$5 million in gross receipts. The fees are due in a single payment on June 15th annually. The District expects to receive \$25 million from the Ballpark Fee in FY 2012, slightly more at \$25.1 million in FY 2013.

Hospital Bed Tax (Transferred to Hospital Fund)

The hospital bed tax is a \$3,788 per licensed bed assessment on hospitals operating in the District. Revenues from the assessment are dedicated to the Hospital Fund, a non lapsing fund that is used to fund District state Medicaid services. Revenue raised by the Hospital bed tax is estimated to be \$15.6 million in FY 2012 through FY 2014, when the tax sunsets.

Table 4-9
Gross Receipts Tax Revenue, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Public Utility	149,745	149,745	149,880	151,552	152,929	155,032
<i>Transfer to Ballpark Fund</i>	<i>(8,897)</i>	<i>(9,594)</i>	<i>(9,603)</i>	<i>(9,710)</i>	<i>(9,799)</i>	<i>(9,933)</i>
Public Utility (net)	140,848	140,151	140,277	141,842	143,130	145,099
Toll Telecommunications	60,820	60,820	61,428	62,042	63,283	63,916
<i>Transfer to Ballpark Fund</i>	<i>(2,373)</i>	<i>(2,373)</i>	<i>(2,397)</i>	<i>(2,421)</i>	<i>(2,469)</i>	<i>(2,494)</i>
Toll Telecommunications (net)	58,447	58,447	59,031	59,621	60,814	61,422
Insurance Premiums	69,738	76,014	76,014	76,014	76,014	76,014
<i>Transfer to Healthy DC Fund</i>	<i>(25,101)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>
Insurance Premiums (net)	44,637	51,014	51,014	51,014	51,014	51,014
Healthcare Provider Tax	13,439	12,000	12,000	12,000	12,000	12,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(13,439)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>
Ballpark fee	33,311	25,000	25,125	25,929	26,125	27,250
<i>Transfer to Ballpark Fund</i>	<i>(33,311)</i>	<i>(25,000)</i>	<i>(25,125)</i>	<i>(25,929)</i>	<i>(26,125)</i>	<i>(27,250)</i>
Hospital Bed Tax	9,008	15,562	15,562	15,562	-	-
<i>Transfer to Hospital Fund</i>	<i>(9,008)</i>	<i>(15,562)</i>	<i>(15,562)</i>	<i>(15,562)</i>	-	-
ICF-MR Assessment	1,254	2,000	2,000	2,000	2,000	2,000
<i>Transfer to Stevie Sellows</i>	<i>(1,254)</i>	<i>(2,000)</i>	<i>(2,000)</i>	<i>(2,000)</i>	<i>(2,000)</i>	<i>(2,000)</i>
HSC Contribution	5,000	5,000	5,000	5,000	5,000	5,000
<i>Transfer to Healthy DC Fund</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>	<i>(5,000)</i>
Total Gross Receipts Taxes (net)	243,932	249,612	250,322	252,477	254,958	257,535
Policy Proposals	-	-	-	-	-	-

ICF-MR Assessment (Transferred to Stevie Sellows Fund)

Each institution providing care to the developmentally disabled in the District of Columbia shall pay an assessment of 5.5 percent of gross revenue in quarterly installments. All assessments shall be transferred to the Stevie Sellows Quality Improvement Fund. The fund was established to fund quality of care improvements in qualified ICF-MR facilities. The assessment will generate approximately \$2.0 million per year.

HMSC Contribution (Transferred to Healthy DC)

Hospital and medical services corporations (HMSCs) are allowed to make a \$5 million annual payment in lieu of community reinvestment, all of which is transferred to the Healthy DC and Health Care Expansion Fund to be used for subsidies that expand health insurance for low-income District residents and other health promotion programs.

Policy Proposals:

- ICF-MR provider settlement adjustment
- Rebasing nursing home assessments

Other Taxes

Estate Tax

The federal Tax Relief Act of 2010 set forth numerous rules and guideline changes affecting the estate tax for only years 2011 and 2012. Consequently, DC estate tax revenue rose to a very high level of \$87.2 million in 2011 and is projected to be \$50 million in 2012. These temporary legislative changes will expire December 31, 2012, adversely affecting annual estate tax collections beginning in 2013.

Deed Taxes

In FY 2011, \$164.6 million was collected for the deed recordation tax, \$131.7 million was collected for the deed transfer tax, and \$14.9 million was collected for the economic interest tax. These increases in deed-tax collectionst were driven primarily by the unexpected large number of large commercial property sales at elevated prices in FY 2011. However, deed recordation collections are expected to decrease by 4.7 percent in FY 2012, grow 5.4 percent in FY 2013 and then experience very modest growth between FY 2014 to FY 2016. Deed transfer collections are expected to decrease by 1.9 percent in FY 2012, grow 6.1 percent in FY 2013 and also then experience very modest growth between FY 2014 to FY 2016. The economic interest tax is expected to total \$25 million in FY 2012 but only \$10 million per year beginning in FY 2013.

Transfer to Housing Production Trust Fund (HPTF): The “Housing Production Trust Fund Second Amendment Act of 2002” requires that 15 percent of the District’s deed recordation and transfer tax revenue be transferred to the Housing Production Trust Fund annually. The Housing Production Trust Fund provides funds for the acquisition, construction and rehabilitation of affordable multifamily housing projects.

Policy Proposals:

- Non-profit affordable housing relief fund
- New issue bond program exemption

Nontax Revenue and Lottery

Local non-tax revenue includes licenses and permits, fines and forfeitures, charges for services, and miscellaneous categories such as interest income, unclaimed property and other revenue sources.

In FY 2012, non-tax and lottery revenues are expected to total \$486.1 million, \$1.0 million more than FY 2011’s total of \$485.1 million, a 0.2 percent increase in revenue. Factors contributing to this increase in local non-tax revenues in FY 2012 include the following:

Table 4-10

Other Tax Revenue, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Estate	87,230	50,000	45,000	45,000	45,000	45,000
Deed Recordation	164,572	156,889	165,393	165,393	165,393	169,080
<i>Transfer to HPTF</i>	<i>(24,686)</i>	<i>(23,533)</i>	<i>(24,809)</i>	<i>(24,809)</i>	<i>(24,809)</i>	<i>(25,362)</i>
Deed Recordation (net)	139,886	133,356	140,584	140,584	140,584	143,718
Deed Transfer	131,710	129,189	137,005	137,005	137,005	139,952
<i>Transfer to HPTF</i>	<i>(15,691)</i>	<i>(19,378)</i>	<i>(20,551)</i>	<i>(20,551)</i>	<i>(20,551)</i>	<i>(20,993)</i>
Deed Transfer (net)	116,019	109,811	116,454	116,454	116,454	118,959
Economic Interests	14,905	25,000	10,000	10,000	10,000	10,000
Total Other Taxes (net)	358,040	318,167	312,038	312,038	312,038	317,677
Policy Proposals	-	-	(555)	(155)	(155)	(155)

- Collections from licenses and permits are expected to be down \$1.9 million (2.5%) from FY 2011.
- Collections from fines and forfeitures are expected to be up \$28.1 million (22.3%) from FY 2011.
- Collections from charges for services are expected to be down by \$14.6 million (19.3%) from FY 2011.
- Collections from miscellaneous revenues are expected to be down by \$17.3 million (13.2%) from FY 2011.
- The lottery transfer to the Local fund is projected to be up \$0.2 million (0.3%) from FY 2011.

For FY 2013, non-tax and lottery revenues are estimated to total \$455.3 million, \$30.8 million less than the FY 2012 total of \$486.1 million, a 6.3 percent decrease in revenue. Factors contributing to this decrease in local non-tax revenues in FY 2013 include the following:

- Collections from licenses and permits are expected to be up \$1.3 million (1.8%) from FY 2012.
- Collections from fines and forfeitures are expected to be down \$6.9 million (4.5%) from FY 2012.
- Collections from charges for services are expected to be down \$0.6 million (1.0%) from FY 2012.
- Collections from miscellaneous revenues are expected to be down \$23.5 million (20.7%) from FY 2012.
- The lottery transfer to the Local fund is projected to increase by \$0.8 million (1.3%) from FY 2012.

Policy Proposals:

- Expand automated enforcement
- Lower interest rate on overpayments
- Lower threshold for requiring electronic payments of tax
- Hire an additional subrogation claims adjuster at the Office of Risk Management
- Adopt the use of ghost cards as payment vehicles
- Maximize the escheat of unclaimed property to the District
- Improve efficiency of traffic citation issuance
- Implement a motor fuel quality testing program
- Increase the collection of fees and fines for non-compliance with rental housing regulations
- Create central collection unit
- Refund offset program to collect DMV receivables
- Medicaid reimbursement related to former DC aging facilities
- Proceeds from sale of District-owned property
- Excess TIF revenue
- Rights of way revenue transferred from capital
- Refund for D.C. government employees health insurance

Table 4-11

General Purpose Non-Tax Revenue and Lottery Transfer, Fiscal Years 2011-2016

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Licenses and Permits	76,020	74,096	75,440	72,225	73,594	71,478
Fines and Forfeits	126,251	154,396	147,471	147,693	145,053	142,545
Charges for Services	75,612	61,029	60,425	60,656	60,886	59,452
Miscellaneous	130,733	113,443	89,980	91,527	80,687	87,101
TOTAL NON-TAX	408,616	402,964	373,316	372,101	360,220	360,576
Lottery	62,175	62,375	63,175	63,175	63,175	63,175
Interfund Transfer	14,289	20,762	18,797	19,934	-	-
Policy Proposals	-	18,797	68,670	57,057	55,028	53,113

Note: Table 4-15 (presented later in this chapter) provides a detailed listing of non-tax revenue by source.

Special Purpose Non-Tax Revenue

Special purpose non-tax revenues, often times referred to as O-Type or Other revenues, are funds generated from fees, fines, assessments, or reimbursements that are dedicated to the District agency that collects the revenues to cover the cost of performing the function. The “dedication” of the revenue to the collecting agency is what distinguishes this revenue from the general-purpose non-tax revenues. The legislation that creates the fee, fine or assessment must stipulate its purpose-designation and must also state whether any unspent funds are to retain designation at the conclusion of the fiscal year or revert to general-purpose funds. Unspent revenue in certain funds cannot revert to general purpose funds. Dedicated revenues limit the use of the District's General Fund revenue by earmarking a portion of the revenue for special purposes. Prior to FY 2002 dedicated non-tax revenues were not considered local revenues and as such were reported differently in the Comprehensive Annual Financial Report (CAFR) and reported with the District's federal and private grants in the Financial Plan.

In FY 2013 the District is anticipating \$447.7 million in revenue and use of fund balance of \$20.2 million for a total of \$467.9 million to cover the cost of performing the functions associated with these resources. The use of fund balance is a one-time revenue source and as such is not projected for FY 2014 – FY 2016. Table 4-17 (at the end of this chapter) shows the current law or baseline dedicated non-tax revenue by agency and fund. Proposed policy initiatives that would change the D.C. Official Code or the D.C. Municipal Regulations may, if enacted, provide additional revenue to specific Special Purpose Revenue funds in addition to the current law projected revenues shown in this table. Table 4-12 shows proposed policy initiatives affecting Special Purpose Revenue funds and their estimated revenue impact.

Policy Proposals:

- Increase the number of properties offered in DHCD’s annual property disposition auction
- Establish a taxi flag drop fee
- Expand the captive insurance company program
- Replace aging parking meters
- Create central collection unit
- Fund accountant mobility act of 2011
- Inauguration liquor sales operating time expansion (permits)

Policy Proposals

Following are changes that are included in the FY 2013 Budget Support Act of 2012 (BSA) and other changes that affect revenue since the most recent revenue estimate. Full information on all of the proposals included in the BSA can be found in the OCFO fiscal impact statement.

Property tax changes:

Repeal subject to appropriation sections from existing law. Legislation providing tax abatements for United House of Prayer for All People, Samuel J Simmons NCBA Estates, Washington Ballet, Carver 2000 Low-Income and Senior Housing Project, and Friendship Place were made subject to inclusion in the financial plan. The proposal is to remove those sections of the law and recognize the cost in the budget.

Nonprofit affordable housing relief fund. This subtitle allows non-profit affordable housing developers to maintain their exempt status from real property taxation, deed recordation tax, and payments in lieu of taxes offered for qualified affordable housing projects during the time period the project is being developed for, or continues to be used for, affordable housing and is under the applicable restrictions of the federal low-income housing tax credit (LIHTC) compliance period.

DCRA vacant property program enhancement. DCRA will add two additional inspectors to certify vacant properties.

Index homestead exemption from 2011. Under current law, the homestead exemption will increase by inflation from a base year 2007. This proposal would change the base year to 2011 and the current homestead exemption will be indexed by one year of inflation.

Sales and use tax changes:

Expansion of hours for alcohol sales. These subtitles allow liquor stores to open at 7:00am and allow alcohol service until 4:00am and food service around the clock for the week before the Inauguration, on holidays and on weekends leading up to Memorial Day, Labor Day and, if occurring on Friday through Monday, New Year's Day and Independence Day.

Increase recovery of unpaid sales taxes through the credit card merchant payment reporting requirement. This would allow OTR to hire 8 audit staff to follow up on a new report that the IRS is requiring. Beginning in 2013, the IRS will share with OTR 1099-K forms which have been submitted by credit card companies and which report the total credit card transactions for a merchant. The new reporting requirement is expected to increase compliance with the sales tax collections.

Annual use tax returns. This proposal will require companies to file an annual use tax return. Companies are only able to file use tax through the sales tax program so this would allow companies who do not have sales tax liability to pay the use tax they owe on purchases made outside the District for goods and services that are used in the District. OTR reports that this will increase use tax compliance.

Vendor sales tax collection. This line recognizes revenue from A19-0355, Vendor Sales Tax Collection And Remittance Act Of 2012, recently passed by the Council and signed by the Mayor and which requires licensed street or mobile vendors (these include food trucks, sidewalk food carts, and merchandise vendors) to collect sales taxes, and each quarter, make a minimum sales tax payment of \$375 to the Office of Tax and Revenue. Vendors that collect more than \$375 per quarter in sales taxes would be required to remit the full amount collected.

Income tax changes:

Index personal exemption and standard deduction from 2011. Under current law, the personal exemption and standard deduction will increase by inflation from a base year 2007. This proposal would change the base year to 2011.

Delay out of state municipal bond tax. This line recognizes a reduction in revenue caused by a provision in the FY 2012 Revised Budget Support Emergency Amendment Act that changed the effective tax year from 2012 to 2013. With this provision, the interest on out-of-state municipal bonds acquired after January 1, 2013, will be taxable.

Table 4-12

Policy Proposals Impacting General Fund Revenues, Fiscal Years 2012-2016

(\$ thousands)

Revenue Source	FY 2012 Revised	FY 2013 Original	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Local Fund Revenue (Feb 2012)	5,704,913	5,763,033	5,867,016	6,007,102	6,164,735
plus Local Fund Policy Proposals	18,797	102,087	89,988	88,074	85,856
PROPERTY TAX	-	5,618	7,485	7,616	7,065
Repeal subject to appropriation sections from existing law:					
United House of Prayer for All People		(55)	(22)	(23)	(23)
Samual J Simmons NCBA Estates		(438)	(150)	(150)	(150)
Washington Ballet		(111)			
Carver 2000 Low-Income and Senior Housing Project		(157)	(51)	(52)	(275)
Friendship Place		(11)	-	-	-
Non profit affordable housing relief fund		(100)	(200)	(300)	(400)
DCRA vacant property program enhancement		988	1,908	2,141	1,913
Index homestead exemption from 2011		5,500	6,000	6,000	6,000
SALES / USE	-	22,955	15,869	16,034	15,967
Expand liquor sales hours		4,037	3,299	3,414	3,286
Increase Recovery of Unpaid Sales Taxes		15,500	9,100	9,100	9,100
Implement Annual Use Tax Returns		2,200	2,200	2,200	2,200
Vendor sales tax collection		1,218	1,270	1,320	1,381
INCOME TAX	-	5,400	9,732	9,551	9,867
Index personal exemption and standard deduction from 2011		6,500	10,300	10,400	10,600
Delay effective date for out of state muni bond interest tax		(1,100)	(568)	(849)	(734)
GROSS RECEIPTS	-	-	-	-	-
ICF-MR provider settlement adjustment		1,957	2,700	2,700	2,700
Transfer to Stevie Sellows		(1,957)	(2,700)	(2,700)	(2,700)
Rebasing Nursing Home Assessments		1,400	1,400	1,400	1,400
Transfer to Nursing Quality of Care fund		(1,400)	(1,400)	(1,400)	(1,400)
DEED RECORDATION AND TRANSFER	-	(555)	(155)	(155)	(155)
Non profit affordable housing relief fund		(155)	(155)	(155)	(155)
New issue bond program exemption		(400)			
NONTAX	18,797	68,670	57,057	55,028	53,113
Expand Automated Enforcement		30,601	39,825	37,859	35,991
Lower Interest Rate on Overpayments		1,800	1,800	1,800	1,800
Lower threshold for requiring electronic payments of tax		125	125	125	125
Hire an Additional Subrogation Claims Adjuster at the Office of Risk Management		240	240	240	240
Adopt the Use of Ghost Cards as Payment Vehicles		171	171	171	171
Maximize the Escheat of Unclaimed Property to the District		1,500			

(Continued on next page)

Table 4-12 (cont.)

Policy Proposals Impacting General Fund Revenues, Fiscal Years 2012-2016

(\$ thousands)

Revenue Source	FY 2012 Revised	FY 2013 Original	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Improve efficiency of traffic citation issuance		450	570	542	514
Implement a motor fuel quality testing program		48	24	24	24
Increase the collection of fees and fines for non-compliance with rental housing regulations		414	429	437	443
Create central collection unit		4,420	7,573	7,531	7,505
Refund offset program to collect DMV receivables		2,500	2,500	2,500	2,500
Medicaid reimbursement related to former DC aging facilities	10,297				
Proceeds from sale of District-owned property		20,000			
Excess TIF revenue	6,000	3,800	3,800	3,800	3,800
Rights of way revenue transferred from capital		2,600			
Refund for DC Gov't employees health insurance	2,500				
Local Fund Revenue With Policy Proposals	5,723,710	5,865,120	5,957,004	6,095,176	6,250,591
Dedicated Revenue	397,369	257,618	268,889	264,193	276,868
plus Dedicated Revenue Policy Proposals	-	3,357	4,100	4,100	4,100
ICF-MR provider settlement adjustment - transfer to Stevie Sellows	-	1,957	2,700	2,700	2,700
Rebasing Nursing Home Assessments - transfer to Nursing Home Quality of Care Fund		1,400	1,400	1,400	1,400
Dedicated Revenue With Policy Proposals	397,369	260,975	272,989	268,293	280,968
Special Purpose (O-Type) Revenue	423,588	447,719	443,595	465,723	448,520
plus Special Purpose Policy Proposals	-	9,757	9,095	9,730	9,786
Increase the number of properties offered in DHCD's annual property disposition auction		500	530	530	530
Establish a taxi flag drop fee		1,093	1,093	1,093	1,093
Expand the captive insurance company program		2	17	33	63
Replace aging parking meters - WMATA		1,045	3,623	4,200	4,200
Replace aging parking meters - DDOT		1,500	1,500	1,500	1,500
Create central collection unit		5,580	2,427	2,469	2,495
Fund accountant mobility act of 2011		(94)	(94)	(94)	(94)
Inauguration liquor sales operating time expansion (permits).		132	-	-	-
Special Purpose Revenue With Policy Proposals	423,588	457,477	452,690	475,453	458,306
All Proposals	18,797	115,202	103,183	101,905	99,743
General Fund Revenue with Policy Proposals	6,544,668	6,583,572	6,682,683	6,838,922	6,989,866

Gross receipts tax changes:

ICF-MR provider settlement adjustment. This is additional revenue recognized because of a recent settlement with institutional providers for persons with developmental disabilities regarding the assessment tax and the reimbursement rate. The revenue is dedicated to the Stevie Sellows fund and requires the Centers for Medicare and Medicaid Services (CMS) to approve the reimbursement methodology.

Rebasing nursing home assessments. This line recognizes revenue from rebasing the Medicaid reimbursements for nursing homes. The revenue from the assessments is dedicated to the Nursing Facility Quality of Care Fund.

Deed recordation and transfer tax changes:

Nonprofit affordable housing relief fund. This subtitle allows non-profit affordable housing developers to maintain their exempt status from real property taxation, deed recordation tax, and payments in lieu of taxes offered for qualified affordable housing projects during the time period the project is being developed for, or continues to be used for, affordable housing and is under the applicable restrictions of the federal low-income housing tax credit (LIHTC) compliance period.

New issue bond program exemption. Provides funds to refund a portion of the deed taxes levied on low-income housing projects that participated in the federal New Issue Bond Program in 2010 and 2011. D.C. Law 19-60 authorizes the tax refunds.

Non-tax changes:

Expand automated enforcement. This allows the Metropolitan Police Department to expand their automated traffic violation enforcement resources. MPD will acquire new photo and laser radar equipment and expand the scope of automated enforcement activity to include “speed on green” cameras that capture vehicles exceeding the speed limit through intersections and mobile red light and stop sign violations. The funding will also allow for pilot projects with laser-based speed units that can be used in tunnels, gridlock enforcement and pedestrian crossing violations.

Lower interest on overpayments. This would change the interest paid to taxpayers for underpayment from 6 percent to a market rate capped at 6 percent.

Lower threshold for requiring electronic payments of tax. This proposal would require taxpayers with payments exceeding \$5,000 to post those payments through electronic fund transfer (EFT).

Hire an additional subrogation claims adjuster at the Office of Risk Management. This proposal allows the Office of Risk Management to hire an additional claims adjuster which will allow more claims to be processed.

Adopt the use of ghost cards as payment vehicles. This proposal would allow the Office of Contract and Procurement (OCP) to use electronic methods to pay for telecommunication services.

Maximize the escheat of unclaimed property to the District. This proposal would allow the unclaimed property division of the Office of Finance and Treasury (OFT) to hire additional audit staff to audit unclaimed property. OFT holds lost or abandoned property on behalf of current and former District residents. Pursuant to District law, after a certain period of time unclaimed property becomes the property of, or escheats to, the District.

Improve efficiency of traffic citation issuance. This proposal would provide the Department of Transportation (DDOT) additional resources to improve efficiency. Resources would include Segway vehicles, bicycles, and additional training.

Implement a motor fuel quality testing program. This proposal would give the Department of Consumer and Regulatory Affairs (DCRA) the authority to set motor fuel quality standards and conduct motor fuel inspections.

Increase the collection of fees and fines for non-compliance with rental housing regulations. This proposal would provide staff enhancements to DCRA and DHCD to increase enforcement of rental housing regulations using data from Office of the Tenant Advocate (OTA) audits.

Create Central Collection Unit. This provision would allow OFT to establish a central collection unit for all non-tax money owed to the District. The majority of the collections is expected to be from out of state parking violations that have not been paid.

Refund offset program to collect DMV receivables. This will allow OTR to block or offset refunds to taxpayers that have outstanding debts with the Department of Motor Vehicles.

Medicaid reimbursement related to former DC aging facilities. This line recognizes revenue associated with the end of the District's involvement with J.B. Johnson Nursing Center and the Washington Center for Aging Services for prior year Medicaid reimbursements.

Excess TIF revenue. This subtitle requires the CFO to recognize as local revenue the additional tax increment above which is needed to cover the debt service for the Gallery Place Project Bonds, Series 2002, issued for the Gallery Place Project.

Proceeds of sale of District property. This line recognizes as revenue the sale of a District-owned property at 35-41 K Street N.E.

Rights-of-way revenue transferred from capital funds. This line recognizes a one-time transfer of rights-of-way revenue from the Local Transportation Fund to the local fund.

Refund for DC government employee health insurance. One of the health insurance providers for District government employees refunded \$2.5 million for prior year premium payments because of the actual health experience of the employees in their plan.

Special purpose fund changes:

Increase the number of properties offered in DHCD's annual property disposition auction. The revenue estimate for this proposal assumes that the Department of Housing and Community Development can increase the number of properties in the annual auction of blighted properties to five.

Establish a taxi flag drop fee to fund the operations of the Taxicab Commission. This would establish a new fee of fifty cents on every taxicab ride in the District.

Expand the Captive Insurance Company program.

Replace aging parking meters - Performance parking city-wide. This proposal would provide capital funds to replace old parking meters that cannot be updated for the new parking technologies DDOT has implemented. The updated meters will provide multiple payment options and have lower maintenance requirements, creating a higher percentage of operational hours. Part of the revenue from this initiative will be used to pay for the ParkMobile program.

Fund Accountant Mobility Act of 2011. This provision funds D.C. Law 19-43, the Accountant Mobility Act of 2011, which allows accountants licensed in other states to work in the District without obtaining a District license.

Create Central Collection Unit. This provision would allow OFT to establish a central collection unit for all non-tax money owed to the District. The majority of the collections is expected to be from out of state parking violations that have not been paid.

Inauguration liquor sales operating time expansion (permits). To participate in the expanded hour program during Inauguration week, licensees will have to obtain special permits.

Additional Information on D.C. Revenues

The following tables provide additional detail on District taxes. Additional information on D.C. taxes and its economy is available on the OCFO website (<http://cfo.dc.gov>) under “Economy and Revenue”:

- Tax Facts
- District of Columbia Data Book: Revenue and Economy.
- Economic Indicators and Review of District of Columbia Economic and Revenue Trends.
- Special Reports on non-tax revenue, tax expenditures, and special purpose funds.

Table 4-13

Percentage Changes in General Fund, Local Revenue by Source

(Dollars in Thousands)

Revenue Source	FY 2010 Actual	FY 2011 Revised	FY 2012 Original	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
Real Property	-5.8%	7.2%	6.3%	3.0%	2.6%	2.6%
<i>Transfer to TIF/Pilot</i>	174.2%	8.1%	10.7%	11.5%	16.8%	-2.7%
Real Property (net)	-6.9%	7.2%	6.2%	2.8%	2.3%	2.7%
Personal Property	1.3%	0.9%	1.0%	1.8%	1.0%	1.0%
<i>Transfer to Neighborhood Investment Fund</i>	19.5%	-100.0%				
Personal Property (net)	0.3%	7.2%	1.0%	1.8%	1.0%	1.0%
Public Space Rental	-3.7%	-1.1%	1.0%	1.0%	1.0%	1.0%
<i>Transfer to DDOT Unified Fund</i>	-3.7%	-100.0%				
<i>Transfer to DDOT Enterprise Fund</i>					0.0%	0.0%
Public Space Rental (net)			1.0%	-0.5%	1.0%	1.0%
Total Property (net)	-6.8%	9.0%	5.9%	2.7%	2.2%	2.6%
General Sales	3.9%	3.1%	1.9%	3.7%	3.9%	4.5%
<i>Transfer to Convention Center</i>	3.9%	2.8%	3.0%	5.1%	4.6%	5.3%
<i>Transfer to TIF</i>	97.3%	-33.2%	15.0%	55.9%	-21.9%	-8.4%
<i>Transfer to DDOT (parking tax)</i>	10.0%	-100.0%				
<i>Transfer to Ballpark Fund</i>	-4.7%	1.5%	2.5%	4.3%	4.0%	4.6%
<i>Transfer to Healthy DC Fund</i>			165.2%	100.0%	100.1%	100.0%
<i>Transfer to WMATA</i>			3.5%	4.7%	4.3%	4.3%
<i>Transfer to Healthy Schools</i>			0.0%	0.0%	0.0%	0.0%
<i>Transfer to ABRA</i>			0.0%	0.0%	0.0%	0.0%
General Sales (net)	1.2%	1.7%	1.2%	1.2%	5.4%	4.9%
Alcohol	-1.5%	-2.0%	-0.8%	-1.2%	-2.0%	-2.0%
Cigarette	3.0%	7.7%	-1.9%	-1.1%	-1.1%	-1.1%
Motor Vehicle	12.8%	-10.7%	2.0%	2.0%	2.0%	2.0%
Motor Fuel Tax	35.3%	-20.0%	-1.0%	-1.1%	-1.1%	-1.1%
<i>Transfer to Highway Trust Fund</i>	35.3%	-20.0%	-1.0%	-1.1%	-1.1%	-1.1%
Total Sales (net)	1.7%	1.3%	1.1%	1.2%	4.9%	4.5%

(Continued on next page)

Table 4-13 (cont)

Percentage Changes in General Fund, Local Revenue by Source

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Individual Income	16.8%	11.6%	-2.8%	2.1%	4.0%	2.5%
Corp. Franchise	4.3%	9.8%	3.3%	2.7%	4.5%	1.1%
U. B. Franchise	23.2%	4.9%	2.8%	0.2%	4.9%	5.3%
Total Income	15.5%	10.8%	-1.5%	2.0%	4.2%	2.5%
Public Utility	-0.1%	0.0%	0.1%	1.1%	0.9%	1.4%
<i>Transfer to Ballpark Fund</i>	<i>-13.6%</i>	<i>7.8%</i>	<i>0.1%</i>	<i>1.1%</i>	<i>0.9%</i>	<i>1.4%</i>
Public Utility (net)	0.9%	-0.5%	0.1%	1.1%	0.9%	1.4%
Toll Telecommunications	-3.2%	0.0%	1.0%	1.0%	2.0%	1.0%
<i>Transfer to Ballpark Fund</i>	<i>23.4%</i>	<i>0.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>2.0%</i>	<i>1.0%</i>
Toll Telecommunications (net)	-4.0%	0.0%	1.0%	1.0%	2.0%	1.0%
Insurance Premiums	1.5%	9.0%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Healthy DC Fund</i>	<i>3.3%</i>	<i>-0.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Insurance Premiums (net)	0.5%	14.3%	0.0%	0.0%	0.0%	0.0%
Healthcare Provider Tax	8.2%	-10.7%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>8.2%</i>	<i>-10.7%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Ballpark fee	40.5%	-24.9%	0.5%	3.2%	0.8%	4.3%
<i>Transfer to Ballpark Fund</i>	<i>40.5%</i>	<i>-24.9%</i>	<i>0.5%</i>	<i>3.2%</i>	<i>0.8%</i>	<i>4.3%</i>
Hospital Bed Tax		72.8%	0.0%	0.0%	-100.0%	
<i>Transfer to Hospital Fund</i>		<i>72.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-100.0%</i>	
ICF-MR Assessment		59.5%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Stevie Sellows</i>		<i>59.5%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
HSC Contribution	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Healthy DC Fund</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Total Gross Receipts (net)	-0.4%	2.3%	0.3%	0.9%	1.0%	1.0%
Estate	121.7%	-42.7%	-10.0%	0.0%	0.0%	0.0%
Deed Recordation	45.4%	-4.7%	5.4%	0.0%	0.0%	2.2%
<i>Transfer to HPTF</i>	<i>50.3%</i>	<i>-4.7%</i>	<i>5.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>2.2%</i>
Deed Recordation (net)	44.5%	-4.7%	5.4%	0.0%	0.0%	2.2%
Deed Transfer	39.8%	-1.9%	6.1%	0.0%	0.0%	2.2%
<i>Transfer to HPTF</i>	<i>14.2%</i>	<i>23.5%</i>	<i>6.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>2.2%</i>
Deed Transfer (net)	44.2%	-5.4%	6.0%	0.0%	0.0%	2.2%
Economic Interests	-18.2%	67.7%	-60.0%	0.0%	0.0%	0.0%
Total Other Taxes (net)	52.5%	-11.1%	-1.9%	0.0%	0.0%	1.8%
TOTAL TAXES NET OF DEDICATED TAXES	5.0%	6.4%	1.7%	2.0%	3.2%	2.8%
Licenses and Permits	24.9%	-2.5%	1.8%	-4.3%	1.9%	-2.9%
Fines and Forfeits	13.2%	22.3%	-4.5%	0.2%	-1.8%	-1.7%
Charges for Services	63.9%	-19.3%	-1.0%	0.4%	0.4%	-2.4%
Miscellaneous	9.2%	-13.2%	-20.7%	1.7%	-11.8%	7.9%
TOTAL NON-TAX	20.8%	-1.4%	-7.4%	-0.3%	-3.2%	0.1%
Lottery	-6.9%	0.3%	1.3%	0.0%	0.0%	0.0%
Interfund Transfer	0.0%	45.3%	-9.5%	6.0%	-100.0%	
TOTAL LOCAL FUND REVENUE NET OF DEDICATED TAXES	6.2%	5.8%	1.0%	1.8%	2.4%	2.6%

Table 4-14

Changes in General Fund, Local Revenue by Source

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Real Property	(106,390)	123,221	114,906	57,871	51,732	53,060
<i>Transfer to TIF/Pilot</i>	19,415	2,490	3,539	4,214	6,864	(1,275)
Real Property (net)	(125,805)	120,731	111,367	53,657	44,868	54,335
Personal Property	664	458	532	961	546	552
<i>Transfer to Neighborhood Investment Fund</i>	504	(3,092)	0	0	0	0
Personal Property (net)	160	3,550	532	961	546	552
Public Space Rental	(1,284)	(376)	326	329	333	336
<i>Transfer to DDOT Unified Fund</i>	(1,284)	(32,980)	0	0	0	0
<i>Transfer to DDOT Enterprise Fund</i>	0	0	0	500	0	0
Public Space Rental (net)	0	32,604	326	(171)	333	336
Total Property (net)	(125,645)	156,885	112,225	54,447	45,747	55,223
General Sales	38,211	31,041	20,210	38,925	43,456	52,224
<i>Transfer to Convention Center</i>	3,636	2,752	2,981	5,276	5,049	6,078
<i>Transfer to TIF</i>	22,384	(15,044)	4,537	19,510	(11,914)	(3,566)
<i>Transfer to DDOT (parking tax)</i>	2,835	(31,209)	0	0	0	0
<i>Transfer to Ballpark Fund</i>	(465)	143	240	426	408	490
<i>Transfer to Healthy DC Fund</i>	0	161	266	427	855	1,709
<i>Transfer to WMATA</i>	0	55,254	1,948	2,662	2,564	2,674
<i>Transfer to Healthy Schools</i>	0	4,266	0	0	0	0
<i>Transfer to ABRA</i>	0	460	0	0	0	0
General Sales (net)	9,821	14,258	10,238	10,624	46,494	44,839
Alcohol	(87)	(113)	(44)	(66)	(108)	(106)
Cigarette	1,011	2,663	(715)	(390)	(386)	(381)
Motor Vehicle	4,815	(4,564)	760	775	791	806
Motor Fuel Tax	7,821	(6,001)	(250)	(250)	(250)	(250)
<i>Transfer to Highway Trust Fund</i>	7,821	(6,001)	(250)	(250)	(250)	(250)
Total Sales (net)	15,560	12,244	10,239	10,943	46,791	45,158
Individual Income	186,154	149,851	(40,264)	29,626	58,005	37,055
Corp. Franchise	8,988	21,254	7,890	6,614	11,318	2,954
U. B. Franchise	27,009	7,000	4,262	276	7,559	8,671
Total Income	222,151	178,105	(28,112)	36,516	76,882	48,680
Public Utility	(132)	0	135	1,672	1,377	2,103
<i>Transfer to Ballpark Fund</i>	(1,404)	697	9	107	89	134
Public Utility (net)	1,272	(697)	126	1,565	1,288	1,969
Toll Telecommunications	(2,006)	0	608	614	1,241	633
<i>Transfer to Ballpark Fund</i>	450	0	24	24	48	25
Toll Telecommunications (net)	(2,456)	0	584	590	1,193	608
Insurance Premiums	998	6,276	0	0	0	0
<i>Transfer to Healthy DC Fund</i>	797	(101)	0	0	0	0
Insurance Premiums (net)	201	6,377	0	0	0	0
Healthcare Provider Tax	1,016	(1,439)	0	0	0	0
<i>Transfer to Nursing Facility Quality of Care Fund</i>	1,016	(1,439)	0	0	0	0

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Table 4-14 (cont)

Changes in General Fund, Local Revenue by Source

(Dollars in Thousands)

Revenue Source	FY 2011 Actual	FY 2012 Est.	FY 2013 Est.	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Ballpark fee	9,599	(8,311)	125	804	196	1,125
<i>Transfer to Ballpark Fund</i>	<i>9,599</i>	<i>(8,311)</i>	<i>125</i>	<i>804</i>	<i>196</i>	<i>1,125</i>
Hospital Bed Tax	9,008	6,554	0	0	(15,562)	0
<i>Transfer to Hospital Fund</i>	<i>9,008</i>	<i>6,554</i>	<i>0</i>	<i>0</i>	<i>(15,562)</i>	<i>0</i>
ICF-MR Assessment	1,254	746	0	0	0	0
<i>Transfer to Stevie Sellows</i>	<i>1,254</i>	<i>746</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
HSC Contribution	0	0	0	0	0	0
<i>Transfer to Healthy DC Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Gross Receipts (net)	(983)	5,680	710	2,155	2,481	2,577
Estate	47,889	(37,230)	(5,000)	0	0	0
Deed Recordation	51,374	(7,683)	8,504	0	0	3,687
<i>Transfer to HPTF</i>	<i>8,263</i>	<i>(1,153)</i>	<i>1,276</i>	<i>0</i>	<i>0</i>	<i>553</i>
Deed Recordation (net)	43,111	(6,530)	7,228	0	0	3,134
Deed Transfer	37,508	(2,521)	7,816	0	0	2,947
<i>Transfer to HPTF</i>	<i>1,956</i>	<i>3,687</i>	<i>1,173</i>	<i>0</i>	<i>0</i>	<i>442</i>
Deed Transfer (net)	35,552	(6,208)	6,643	0	0	2,505
Economic Interests	(3,313)	10,095	(15,000)	0	0	0
Total Other Taxes (net)	123,239	(39,873)	(6,129)	0	0	5,639
TOTAL TAXES NET OF DEDICATED TAXES	234,322	313,041	88,933	104,061	171,901	157,277
Licenses and Permits	15,168	(1,924)	1,344	(3,215)	1,369	(2,116)
Fines and Forfeits	14,763	28,145	(6,925)	222	(2,640)	(2,508)
Charges for Services	29,487	(14,583)	(604)	231	230	(1,434)
Miscellaneous	10,990	(17,290)	(23,463)	1,547	(10,840)	6,414
TOTAL NON-TAX	70,408	(5,652)	(29,648)	(1,215)	(11,881)	356
Lottery	(4,575)	200	800	0	0	0
Interfund Transfer	0	6,473	(1,965)	1,137	(19,934)	0
TOTAL LOCAL FUND REVENUE NET OF DEDICATED TAXES	314,444	314,062	58,120	103,983	140,086	157,633

Table 4-15

General Purpose Non-Tax Revenue by Source, Fiscal Years 2011-2016

(Dollars in Thousands)

Comp. Object Code	Agency	Object Title	FY 2011 Actual	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
BUSINESS LICENSES AND PERMITS								
3001	DISB	INSURANCE LICENSE	12,846	11,000	12,000	11,000	12,000	11,000
3002	Pub Svc Comm	PSC LICENSE	22	1	1	1	1	1
3006	Taxicab Comm.	HACKERS LICENSE	688	725	725	725	725	725
3007	DISB	SECURITIES BROKER DEALER LICENSE	345	0	0	0	0	0
3010	DISB	INVESTMENT ADVISOR'S LICENSE	450	0	0	0	0	0
3010	Taxicab Comm.	OTHER BUSINESS LICENSE	85	80	80	80	80	80
3012	DCRA	BUILDING STRUCTURES & EQUIPMENT	19,440	17,500	17,500	17,500	17,500	17,500
3013	DCRA	CERTIFICATE OF OCCUPANCY	351	350	350	350	350	350
3014	DCRA	REFRIGERATION & PLUMBING PERMIT	3,220	3,000	2,500	2,500	2,500	2,500
3015	DCRA	ELECTRICAL PERMIT	2,380	2,545	2,300	2,300	2,300	2,300
3017	ABC	ALCOHOLIC BEVERAGE LICENSE	239	250	250	250	250	250
3021	OCFO	VENDOR FEES	660	500	500	500	500	500
3023	DMH	OTHER LICENSE FEES	18	9	9	9	9	9
3041	DMV	CHARTERED BUS TRIP PERMIT	2	3	3	3	3	3
3053	DMV	DEALER REGISTRATION APPLICATION FEE	4	3	3	3	3	3
6035	DCRA	ENHANCED SURVEYOR FUNCTION	0	407	400	400	400	0
6785	DMV	COMMERCIAL DRIVERS LICENSE PROGRAM	0	125	125	150	175	0
	DCRA	OTHER PERMITS	-295	1069	844	844	844	844
TOTAL BUSINESS LICENSES AND PERMITS			40,455	37,567	37,590	36,615	37,640	36,065
NONBUSINESS LICENSES & PERMITS								
3100	Taxicab Comm.	HACK & LIMO LICENSES TEST	0	5	5	5	5	5
3100	DMV	DRIVERS LICENSE	4,250	3,750	3,750	4,000	4,000	4,000
3105	DMV	CANCEL ROAD TEST FEE	43	35	35	35	35	35
3106	DMV	CHANGE OF ADDRESS FEE	8	7	7	7	7	7
3120	MPD	BOAT REGISTRATION	136	132	132	132	132	132
3140	DMV	RECIPROCITY PERMIT	720	540	540	540	540	540
3144	DMV	DIGIT CERTIFICATE FEE	4	4	4	4	4	4
3145	DMV	PERSONALIZED TAGS	84	65	65	65	70	70
3147	DMV	DCTC ISSUANCES	693	655	655	655	655	655
3148	DMV	TEMPORARY TAGS	16	12	12	13	13	13
3149	DMV	TRANSFER OF TAGS	55	48	48	50	50	50
3150	DMV	VEHICLE REGISTRATION	29,475	26,200	27,175	24,677	25,011	25,000
3150	DMV	ASSOCIATED FEE FOR ONE YEAR	37	35	35	35	35	35
3153	DMV	OUT OF STATE REGISTRATION FEE	22	7	0	0	0	0
3153	DMV	RECORD SEARCHES	16	1	1	1	1	1
3161	DMV	ASSOCIATED FEE FOR THIRTY (30) DAYS	6	5	5	5	5	5
6221	DMV	DRIVERS EDUCATION PROGRAM	0	520	520	525	530	0
	DMV	INCREASE DMV FEES	0	4,508	4,861	4,861	4,861	4,861
TOTAL NONBUSINESS LICENSES & PERMITS			35,565	36,529	37,850	35,610	35,954	35,413
TOTAL LICENSES & PERMITS			76,020	74,096	75,440	72,225	73,594	71,478

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Table 4-15 (Cont.)

General Purpose Non-Tax Revenue by Source, Fiscal Years 2011-2016

(Dollars in Thousands)

Comp. Object Code	Agency	Object Title	FY 2011 Actual	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
FINES & FORFEITURES								
5000	Taxicab Comm.	HACKERS FINES	18	15	15	15	15	15
5010	MPD	AUTOMATED ENFORCEMENT	33,733	58,496	55,571	52,793	50,153	47,645
5010	DMV/DPW	TRAFFIC FINES RSC 1501	79,848	86,000	82,000	85,000	85,000	85,000
5010	DOT	TRAFFIC FINES RSC 1501	8,090	9,000	9,000	9,000	9,000	9,000
5020	DPW	SALE OF ABANDONED PROPERTY	99	100	100	100	100	100
5030	DPW	BOOTING FEES	170	150	150	150	150	150
5040	DPW	TOWING FEES-RSC 1505	163	160	160	160	160	160
5050	DPW	IMPOUNDMENT FEES-RSC 1506	270	265	265	265	265	265
5060	DISB	FINES AND FORFEITURES-OTHER	3,489	110	110	110	110	110
5060	ABC	FINES AND FORFEITURES-OTHER	366	100	100	100	100	100
5060	MPD	FINES FOR CRF VIOLATIONS	5	0	0	0	0	0
TOTAL FINES & FORFEITURES			126,251	154,396	147,471	147,693	145,053	142,545
MISCELLANEOUS								
5300	WASA	WASA - P.I.L.O.T.	15,519	12,414	12,414	12,414	12,414	12,414
5600	Various	INTEREST INCOME	425	2,000	3,000	3,000	4,000	4,000
5700	OCFO	UNCLAIMED PROPERTY	24,526	28,000	28,000	27,000	27,000	27,000
6103	Various	REIMBURSEMENTS	42	0	0	0	0	0
6106	Various	OTHER REVENUES	90,221	71,029	46,566	49,113	37,273	43,687
TOTAL MISCELLANEOUS			130,733	113,443	89,980	91,527	80,687	87,101
CHARGES FOR SERVICES								
3200	Pub Svc Comm	TELECO REGISTRATION	2	5	5	6	6	6
3201	DCRA	HOME OCCUPATION LICENSE	66	50	50	50	50	50
3202	DCRA	BOILER INSPECTION PERMITS	33	100	100	100	100	100
3204	DCRA	ELEVATOR INSPECTION	422	350	300	300	300	300
3206	MPD	FINGERPRINTS, PHOTOS	424	450	450	450	450	450
3207	Various	OTHER SERVICE CHARGES	5,315	3,300	3,200	3,200	3,200	3,200
3208	Various	REPRODUCTION OF REPORTS	3,004	3,300	2,800	2,800	2,800	2,800
3209	FEMS	EMERGENCY AMBULANCE FEES	30,923	20,000	20,000	20,000	20,000	20,000
3210	OCFO	TAX CERTIFICATES	113	105	105	105	105	105
3210	MPD	TRANSCRIPT OF RECORDS	282	282	282	282	282	282
3211	MPD	FIREARM USER FEE	326	501	476	452	430	408
3214	DMV	MOTOR VEHICLE INSPECTION	266	0	0	0	0	0
3215	DMV	VEHICLE TITLES RSC 1259	1,931	2,000	2,000	2,000	2,000	2,000
3219	DCRA	WHARVES AND MARKETS	382	300	300	300	300	300
3220	DCRA	SURVEYOR FEES	5	30	30	30	30	30
3221	OCFO	DEED RECORDATION FEES	7,483	5,000	5,000	5,000	5,000	5,000
3221	DMV	RECORDATION FEE (RSC 1275)	552	490	490	500	500	500
3222	DCRA	CORP RECORDATION	11,079	10,000	10,000	10,000	10,000	10,000

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Table 4-15 (Cont.)

General Purpose Non-Tax Revenue by Source, Fiscal Years 2011-2016

(Dollars in Thousands)

Comp. Object Code	Agency	Object Title	FY 2011 Actual	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
3223	DMV	PARKING FEES/PERMITS RSC 1314	1,880	1,750	1,750	2,000	2,000	2,000
3227	DCRA	COND/COOP CERTIFICATE	3	2	2	2	2	2
3237	DMV	BUSINESS-INSURANCE LAPSE FEES	11	6	6	6	6	6
3232	Off of Cable TV	CABLE TV FRANCHISE FEE	2,163	0	0	0	0	0
3320	DCRA	MODIFICATION AND VARIANCE REQUESTS	29	3	0	0	0	0
3310	DISB	INVESTMENT ADVISORS ACT	0	450	450	450	450	450
3234	Various	OTHER SERVICE CHARGES-OTHER	8,918	12,555	12,629	12,623	12,875	11,463
TOTAL CHARGES FOR SERVICES			75,612	61,029	60,425	60,656	60,886	59,452
TOTAL NON TAX REVENUE			408,616	402,964	373,316	372,101	360,220	360,576

Table 4-16

Dedicated Tax Revenue Funds, by Source of Revenue: February 2012 Certifications

	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
	End of Year Fund Balance	Certified Revenues	Certified Balance Use	Certified Resources	Certified Balance Use	Certified Resources	Certified Revenues					
TOTAL DEDICATED TAX REVENUE	0	397,369,000	0	397,369,000	156,924	413,993,924	446,937,000	446,937,000	435,284,000	443,423,000	0	0
Ballpark Fund (B00 0110)		46,622,000		46,622,000								
Sales Tax		9,655,000										
Public Utility Tax		9,594,000										
Toll Telecommunications Tax		2,373,000										
Ballpark Fee		25,000,000										
Convention Center Fund (EZ0 0110)	0	100,748,000	0	100,748,000	0	103,729,000	109,005,000	109,005,000	114,054,000	120,132,000	0	0
Sales Tax		100,748,000				103,729,000	109,005,000	109,005,000	114,054,000	120,132,000		
Healthy Schools Fund (G00 0111)	0	4,266,000	0	4,266,000	0	4,266,000	4,266,000	4,266,000	4,266,000	4,266,000	0	0
Sales Tax		4,266,000				4,266,000	4,266,000	4,266,000	4,266,000	4,266,000		
New Communities - Repayment of Revenue Bonds (DT0 0110)	0	42,911,000	0	42,911,000	0	8,222,000	10,878,000	10,878,000	13,526,000	15,990,000	0	0
Deed Recordation Tax		23,533,000				4,496,905	5,949,566	5,949,566	7,397,851	8,748,536		
Deed Transfer Tax		19,378,000				3,725,095	4,928,434	4,928,434	6,128,149	7,241,464		
Nursing Facility Quality of Care Fund (HT0 0110)	0	12,000,000	0	12,000,000	0	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	0	0
Healthcare Provider Tax		12,000,000		12,000,000			12,000,000	12,000,000	12,000,000	12,000,000		
Healthy DC Fund (HT0 0111)	0	30,161,000	0	30,161,000	0	30,427,000	30,854,000	30,854,000	31,709,000	33,418,000	0	0
Sales Tax		161,000				427,000	854,000	854,000	1,709,000	3,418,000		
Insurance Premiums Tax		25,000,000				25,000,000	25,000,000	25,000,000	25,000,000	25,000,000		
HM/SC Contribution		5,000,000				5,000,000	5,000,000	5,000,000	5,000,000	5,000,000		
Stevie Sellows Quality Improvement Fund (HT0 0112)	1,254,343	2,000,000	0	2,000,000	156,924	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
ICF-IMR Assessment		2,000,000				2,000,000	2,000,000	2,000,000	2,000,000	2,000,000		

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Dedicated Tax Revenue Funds, by Source of Revenue: February 2012 Certifications

	FY 2011											
	End of Year Fund Balance	FY 2012 Certified Revenues	FY 2012 Certified Fund Balance Use	FY 2012 Certified Resources	FY 2013 Certified Revenues	FY 2013 Certified Fund Balance Use	FY 2013 Certified Resources	FY 2014 Certified Revenues	FY 2015 Certified Revenues	FY 2016 Certified Revenues		
Hospital Fund (HTO 0114)	0	15,562,000	0	15,562,000	15,562,000	0	15,562,000	15,562,000	0	0		
Hospital Bed Tax		15,562,000			15,562,000			15,562,000		-		
DDOT Enterprise Fund (KAO 0111)	0	0	0	0	0	0	0	500,000	500,000	500,000		
Public Space Rental		0			0			500,000	500,000	500,000		
WMATA (KEO 0110)	0	55,254,000	0	55,254,000	57,202,000	0	57,202,000	59,864,000	62,428,000	65,102,000		
Sales Tax (parking)		55,254,000			57,202,000			59,864,000	62,428,000	65,102,000		
Highway Trust Fund (KZO 0110)	0	24,000,000	0	24,000,000	23,750,000	0	23,750,000	23,500,000	23,250,000	23,000,000		
Motor Fuel Tax		24,000,000			23,750,000			23,500,000	23,250,000	23,000,000		
ABRA (LOO 0110)	0	460,000	0	460,000	460,000	0	460,000	460,000	460,000	460,000		
Sales Tax		460,000			460,000			460,000	460,000	460,000		
Tax Incremental Financing (TZO 0110)	0	63,385,000	0	63,385,000	0	0	0	0	0	0		
Real Property Tax		33,050,000										
Sales Tax		30,335,000										
Sub Total - GENERAL FUND	0	397,369,000	0	397,369,000	257,618,000	156,924	257,774,924	268,889,000	264,193,000	276,868,000		
Ballpark Fund (BKO 0110)	0	0	0	0	47,020,000	0	47,020,000	48,381,000	49,122,000	50,896,000		
Sales Tax					9,895,000			10,321,000	10,729,000	11,219,000		
Public Utility Tax					9,603,000			9,710,000	9,799,000	9,933,000		
Toll Telecommunications Tax					2,397,000			2,421,000	2,469,000	2,494,000		
Ballpark Fee					25,125,000			25,929,000	26,125,000	27,250,000		
Housing Production Trust Fund (UZO 0110)	0	0	0	0	37,138,000	0	37,138,000	34,482,000	31,834,000	30,365,000		
Deed Recordation Tax					20,312,095			18,859,434	17,411,149	16,613,464		
Deed Transfer Tax					16,825,905			15,622,566	14,422,851	13,751,536		
Tax Incremental Financing (TZO /TXO 0110)	0	0	0	0	71,461,000	0	71,461,000	95,185,000	90,135,000	85,294,000		
Real Property Tax					36,589,000			40,803,000	47,667,000	46,392,000		
Sales Tax					34,872,000			54,382,000	42,468,000	38,902,000		
Sub Total - ENTERPRISE FUND	0	0	0	0	155,619,000	0	155,619,000	178,048,000	171,091,000	166,555,000		

Table 4-17: Special Purpose (O-type) Revenue Funds

Table 4-17, which follows, reports the certified revenues and fund balance use for the District's Special Purpose (O-type) Revenue funds. The revenues reported in this table are District agency projections based on current law. They do not include any policy proposals affecting revenues or fund balances included in this FY 2013 Proposed Budget and Financial Plan. Any such policy changes are reported earlier in this chapter in Table 4-12 (Policy Proposals Impacting General Fund Revenues).

The first column in Table 4-17 reports each fund's available fund balance at the end of FY 2011. Certain funds, by legislation, can retain and carry over to succeeding fiscal years revenue received during the fiscal year that exceeds the fund's expenditures. This retained fund balance is an available resource for those funds in future fiscal years. In the case of other funds, the legislation that created the fund did not specify that the fund could retain its revenue. Therefore, at the end of the fiscal year, that excess revenue is transferred to the Local fund. The amounts shown in the "FY 2011 End of Year Fund Balance" column were calculated by the Office of Financial Operations and Systems (OFOS) during the preparation of the District's Fiscal Year 2011 Comprehensive Annual Financial Report (CAFR).

The next three columns show, for FY 2012, projected revenue under current law and fund balance use by fund. The "Certified Resources" column is the total of the "Certified Revenues" and the "Certified Fund Balance Use Columns." The total certified resources column does not account for any legislated revenue transfers from the fund.

The next three columns of the table report, for FY 2013, projected revenue under current law, projected fund balance use by fund, and total certified resources.

The final three columns report the amount of projected revenue under current law for FY 2014, FY 2015, and FY 2016. Fund balance use is not projected over this three-year period due to the uncertainty of the amount of available fund balances that far into the future.

A D.C. Office of Revenue Analysis report (District of Columbia Special Purpose Revenue Funds Report) describes in some detail the Special Purpose Revenue funds listed in Table 4-17. It is available on the Office of the Chief Financial Officer web site in the "Economy and Revenue" section:

(http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/ora/final_spr_fund_report_april_1_2010.pdf).

Table 4-17

Special Purpose (0-Type) Revenue Funds, by Source: June 2012 Certifications

	FY 2011		FY 2012		FY 2012		FY 2012		FY 2013		FY 2013		FY 2014		FY 2015		FY 2016		
	End of	Certified	Certified	Certified															
Year Fund	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	Revenues	Balance Use	
Balance	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	6/12 Cert.	
A. Governmental Direction and Support																			
Board of Ethics and Government Accountability (AG0)																			
0602	Lobbyist Fund	0	0	0	0	0	50,000	10,077	60,077	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Department of General Services (AM0)																			
1150	Utilities Payment for Non-DC Agencies	0	6,506,000	111,745	6,617,745	6,579,547	0	0	6,579,547	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
1440	RFK & DC Armory Maintenance Fund	0	4,356,000	0	4,356,000	4,356,000	0	0	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000	4,356,000
1460	Eastern Market Enterprise Fund	0	850,000	111,745	961,745	923,547	0	0	923,547	1,023,546	1,023,546	1,023,546	1,023,546	1,023,546	1,023,546	1,023,546	1,023,546	1,023,546	1,023,546
Office of Finance and Resource Management (AS0)																			
1150	Utilities Payment for Non-DC Agencies	0	226,038	0	226,038	293,542	0	0	293,542	293,542	293,542	293,542	293,542	293,542	293,542	293,542	293,542	293,542	293,542
Office of the Chief Financial Officer (AT0)																			
0602	Payroll Service Fees	0	21,194,879	0	21,194,879	25,241,996	0	0	25,241,996	335,750	335,750	335,750	335,750	335,750	335,750	335,750	335,750	335,750	335,750
0603	Service Contracts	0	1,203,000	0	1,203,000	1,302,210	0	0	1,302,210	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000
0605	Dishonored Check Fees	0	242,000	0	242,000	250,206	0	0	250,206	250,206	250,206	250,206	250,206	250,206	250,206	250,206	250,206	250,206	250,206
0606	Recorder of Deeds Surcharge	0	1,350,000	0	1,350,000	1,400,000	0	0	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
0607	Miscellaneous Revenue	0	10,000	0	10,000	10,000	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
0608	Drug Pre Trust	0	10,000	0	10,000	10,000	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
0610	Bank Fees	0	2,354,750	0	2,354,750	4,000,000	0	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
0611	Tax Collection Fees	0	12,600,000	0	12,600,000	12,600,000	0	0	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
0613	Unclaimed Property Contingency Fund	0	1,184,529	0	1,184,529	3,551,061	0	0	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061	3,551,061
0614	Defined Contribution Plan Administration	0	550,807	0	550,807	420,207	0	0	420,207	420,207	420,207	420,207	420,207	420,207	420,207	420,207	420,207	420,207	420,207
0619	DC Lottery Reimbursement	0	1,246,799	0	1,246,799	1,250,833	0	0	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833	1,250,833
0626	Tobacco Fund Reimbursement	0	107,994	0	107,994	111,729	0	0	111,729	114,330	114,330	114,330	114,330	114,330	114,330	114,330	114,330	114,330	114,330
Office of the Secretary (BA0)																			
1243	Distribution Fees	0	900,000	0	900,000	1,000,000	0	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
D.C. Department of Human Resources (BE0)																			
0615	Defined Benefits Retirement Program	0	276,791	0	276,791	277,688	0	0	277,688	169,090	169,090	169,090	169,090	169,090	169,090	169,090	169,090	169,090	169,090
1555	Reimbursables from Other Governments	0	108,247	0	108,247	108,598	0	0	108,598	113,451	113,451	113,451	113,451	113,451	113,451	113,451	113,451	113,451	113,451

(Continued on next page)

Table 4-17 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: June 2012 Certifications

	FY 2011		FY 2012		FY 2012		FY 2013		FY 2013		FY 2014		FY 2015		FY 2016	
	End of Year Fund Balance	Certified Revenues 6/12 Cert.	Certified Fund Balance Use 6/12 Cert.	Certified Resources 6/12 Cert.	Certified Revenues 6/12 Cert.	Certified Fund Balance Use 6/12 Cert.	Certified Resources 6/12 Cert.	Certified Revenues 6/12 Cert.	Certified Fund Balance Use 6/12 Cert.	Certified Resources 6/12 Cert.	Certified Revenues 6/12 Cert.					
B. Economic Development and Regulation (continued)																
Dept. of Insurance, Securities, and Banking (SR0)	4,345,556	32,933,713	738,546	33,672,259	34,882,597	100,000	34,982,597	35,149,664	35,315,868	35,495,175						
0615 Junior Supersavers Club	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 HMO Assessment	0	859,554	118,965	978,519	1,023,075	100,000	1,123,075	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000
2200 Insurance Assessment	0	7,682,125	619,581	8,301,706	8,000,000	0	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
2350 Securities and Banking Fund	0	6,556,900	0	6,556,900	7,878,368	0	7,878,368	7,878,368	7,878,368	7,878,368	7,878,368	7,878,368	7,878,368	7,878,368	7,878,368	7,878,368
2500 Investment Advisors Licenses	0	375,000	0	375,000	375,000	0	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
2600 Securities Registration Fees	0	11,000,000	0	11,000,000	11,000,000	0	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
2800 Captive Insurance	0	2,014,578	0	2,014,578	2,155,598	0	2,155,598	2,306,490	2,467,944	2,640,701	2,640,701	2,640,701	2,640,701	2,640,701	2,640,701	2,640,701
2910 Foreclosure Mediation Fund	0	100,000	0	100,000	105,000	0	105,000	110,250	115,000	121,550	121,550	121,550	121,550	121,550	121,550	121,550
2950 Capital Access Fund	4,345,556	4,345,556	0	4,345,556	4,345,556	0	4,345,556	4,345,556	4,345,556	4,345,556	4,345,556	4,345,556	4,345,556	4,345,556	4,345,556	4,345,556
Office of Motion Picture and Television Dev. (TK0)	0	85,000	0	85,000	85,000	0	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
0610 Production Support	0	85,000	0	85,000	85,000	0	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Sub-total: Economic Development and Regulation	46,948,573	149,195,116	3,069,590	152,264,706	158,729,098	3,498,686	162,227,784	152,365,708	147,126,912	152,711,219						
C. Public Safety and Justice																
Metropolitan Police Department (FA0)	0	9,570,000	0	9,570,000	9,570,000	0	9,570,000	9,570,000	9,570,000	9,570,000	9,570,000	9,570,000	9,570,000	9,570,000	9,570,000	9,570,000
1555 Reimbursable from Other Governments	0	2,500,000	0	2,500,000	2,500,000	0	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
1614 Miscellaneous	0	6,400,000	0	6,400,000	6,400,000	0	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000
7278 Asset Forfeiture	0	670,000	0	670,000	670,000	0	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000	670,000
Fire and Emergency Medical Services Dept. (FB0)	0	1,520,000	0	1,520,000	1,525,000	0	1,525,000	1,525,000	1,525,000	1,525,000	1,525,000	1,525,000	1,525,000	1,525,000	1,525,000	1,525,000
1613 Other Revenue	0	20,000	0	20,000	25,000	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
6100 Special Events	0	1,500,000	0	1,500,000	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Department of Corrections (FL0)	0	20,796,790	0	20,796,790	22,140,851	0	22,140,851	22,140,851	22,140,851	22,140,851	22,140,851	22,140,851	22,140,851	22,140,851	22,140,851	22,140,851
0600 Corrections Trustee Reimbursement	0	19,246,790	0	19,246,790	20,505,851	0	20,505,851	20,505,851	20,505,851	20,505,851	20,505,851	20,505,851	20,505,851	20,505,851	20,505,851	20,505,851
0601 Concession Income	0	1,500,000	0	1,500,000	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
0602 Welfare Account	0	50,000	0	50,000	135,000	0	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
0605 Corrections Reimbursement - Juveniles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Table 4-17 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: June 2012 Certifications

	FY 2011 End of Year Fund Balance	FY 2012 Certified Revenues 6/12 Cert.	FY 2012 Certified Fund Balance Use 6/12 Cert.	FY 2012 Certified Resources 6/12 Cert.	FY 2013 Certified Revenues 6/12 Cert.	FY 2013 Certified Fund Balance Use 6/12 Cert.	FY 2013 Certified Resources 6/12 Cert.	FY 2014 Certified Revenues 6/12 Cert.	FY 2015 Certified Revenues 6/12 Cert.	FY 2016 Certified Revenues 6/12 Cert.
C. Public Safety and Justice (continued)										
Office of the Deputy Mayor for Public Safety and Justice (FOO)										
0620	4,724,269	1,231,290	2,190,352	3,421,642	850,000	2,190,352	3,040,352	850,000	850,000	850,000
	1,768,504	1,231,290	775,698	2,006,988	850,000	775,698	1,625,698	850,000	850,000	850,000
0621	2,955,766	0	1,414,654	1,414,654	0	1,414,654	1,414,654	0	0	0
Office of Unified Communications (UCO)	12,143,092	13,000,000	0	13,000,000	13,000,000	3,825,757	16,825,757	13,000,000	13,000,000	13,000,000
1630	11,779,425	12,500,000	0	12,500,000	12,500,000	3,325,757	15,825,757	12,500,000	12,500,000	12,500,000
1631	363,667	500,000	0	500,000	500,000	500,000	1,000,000	500,000	500,000	500,000
Sub-total: Public Safety and Justice	16,867,361	46,118,080	2,190,352	48,308,432	47,085,851	6,016,109	53,101,960	47,085,851	47,085,851	47,085,851
D. Public Education System										
District of Columbia Public Library (CEO)										
0104	14,272	370,000	0	370,000	520,000	0	520,000	520,000	520,000	520,000
	5,863	0	0	0	0	0	0	0	0	0
0140	7,318	0	0	0	0	0	0	0	0	0
6108	0	120,000	0	120,000	120,000	0	120,000	120,000	120,000	120,000
6150	1,091	250,000	0	250,000	400,000	0	400,000	400,000	400,000	400,000
District of Columbia Public Schools (GAO)	8,249,091	11,691,703	0	11,691,703	11,925,537	0	11,925,537	12,164,008	12,407,208	12,654,802
0602	944,168	963,051	0	963,051	982,312	0	982,312	1,001,958	1,021,998	1,042,037
0604	0	69,237	0	69,237	70,622	0	70,622	72,034	73,475	74,915
0607	0	290,710	0	290,710	296,524	0	296,524	302,455	308,504	314,674
0608	0	695,007	0	695,007	708,907	0	708,907	723,085	737,547	752,297
0609	0	239,744	0	239,744	244,539	0	244,539	249,430	254,419	259,507
0611	0	433,582	0	433,582	442,254	0	442,254	451,099	460,121	469,323
0613	0	52,816	0	52,816	53,872	0	53,872	54,950	56,049	57,170
0621	0	100,000	0	100,000	102,000	0	102,000	104,000	106,000	108,000
0633	0	504,555	0	504,555	514,646	0	514,646	524,939	535,438	546,147
0634	7,304,923	8,343,000	0	8,343,000	8,509,860	0	8,509,860	8,680,058	8,853,659	9,030,732
Public Charter School Board (GBO)	0	2,415,000	0	2,415,000	2,465,000	0	2,465,000	2,515,000	2,565,000	2,650,000
6632	0	2,415,000	0	2,415,000	2,465,000	0	2,465,000	2,515,000	2,565,000	2,650,000

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Table 4-17 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: June 2012 Certifications

	FY 2011 End of Year Fund Balance	FY 2012 Certified Revenues 6/12 Cert.	FY 2012 Certified Fund Balance Use 6/12 Cert.	FY 2012 Certified Resources 6/12 Cert.	FY 2013 Certified Revenues 6/12 Cert.	FY 2013 Certified Fund Balance Use 6/12 Cert.	FY 2013 Certified Resources 6/12 Cert.	FY 2014 Certified Revenues 6/12 Cert.	FY 2015 Certified Revenues 6/12 Cert.	FY 2016 Certified Revenues 6/12 Cert.
D. Public Education System (continued)										
Office of the State Superintendent of Education (GDO)	0	158,627	5,651,166	5,809,793	158,877	5,651,166	5,810,043	158,877	158,877	158,877
0603 State Superintendent of Education Fees	0	135,877	0	135,877	135,877	0	135,877	135,877	135,877	135,877
0610 Charter School Credit Enhancement Fund	0	0	5,651,166	5,651,166	0	5,651,166	5,651,166	0	0	0
6007 Site Evaluation	0	22,750	0	22,750	23,000	0	23,000	23,000	23,000	23,000
Sub-total: Public Education System	8,263,363	14,635,330	5,651,166	20,286,496	15,069,414	5,651,166	20,720,580	15,357,885	15,651,085	15,983,679
E. Human Support Services										
Department of Parks and Recreation (HA0)	0	1,400,000	0	1,400,000	1,800,000	0	1,800,000	1,825,000	1,861,500	1,898,730
0602 Enterprise Fund Account	0	1,400,000	0	1,400,000	1,800,000	0	1,800,000	1,825,000	1,861,500	1,898,730
Department of Health (HCO)	438,320	8,042,542	23,037	8,065,579	11,543,693	0	11,543,693	11,755,737	11,990,252	12,229,455
0605 SHPDA Fees	342,244	300,000	0	300,000	479,035	0	479,035	492,660	502,513	512,563
0632 Pharmacy Protection	0	932,500	0	932,500	1,697,207	0	1,697,207	1,727,812	1,762,368	1,797,615
0633 Radiation Protection	0	100,000	0	100,000	114,623	0	114,623	116,663	118,996	121,376
0643 Board of Medicine	0	6,094,736	0	6,094,736	8,722,000	0	8,722,000	8,879,014	9,056,595	9,237,726
0655 SHPDA Admission Fee	150	507,363	0	507,363	441,308	0	441,308	448,878	457,855	467,012
0656 EMS Fees	0	47,943	0	47,943	59,520	0	59,520	60,710	61,925	63,163
0661 ICF/MR Fees and Fines	23,037	60,000	23,037	83,037	30,000	0	30,000	30,000	30,000	30,000
0662 Civic Monetary Penalties	72,889	0	0	0	0	0	0	0	0	0
Department of Health Care Finance (HT0)	0	3,622,933	0	3,622,933	4,441,494	0	4,441,494	4,441,494	4,441,494	4,441,494
0631 Medicaid Collections - 3rd Party Liability	0	2,098,933	0	2,098,933	2,583,103	0	2,583,103	2,583,103	2,583,103	2,583,103
0632 Bill of Rights - Grievance and Appeals	0	524,000	0	524,000	525,058	0	525,058	525,058	525,058	525,058
0633 Medicaid Recovery Audit Contractor	0	1,000,000	0	1,000,000	1,333,333	0	1,333,333	1,333,333	1,333,333	1,333,333
Department of Human Services (JAO)	590,920	1,075,000	590,920	1,665,920	1,075,000	0	1,075,000	1,075,000	1,075,000	1,075,000
0603 SSI Payback	590,920	875,000	590,920	1,465,920	875,000	0	875,000	875,000	875,000	875,000
0613 Food Stamps Collection - Fraud	0	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000
Department on Disabilities Services (JMO)	1,499,712	6,900,000	0	6,900,000	6,900,000	0	6,900,000	6,900,000	6,900,000	6,900,000
0610 Vocational Rehab. Service Reimbursement	0	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000
0611 Cost of Care - Non-Medicaid Clients	0	3,200,000	0	3,200,000	3,200,000	0	3,200,000	3,200,000	3,200,000	3,200,000
0616 Randolph Shepherd	1,499,712	3,500,000	0	3,500,000	3,500,000	0	3,500,000	3,500,000	3,500,000	3,500,000
Child and Family Services Agency (RLO)	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000	1,200,000	1,200,000
0601 H.U.M.N. - Human Res. - ES	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000	1,200,000	1,200,000

(Continued on next page)

Summary of Major Taxes in the District of Columbia, Fiscal Year 2012

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2011 REVENUE (\$ in thousands)
REAL PROPERTY TAX	<p>All real property, unless expressly exempted, is subject to the real property tax and is assessed at 100% of market value.</p> <p>The District of Columbia has four property classes:</p> <p>Class 1 – improved residential real property that is occupied and is used exclusively for non-transient residential dwelling purposes Class 2 – commercial property Class 3 – vacant real property Class 4 – blighted real property</p> <p>DC Code Citation: Title 47, Chapters 7-10, 13, 13A</p>	<p>Class 1 = \$0.85 per \$100 of assessed value</p> <p>Note: For Class 1 owner-occupied residential real property, the first \$67,500 of assessed value is exempt from tax.</p> <p>Class 2 = \$1.65 per \$100 for the first \$3 million of assessed value; \$1.85 per \$100 for assessed value more than \$3 million</p> <p>Class 3 = \$5.00 per \$100 of assessed value</p> <p>Class 4 = \$10.00 per \$100 of assessed value</p>	<p>\$1,684,509</p> <p>Amount is net of \$30,560 Tax Increment Financing (TIF) transfer.</p>
PERSONAL PROPERTY TAX	<p>Tax on all tangible property, except inventories, used or available for use in a trade or business. Such property includes machinery, equipment, furniture, and fixtures.</p> <p>DC Code Citation: Title 47, Chapter 15.</p>	<p>\$3.40 per \$100 of assessed value</p> <p>Note: The first \$225,000 of taxable value is excluded from tax.</p> <p>Note: Prior to FY 2012 a portion was dedicated to the Neighborhood Investment Fund (NIF).</p>	<p>\$49,604</p> <p>Amount is net of \$3,092 NIF transfer.</p>
SALES AND USE TAX	<p>Tax on all tangible personal property and certain selected services sold or rented to businesses or individuals at retail in the District.</p> <p>Groceries, prescription and non-prescription drugs, and residential utility services are among those items exempt from the sales tax.</p> <p>The use tax is imposed at the same rate as the sales tax on purchases made outside the District and then brought into the District to be used, stored or consumed, providing that the purchaser has not paid the sales tax on the purchases to another jurisdiction.</p> <p>DC Code Citation: Title 47, Chapters 20 and 22.</p> <p>Note: Tobacco products other than cigarettes means: (a) Any cigar or roll for smoking, other than a cigarette or premium cigar, made in whole or in part of tobacco; or (b) Any other tobacco or product made primarily from tobacco, other than a cigarette, premium cigar, or pipe tobacco that is intended for consumption by smoking, by chewing, or as snuff.</p>	<p>A four-tier rate structure is presently in effect:</p> <p>6.0% – General rate for tangible personal property and selected services</p> <p>10% – Alcoholic beverages sold for off-the-premises consumption</p> <p>10% – Food or drink prepared for immediate consumption, alcoholic beverages sold for consumption on the premises, rental vehicles, prepaid telephone calling cards, merchandise sold at the baseball stadium, tickets sold for events at the Verizon Center, and merchandise sold at the Verizon Center.</p> <p>14.5% – Hotels (transient accommodations)</p> <p>18% – Parking motor vehicles in commercial lots and tobacco products other than cigarettes</p> <p>Note: The following portions of the sales tax go to the Convention Center Fund: 1% from restaurant meals and 4.45% from transient accommodations.</p> <p>Note: The 18% parking in commercial lots tax is dedicated to WMATA</p> <p>Note: Stadium-related sales tax revenue is dedicated to the Ballpark Revenue Fund.</p>	<p>\$830,805</p> <p>Amount is net of transfers to: the Convention Center (\$97,996), the Tax Increment Financing (TIF) Fund (\$45,379), DDOT (\$31,209), the Ballpark Revenue Fund (\$9,512)</p>

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2011 REVENUE (\$ in thousands)
ALCOHOLIC BEVERAGE TAX	Tax on alcoholic beverages manufactured by a holder of a manufacturer's license and beverages brought into DC by the holder of a wholesaler's license. DC Code Citation: Title 25, Chapter 9	Beer = \$2.79 per 31-gallon barrel Champagne/sparkling wine = \$0.45 per gallon Distilled Spirits = \$1.50 per gallon Light wine (alcohol content 14% or less) = \$0.30 per gallon Heavy wine (alcohol content above 14%) = \$0.40 per gallon	\$5,630
CIGARETTE TAX	Tax on the sale or possession of cigarettes in the District. Cigarettes sold to the military and to the federal government are exempt. DC Code Citation: Title 47, Chapter 24.	\$0.125 per cigarette (\$2.50 per pack of 20 cigarettes and little cigars that weigh no more than 4.5 pounds per thousand). \$0.36 per pack surtax in lieu of retail sales tax. \$0.30 per ounce on moist snuff (finely cut, ground, or powdered tobacco that is not intended to be smoked).	\$34,405
MOTOR VEHICLE EXCISE TAX	Tax on the Issuance of every original and subsequent certificate of title on motor vehicles and trailers. DC Code Citation: Title 50, Chapter 22.	Based on manufacturer's shipping weight: 6% of fair market value — 3,499 lbs or less 7% of fair market value — 3,500 to 4,999 lbs 8% of fair market value — more than 5,000 lbs.	\$42,564
INDIVIDUAL INCOME TAX	Tax on the taxable income of an individual who is domiciled in the District at any time during the tax year, or who maintains an abode in the District for 183 or more days during the year. DC Code Citation: Title 47, Chapter 18.	First \$10,000 = 4.0% \$10,000 < \$40,000 = \$400 + 6.0% of excess above \$10,000 \$40,000 < \$350,000 = \$2,200 + 8.5% of excess above \$40,000 More than \$350,000 = \$28,550 + 8.95% of excess above \$350,000 Note: Excludes Social Security income and maximum \$3,000 exclusion on military retired pay, pension income, or annuity income from DC or federal government.	\$1,296,598
CORPORATE FRANCHISE TAX	Tax on the net income of corporations having nexus in the District. All corporations engaging in a trade, business or profession in the District of Columbia must register. DC Code Citation: Title 47, Chapter 18.	9.975% of taxable income (9.5% base rate plus a 5% surtax on the base rate) \$250 minimum tax if gross receipts are \$1 million or less; \$1,000 minimum tax if gross receipts are over \$1 million	\$216,280
UNINCORPORATED BUSINESS FRANCHISE TAX	Tax on the net income of unincorporated businesses with gross receipts more than \$12,000. A 30% salary allowance for owners and a \$5,000 exemption are deductible from net income to arrive at taxable income. A business is exempt if more than 80% of gross income is derived from personal services rendered by the members of the entity and capital is not a material income-producing factor. A trade, business or professional organization that by law, customs or ethics cannot be incorporated is exempt. DC Code Citation: Title 47, Chapter 18.	9.975% of taxable income (9.5% base rate plus a 5% surtax on the base rate) \$250 minimum tax if gross receipts are \$1 million or less; \$1,000 minimum tax if gross receipts are over \$1 million	\$143,404

PART A – GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2011 REVENUE (\$ in thousands)
PUBLIC UTILITY TAX	Tax on local television, radio and telephone companies; heating oil utilities; natural gas utilities; and electric distribution utilities. <i>D.C. Code Citation: Title 47, Chapter 25.</i>	Television, radio and telephone companies: 10% of gross charges – residential 11% of gross charges – nonresidential Heating oil utilities: \$0.17 per gallon – residential \$0.187 per gallon – nonresidential Natural gas utilities: \$0.0707 per therm – residential \$0.07777 per therm – nonresidential Electric distribution utilities: \$0.0070 per kilowatt hour – residential \$0.0077 per kilowatt hour – nonresidential Note: The additional surcharges on nonresidential customers are dedicated to the Ballpark Revenue Fund.	\$140,848 Amount is net of \$8,897 Ballpark Revenue Fund transfer.
TOLL TELECOMMUNICATIONS TAX	Tax on gross receipts of companies providing toll telecommunication service in the District, including wireless telecommunication providers. <i>D.C. Code Citation: Title 47, Chapter 39.</i>	10% of gross charges – residential 11% of gross charges – nonresidential Note: 1% of nonresidential telecommunications tax revenue is dedicated to the Ballpark Revenue Fund.	\$58,447 Amount is net of \$2,373 Ballpark Revenue Fund transfer.
INSURANCE PREMIUMS TAX	Tax on gross insurance premiums received on risks in the District, less premiums received for reinsurance assumed, returned premiums and dividends paid to policy-holders. The tax is in lieu of all other taxes except real estate taxes and fees provided for by the District's insurance law. <i>D.C. Code Citation: Title 47, Chapter 26.</i>	2.0% on policy and membership fees and net premium receipts; except 2.0% on companies that issue accident and loss of health insurance (as of 10/1/08) and on HMOs (as of 1/1/09). Note: Currently dedicated to the Healthy DC Fund is the 2.0% premium tax on health insurers and 75% of the 2.0% premium tax from HMOs.	\$44,637 Amount is net of \$25,101 Healthy DC Fund Transfer.
ESTATE TAX	Tax levied on the estate of every decedent dying while a resident of the District, and on the estate of every nonresident decedent owning property having a taxable status in the District at the time of his or her death. <i>DC Code Citation: Title 47, Chapter 37.</i>	Tax due is determined by using the DC estate tax computation worksheet after computing the exempted amounts.	\$87,230
DEED RECORDATION TAX	Tax on the recording of all deeds to real estate in the District. The basis of the tax is the value of consideration given for the property. Where there is no consideration or where the consideration is nominal, the tax is imposed on the basis of the fair market value of the property. <i>D.C. Code Citation: Title 42, Chapter 11.</i>	1.45% of consideration or fair market value Note: For residential properties under \$400,000, the rate is 1.1% of consideration or fair market value. Note: 15% of the deed recordation tax is dedicated to the Housing Production Trust Fund.	\$139,886 Amount is net of transfers to: the Housing Production Trust Fund (\$24,686).

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2011 REVENUE (\$ in thousands)
DEED TRANSFER TAX	<p>Tax on each transfer of real property at the time the deed is submitted for recordation. The tax is based upon the consideration paid for the transfer. Where there is no consideration or where the amount is nominal, the basis of the transfer tax is the fair market value of the property conveyed.</p> <p>D.C. Code Citation: Title 47, Chapter 9.</p>	<p>1.45% of consideration or fair market value</p> <p>Note: For residential properties under \$400,000, the rate is 1.1% of consideration or fair market value.</p> <p>Note: 15% of the deed transfer tax is dedicated to the Housing Production Trust Fund.</p>	<p>\$116,019</p> <p>Amount is net of transfers to: the Housing Production Trust Fund (\$15,691).</p>
ECONOMIC INTEREST TAX	<p>This tax is triggered by either one of the following two elements:</p> <p>(1) 80% of the assets of a corporation consist of real property located in the District of Columbia; or</p> <p>(2) More than 50% of the controlling interest of the corporation is being transferred.</p> <p>The consideration is not always equal to the assessed value of the property. The consideration is what is paid for the interest being transferred. If there is no tangible consideration, then the tax basis will be the assessed value of the property owned by the corporation.</p> <p>DC Code Citation: Title 42, Chapter 11.</p>	<p>2.9% of consideration or fair market value</p>	<p>\$14,905</p>

PART B—OTHER SELECTED REVENUE SOURCES

TAX	DESCRIPTION	RATE	FY 2011 REVENUE (\$ in thousands)
PUBLIC SPACE RENTAL	Tax on the commercial use of publicly owned property between the property line and the street. D.C. Code Citation: Title 10, Chapter 11.	Various rates exist for the following: Vault, Sidewalk (enclosed and unenclosed), Sidewalk Surface, and Fuel Oil Tank Note: Prior to FY 2012, all revenue from this tax was dedicated to the DC Department of Transportation (DDOT). For FY 2012 and FY 2013, all revenue will go to the Local Fund. After FY 2013, part of Public Space Rental revenue will go to the DDOT Enterprise Fund.	\$0 Amount is net of \$32,980 DDOT transfer.
HEALTHCARE PROVIDER ASSESSMENT	Assessment on the net resident revenue of each nursing facility in the District. D.C. Code Citation: Title 47, Chapter 12C.	A uniform amount per licensed bed (as specified by rules issued by the Mayor) is assessed up to 6% of a nursing facility's net resident revenue. Note: All revenue from this assessment is dedicated to the Nursing Facility Quality of Care Fund.	\$0 Amount is net of \$13,439 Nursing Facility Quality of Care Fund transfer.
BALLPARK FEE	A fee on annual District gross receipts. It is levied on District businesses with over \$5 million in gross receipts. D.C. Code Citation: Title 47, Chapter 27B.	Ballpark Fee Schedule: District gross receipts \$5 million - \$8 million = \$5,500 District gross receipts \$8 million - \$12 million = \$10,800 District gross receipts \$12 million - \$16 million = \$14,000 District gross receipts over \$16 million = \$16,500 Note: All revenue from this fee is dedicated to the Ballpark Revenue Fund.	\$0 Amount is net of \$33,311 Ballpark Revenue Fund transfer.
MOTOR VEHICLE FUEL TAX	The tax is imposed on every importer of motor fuels, including gasoline, diesel fuel, benzol, benzene, naphtha, kerosene, heating oils, all liquefied petroleum gases, and all combustible gases and liquids suitable for the generation of power for motor vehicles. DC Code Citation: Title 47, Chapter 23	\$0.235 per gallon Note: All revenue from this tax is dedicated to the Highway Trust Fund.	\$0 Amount is net of \$30,001 Highway Trust Fund transfer.
HOSPITAL BED TAX	An assessment on hospitals operating in the District. DC Code Citation: Title 44, Chapter 6A	\$3,788 per licensed bed for FYs 2012-2014 Note: All revenue from this tax is dedicated to the Hospital Fund.	\$0 Amount is net of \$9,008 transfer to Hospital Fund.
ICF-MR ASSESSMENT	The tax is assessed on the gross revenue of each intermediate care facility for the mentally retarded (ICF-MR) in the District. DC Code Citation: Title 47, Chapter 12D	5.5% of gross revenue Note: All revenue from this tax is dedicated to the Stevie Sellows Quality Improvement Fund.	\$0 Amount is net of \$1,254 transfer to Stevie Sellows.
HMSC CONTRIBUTION	Hospital and medical services corporations (HMSCs) are allowed to make a \$5 million annual payment in lieu of community reinvestment. DC Code Citation: Title 31, Chapter 35	\$5 million annual payment Note: All revenue from this tax is dedicated to the Healthy DC and Health Care Expansion Fund.	\$0 Amount is net of \$5,000 transfer to Healthy DC Fund.

Source of General Fund Revenue Amounts: Government of the District of Columbia Comprehensive Annual Financial Report, Year Ended September 30, 2011

Tax Expenditure Budget

FY 2012 - FY 2015

D.C. Law 13-161, the “Tax Expenditure Budget Review Act of 2000,”¹ requires the Chief Financial Officer to prepare a biennial tax expenditure budget that estimates the revenue loss to the District government resulting from tax expenditures during the current fiscal year and the next two fiscal years. The law defines “tax expenditures” as “the revenue losses attributable to provisions of federal law and the laws of the District of Columbia that allow, in whole or in part, a special exclusion, exemption, or deduction from taxes ... or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.”²

This report, which estimates the revenue forgone due to tax expenditures in fiscal years 2012 through 2015,³ covers more than 200 separate tax provisions.

The Importance of Tax Expenditures

Tax expenditures are often described as “spending by another name,” or “disguised spending.” Policymakers use tax abatements, credits, deductions, deferrals, and exclusions to promote a wide range of policy goals in education, human services, public safety, economic development, environmental protection, and other areas. Instead of pursuing these objectives through direct spending, policymakers use tax reductions to favor particular activities (such as hiring new employees) or transfer resources to particular groups (such as the blind or elderly).

For example, a program to expand access to higher education could offer tax deductions for college savings instead of increasing student loans or grants. Regardless of which approach the government uses, there is a real resource cost in terms of forgone revenue or direct expenditures.

Tax expenditures are frequently used as a policy tool in the District of Columbia. More than 100 tax expenditures result from federal tax provisions that are mirrored in the D.C. income tax. These are known as “federal conformity tax expenditures.” An example is the home mortgage interest deduction: the District follows the federal practice of allowing taxpayers to deduct home mortgage interest payments from their individual income tax liability. In addition, there are more than 100 tax preferences established by local law. Both types of tax expenditures (federal conformity and local) warrant regular scrutiny to make sure they are effective, efficient, and equitable, and to highlight the tradeoffs between tax expenditures and other programs.

Since the previous tax expenditure budget was published in 2010, policymakers have established four new local tax expenditures. These are (1) the job growth tax credit for corporations and unincorporated businesses, (2) real property tax abatements for non-profit organizations located in designated neighborhoods, (3) real property tax abatements for high-technology commercial real estate database and service providers, and (4) a transfer tax exemption for bona-fide gifts of real property to the District of Columbia.

Tax expenditures differ from direct expenditures in several respects. Direct spending programs in the District receive an annual appropriation and the proposed funding levels are reviewed during the annual budget cycle. By contrast, tax expenditures remain in place unless policymakers act to modify or repeal them; in this respect, they are similar to entitlement programs. Direct spending programs are itemized on the expenditure side of the budget, whereas revenues are shown in the budget as aggregate figures without an itemization of tax expenditures.

¹ D.C. Law 13-161 took effect on October 4, 2000, and is codified in § 47-318 and § 47-318.01 of the D.C. Official Code.

² See D.C. Official Code § 47-318(6).

³ Although the law requires the tax expenditure budget to estimate the revenue loss for the current fiscal year and the subsequent two fiscal years, this report covers the current year and the subsequent three fiscal years in order to be consistent with the District’s four-year financial plan and budget.

The tax expenditure budget aims to subject tax preferences to the same scrutiny as direct appropriations. The itemization of tax expenditures provides policymakers with a more complete picture of how the government uses its resources and should help officials consider ways to reallocate resources more effectively. For example, if ineffective or outmoded tax expenditures were eliminated, policymakers could free up resources to expand high-priority direct spending programs or cut tax rates. This exercise is designed to provide policymakers with the information they need about tax expenditures to make sound fiscal policy decisions.

Structure of the Tax Expenditure Budget

The tax expenditure budget for FY 2012 – FY 2015 is presented in Table 4-19 at the end of this section. The table classifies each tax expenditure according to the type of tax and provides the statutory authority, year of enactment, policy area, and estimated revenue loss for fiscal years 2012 through 2015. In addition, an expanded version of the tax expenditure budget which describes the purpose, structure, and eligibility criteria for each provision is available from the Office of Revenue Analysis (ORA) and will be posted on the CFO's Internet site at www.cfo.dc.gov.

All of the federal conformity expenditures flow through to the District's individual and business income taxes; the federal government does not impose property taxes or sales taxes. By conforming to the federal definition of adjusted gross income (with several exceptions), the District thereby adopts most of the exclusions and deductions from income that are part of the federal personal and corporate income tax systems. Most other states with an income tax follow a similar practice.

The provisions in the tax expenditure budget are classified by one of the following types:

- exclusions, which are items that are not considered part of a taxpayer's gross income for tax purposes, even though they increase his or her resources or wealth. Exclusions do not appear on the tax form but still cause adjusted gross income to be lower than it otherwise would be. Employer contributions to health and retirement plans are examples.
- exemptions, which are per-person reductions in taxable income that taxpayers can claim because of their status or circumstances (such as being a senior citizen).
- adjustments, which are reductions in taxable income that are available to all tax filers who meet certain criteria, regardless of whether or not they itemize their deductions. Adjustments are also known as "above-the-line" deductions and are shown on the tax form.
- deductions, which are reductions to taxable income that must be itemized on the tax form. This option is not available to those who choose the standard deduction.
- subtractions, which are reductions from federal adjusted gross income that are used to derive District of Columbia adjusted gross income. Subtractions reflect income that is taxed by the federal government but not by the D.C. government.
- credits, which reduce tax liability directly instead of reducing the amount of income subject to taxation. Credits can be refundable (if the amount of the credit exceeds tax liability, the taxpayer gets the difference as a direct refund) or non-refundable (the amount of the credit cannot exceed tax liability).
- abatements, which are reductions in tax liability (typically real property tax liability) that are often applied on a percentage basis or through a negotiated process.
- deferrals, which delay the recognition of income to a future year or years. Because they shift the timing of tax payments, deferrals function like interest-free loans to the taxpayer.
- rebates, which are refunds provided to qualifying taxpayers as a separate payment (as contrasted with tax credits that are first applied as a reduction of tax liability).
- special rules, which is a category used for federal tax expenditures that involve blended tax rates or special accounting procedures and do not fit neatly into any other category.

Each tax expenditure was also classified by one of 17 policy or program areas, such as education, health, social policy, and transportation. The policy areas largely mirror the categories used by the Joint Committee on Taxation (JCT) of the U.S. Congress, in order to facilitate comparisons. Nevertheless, the categories were modified and expanded in several cases to make them more relevant to the District of Columbia. For example, the “business and commerce” category used by the JCT was changed to “economic development” to reflect a policy focus of particular importance in the District, and a “public safety” category was added (there are no public safety tax expenditures at the federal level).

The four policy areas with the largest number of federal conformity provisions are economic development (27 tax expenditures), income security (15), education (12), and health (11). Many federal tax expenditures that are classified under economic development concern the definition or timing of different types of business income, expenses, reserves, and depreciation.

The four policy areas with the largest number of local tax expenditures are housing (26 tax expenditures), economic development (24), and social policy (14), and income security (12).

Important Caveats

A particular caution about the interpretation of the revenue loss estimates in the tax expenditure budget deserves emphasis. The forgone revenue estimate is intended to measure what is being “spent” through the tax system, or the amount of relief or subsidy provided through that provision. Nevertheless, the forgone revenue is not identical to the amount of revenue that could be gained by repealing the tax expenditure.

There are three main reasons why:

- First, the estimates of revenue loss are “static” and therefore do not reflect behavioral changes that might occur if a tax expenditure were repealed. For example, if the District eliminated the local supplement to the federal earned income tax credit, people might reduce their hours of work and their income tax payments could also drop.
- Second, the revenue loss for each tax expenditure is estimated independently, which does not account for interaction effects among different tax provisions. For example, D.C. law establishes that taxpayers may not claim both the local supplement to the earned income tax credit and the D.C. low-income credit. If the local earned income credit were abolished, more taxpayers might then claim the low-income credit.
- Third, the D.C. government might not be able to collect the full amount owed for administrative reasons. For example, if the District disallowed for local income tax purposes an exemption or exclusion that is allowed on the federal income tax (a process known as “decoupling”), the District would probably not recoup all of the forgone revenue. The reason is that taxpayers would have to make a separate calculation on their District income taxes to add back the dollars that had been excluded, and compliance with this requirement would not be universal (nor would audits detect all violations).

Because of the factors described above, the total forgone revenue from tax expenditures is not equivalent to the sum of the individual estimates of forgone revenue. The U.S. Government Accountability Office states that:

“While sufficiently reliable as a gauge of general magnitude, the sum of the individual revenue loss estimates has important limitations in that any interactions between tax expenditures will not be reflected in the sum . . . Thus, the revenue loss from all or several tax expenditures together might be greater or less than the sum of the estimated revenue losses from the individual tax expenditures, and no measure of the size or the magnitude of these potential interactions or behavioral responses to all or several tax expenditures is available.”⁴

⁴ U.S. Government Accountability Office, Government Performance and Accountability: Tax Expenditures Represent a Substantial Federal Commitment and Need to Be Reexamined (GAO-05-960, September 2005), p. 3.

Methodology

Summary statistics from the D.C. tax returns were an important source of data for the tax expenditure budget and were particularly useful for estimating forgone revenue from local income tax provisions. Unfortunately, in many instances tax expenditures cannot be estimated from available tax data because they involve income, property, or economic activity that is not taxed, and the relevant information is never reported to the Office of Tax and Revenue (OTR). Therefore, ORA often used data from federal sources (such as the Census Bureau and the Bureau of Economic Analysis) and D.C. government agencies to estimate the number of beneficiaries and the revenue lost from certain tax expenditures.

OTR generally lacks information on federal income tax expenditures because the amounts excluded and deducted are simply transferred to the local tax forms instead of being reported directly. Therefore, for the sake of consistency, ORA's federal conformity estimates represent a District of Columbia portion of the nationwide tax expenditure estimates prepared by the JCT.⁵ ORA estimated the D.C. portion by multiplying two fractions: (1) a ratio representing D.C. share of the relevant activity or population, such as D.C. taxable income divided by national taxable income, and (2) a ratio representing the D.C. average tax rate divided by the U.S. average tax rate.

Because of the methodological challenges and data issues, it is important to view the revenue estimates as indicating orders of magnitude rather than providing precise point estimates.

The following is a summary of key terms that are used in the summary table:

- too small: refers to a federal tax expenditure with forgone revenue that was less than \$50 million annually, according to the JCT. The revenue loss to the District from conforming to the federal policy would be very close to zero.
- sunset: means that there will be no revenue loss because the provision has expired.
- minimal: refers to a local tax expenditure for which precise data are lacking, but the forgone revenue is estimated to be less than \$50,000 per year.
- no estimate: refers to a local tax expenditure for which precise data are lacking, but for which the revenue loss might not be minimal. In addition, "no estimate" refers to cases in which calculations cannot be made because there are fewer than three claimants. In order to protect the confidentiality of individual tax records, U.S. Internal Revenue Service rules provide that, "No statistical tabulations may be released with cells containing data from fewer than three returns."

⁵ In some cases, ORA used tax expenditure estimates from the U.S. Department of the Treasury when data from the Joint Committee on Taxation were not available.

Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015

Federal Conformity Estimates

(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
Federal Exclusions									
1	Capital gains on assets transferred at death	Economic development	1921	1001, 1002, 1014, 1015, 1023, 1040, 1221, and 1222	\$39,936	\$46,694	\$53,555	\$62,660	
2	Cash accounting, other than agriculture	Economic development	1916	446 and 448	\$1,028	\$1,028	\$1,121	\$1,172	
3	Credit union income	Economic development	1937	501(c)(14) and 12 USC 1768	\$324	\$324	\$454	\$544	
4	Distribution from redemption of stock to pay taxes imposed at death	Economic development	1950	303	\$280	\$374	\$374	\$436	
5	Gain on like-kind exchanges	Economic development	1921	1031	\$2,525	\$2,924	\$3,221	\$3,666	
6	Imputed interest	Economic development	1964	163(e), 483, 1274, and 1274A	\$402	\$482	\$482	\$530	
7	Interest on small-issue qualified private-activity bonds	Economic development	1968	103, 141, 144, and 146	\$286	\$286	\$286	\$286	
8	Magazine, paperback, and record returns	Economic development	1978	458	too small	too small	too small	too small	
9	Discharge of certain student loan debt	Education	1984	108(f), 20 USC 1087ee(a)(5) and 42 USC 2541-1(g)(3)	\$127	\$127	\$127	\$127	
10	Earnings of Coverdell education savings accounts	Education	1998	530	\$127	\$127	\$253	\$380	
11	Earnings of qualified tuition programs	Education	1997	529	\$760	\$887	\$1,014	\$1,186	
12	Employer-provided education assistance	Education	1978	127	\$769	\$769	sunset	sunset	
13	Employer-provided tuition reduction	Education	1984	117(d)	\$171	\$171	\$171	\$171	
14	Interest on education savings bonds	Education	1988	135	\$25	\$25	\$25	\$25	
15	Interest on state and local private-activity bonds issued to finance education facilities	Education	1986	103, 141, 142(k), 145, 146, and 501(c)(3)	\$3,130	\$3,416	\$3,527	\$3,750	
16	Interest on state and local private-activity student loan bonds	Education	1965	103, 141, 144(b), and 146	\$508	\$573	\$573	\$637	
17	Scholarship and fellowship income	Education	1954	117	\$3,041	\$3,168	\$3,421	\$3,635	
18	Cafeteria plan benefits	Employment	1974	125	\$27,597	\$30,844	\$33,322	\$36,787	
19	Employee awards	Employment	1986	74(c) and 274(j)	\$374	\$374	\$374	\$374	
20	Employee stock ownership plans	Employment	1974	401(a)(28), 404(a)(9), 404(k), 415(c)(6), 1042, 4975(e)(7), 4978, and 4979A	\$1,138	\$1,209	\$1,215	\$1,287	

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Federal Conformity Estimates
(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
Federal Exclusions									
21	Employer-paid meals and lodging (other than military)	Employment	1918	119 and 132(e)(2)	\$940	\$1,025	\$1,025	\$1,071	
22	Housing allowance for ministers	Employment	1921	107 and 265	\$598	\$598	\$598	\$598	
23	Miscellaneous fringe benefits	Employment	1984	117(d) and 132	\$6,835	\$7,006	\$7,262	\$7,488	
24	Spread of acquisition of stock under incentive stock option plans and employee stock purchase plans	Employment	1981	422 and 423	-\$498	-\$533	-\$533	-\$546	
25	Voluntary employees' beneficiary associations	Employment	1928	419, 419A, 501(a), 501(c)(9), and 4976	\$3,588	\$3,759	\$3,930	\$4,119	
26	Interest on state and local private-activity bonds issued to support energy facilities	Energy	1980	103, 141, 142(f), and 146	\$28	\$28	\$28	\$39	
27	Accrued interest on savings bonds	General fiscal assistance	1951	454(c)	\$1,124	\$1,205	\$1,205	\$1,248	
28	Allocation of interest expenses attributable to tax-exempt bond interest by financial institutions	General fiscal assistance	2009	141, 265(a), 265(b), and 291(e)	\$194	\$194	\$194	\$194	
29	Interest on public-purpose state and local bonds	General fiscal assistance	1913	103, 141, and 146	\$26,816	\$28,260	\$28,351	\$28,726	
30	Employer contributions for medical insurance premiums and medical care	Health	1918	105, 106, and 125	\$109,363	\$125,939	\$137,558	\$155,303	
31	Interest on state and local private-activity bonds issued to support non-profit hospital construction	Health	1913	103, 141, 145(b), 145(c), 146, and 501(c)(3)	\$2,161	\$2,336	\$2,447	\$2,609	
32	Medical care and TriCare medical insurance for military dependents, retirees, retiree dependents, and veterans	Health	1986	112 and 134	\$2,376	\$2,587	\$2,746	\$2,960	
33	Medicare Part A -- hospital insurance benefits	Health	1970	N.A./administrative	\$19,644	\$20,684	\$21,833	\$23,056	
34	Medicare Part B -- supplementary medical benefits	Health	1970	N.A./administrative	\$13,352	\$14,884	\$15,869	\$17,360	

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015

Federal Conformity Estimates

(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
Federal Exclusions									
35	Medicare Part D - prescription drug benefits	Health	2003	N.A./administrative	\$3,666	\$4,213	\$4,761	\$5,470	
36	Subsidy payments to employers maintaining prescription drug benefits for retirees eligible for Medicare	Health	2003	42 USC 1395w-132	\$324	\$194	sunset	sunset	
37	Capital gain on sale of principal residence	Housing	1997	121	\$17,920	\$18,637	\$19,456	\$20,293	
38	Income from discharge of principal residence acquisition indebtedness	Housing	1954	108	\$467	too small	sunset	sunset	
39	Interest on state and local private-activity bonds issued to finance housing	Housing	1980	103, 141, 142, 143, and 146	\$2,050	\$2,226	\$2,336	\$2,499	
40	Compensatory damages for physical injury or sickness	Income security	1918	104(a)(2) - 104(a)(5)	\$1,495	\$1,495	\$1,495	\$1,495	
41	Disaster mitigation payments	Income security	2005	139	too small	too small	too small	too small	
42	Employer contributions for premiums on accident and disability insurance	Income security	1954	105 and 106	\$3,076	\$3,161	\$3,247	\$3,338	
43	Employer contributions for premiums on group-term life insurance	Income security	1920	79	\$1,452	\$1,538	\$1,623	\$1,719	
44	Employer pension contributions and earnings plans	Income security	1921	401-407, 410-418E, and 457	\$90,652	\$106,715	\$105,006	\$113,301	
45	Income of trusts to finance supplemental unemployment benefits	Income security	1960	501(17)(A)	\$34	\$43	\$51	\$60	
46	Investment income on life insurance and annuity contracts	Income security	1913	72, 101, 7702, and 7702A	\$28,616	\$29,333	\$30,115	\$30,914	
47	Public assistance cash benefits	Income security	1933	N.A./administrative	\$4,604	\$5,127	\$5,232	\$5,588	
48	Roth IRA earnings and distributions	Income security	1997	219 and 408	\$4,285	\$4,821	\$5,625	\$6,502	
49	Social Security and Railroad Retirement benefits	Income security	1938	86	\$14,400	\$14,960	\$15,880	\$16,690	
50	Survivor annuities paid to families of public safety officers	Income security	1997	101(h)	too small	too small	too small	too small	
51	Workers' compensation benefits	Income security	1918	104(a)(1)	\$3,332	\$3,503	\$3,759	\$4,000	

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Federal Conformity Estimates
(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
Federal Exclusions									
52	Active income of controlled foreign corporations	International commerce	1909	11, 882, and 951-964	\$9,137	\$9,655	\$10,238	\$10,853	
53	Allowances for federal employees working abroad	International commerce	1943	912	\$7,661	\$8,086	\$8,512	\$8,989	
54	Income earned abroad by U.S. citizens	International commerce	1926	911	\$6,167	\$6,354	\$6,634	\$6,886	
55	Inventory property sales source rule exception	International commerce	1921	861, 862, 863, and 865	\$4,925	\$5,054	\$5,054	\$5,121	
56	Benefits, allowances, and certain pay for armed forces personnel	National defense	1925	112 and 134	\$3,058	\$3,182	\$3,557	\$3,848	
57	Military disability benefits	National defense	1942	104(a)(4), 104(a)(5) and 104(b)	\$106	\$106	\$106	\$106	
58	Contributions in aid of construction for water and sewer utilities	Natural resources and environment	1996	118(c) and 118(d)	too small	too small	too small	too small	
59	Earnings of certain environmental settlement funds	Natural resources and environment	2005	468B	too small	too small	too small	too small	
60	Energy conservation subsidies provided by public utilities	Natural resources and environment	1992	136	\$202	\$202	\$193	\$193	
61	Interest on state and local private-activity bonds issued to finance water, sewer and hazardous-waste facilities	Natural resources and environment	1968	103, 141, 142, and 146	\$537	\$619	\$680	\$725	
62	Employer-provided dependent care	Social policy	1981	129	\$1,239	\$1,341	\$1,444	\$1,538	
63	Foster care payments	Social policy	1982	131	\$568	\$568	\$568	\$568	
64	Employer-provided parking assistance	Transportation	1984	132(f)	\$3,759	\$3,930	\$4,101	\$4,286	
65	Employer-provided transit assistance	Transportation	1992	132(f)	\$684	\$769	\$769	\$817	
66	Interest on state and local private-activity bonds issued to finance airport, dock and mass commuting facilities	Transportation	1968	103, 141, 142, and 146	\$794	\$969	\$969	\$1,082	
67	Interest on state and local private-activity bonds issued to finance highway projects and rail-truck transfer facilities	Transportation	2005	103, 141, 142(m), and 146	\$238	\$227	\$216	\$198	

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015

Federal Conformity Estimates

(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
Federal Exclusions									
68	G.I. Bill education benefits	Veterans' benefits	1917	38 USC 5301	\$686	\$686	\$739	\$767	
69	Veterans' benefits and services	Veterans' benefits	1917	38 USC 5301	\$2,904	\$3,010	\$3,062	\$3,145	
Federal Adjustments									
70	Classroom expenses of elementary and secondary school educators	Education	2002	62	\$187	sunset	sunset	sunset	sunset
71	Higher education expenses	Education	2001	222	\$634	sunset	sunset	sunset	sunset
72	Interest on student loans	Education	1997	221	\$507	\$634	\$634	\$713	
73	Contributions to health savings accounts	Health	2003	223	\$1,367	\$1,794	\$1,794	\$2,074	
74	Health insurance premiums and long-term care insurance premiums paid by the self-employed	Health	1986	162(l)	\$3,925	\$4,343	\$4,710	\$5,181	
75	Contributions to self-employment retirement plans	Income security	1962	401-407, 410-418E, and 457	\$12,131	\$12,631	\$12,988	\$13,442	
76	Employee contributions to traditional Individual Retirement Accounts	Income security	1974	219 and 408	\$6,125	\$8,538	\$10,022	\$13,210	
77	Overnight travel expenses of National Guard and Reserve members	National defense	2003	62(a)(2)(E) and 162	\$62	\$62	\$62	\$62	

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Federal Conformity Estimates
(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)			
					FY 2012	FY 2013	FY 2014	FY 2015
Federal Deductions								
78	Accelerated depreciation of buildings other than rental housing	Economic development	1954	167 and 168	\$317	\$317	\$317	\$317
79	Accelerated depreciation of equipment	Economic development	1954	167 and 168	\$4,814	\$9,868	\$15,583	\$19,908
80	Small life insurance company taxable income	Economic development	1984	806	\$65	\$65	\$65	\$65
81	Amortization of business start-up costs	Economic development	1980	195	\$1,028	\$934	\$841	\$758
82	Completed contract rules	Economic development	1986	460	\$454	\$454	\$518	\$555
83	Exception from passive loss rules for \$25,000 of rental real estate loss	Economic development	1986	469(i)	\$12,250	\$13,857	\$15,633	\$17,641
84	Expensing of depreciable small business property	Economic development	1958	179	\$2,449	\$1,972	-\$1,252	-\$259
85	Expensing of magazine circulation expenditures	Economic development	1950	173	too small	too small	too small	too small
86	Film and television production costs	Economic development	2004	181	\$22	\$6	sunset	sunset
87	Gain on non-dealer installment sales	Economic development	1986	453 and 453A(b)	\$3,758	\$4,950	\$4,804	\$5,556
88	Life insurance company reserves	Economic development	1984	803(a)(2), 805(a)(2), and 807	\$1,555	\$1,885	\$1,750	\$1,859
89	Loss from sale of small business corporation stock	Economic development	1958	1244	\$56	\$56	\$56	\$56
90	Property and casualty insurance company reserves	Economic development	1986	832(b)	\$259	\$259	\$259	\$259
91	Research and development expenditures	Economic development	1954	174	\$2,954	\$3,851	\$4,564	\$5,834
92	Amortization of certified pollution control facilities	Energy	2005	169(d)(5)	\$130	\$130	\$65	\$49
93	Depreciation recovery periods for specific energy property	Energy	1986	168(e)	\$130	\$130	\$65	\$49
94	Energy-efficient commercial property	Energy	2005	179D	\$158	\$158	\$158	158
95	Blue Cross and Blue Shield companies	Health	1986	833	\$259	\$259	\$324	\$365
96	Medical and dental care expenses	Health	1942	213	\$24,420	\$26,544	\$29,729	\$32,970
97	Accelerated depreciation of rental housing	Housing	1954	167 and 168	\$4,248	\$3,903	\$3,997	\$3,829
98	Mortgage interest on owner-occupied residences	Housing	1913	163(h)	\$87,024	\$91,093	\$98,769	\$105,386

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015

Federal Conformity Estimates

(Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
Federal Deductions (cont.)									
99	State and local property taxes on owner-occupied residences	Housing	1913	164	\$14,586	\$15,191	\$16,017	\$16,801	
100	Casualty and theft losses	Income security	1913	165(c)(3), 165(e), and 165(h) - 165(k)	\$331	\$331	\$331	\$331	
101	Deduction of foreign taxes instead of a credit	International commerce	1913	901	\$194	\$194	\$194	\$194	
102	Financing income of certain controlled foreign corporations	International commerce	1962	953 and 954	\$2,592	sunset	sunset	sunset	
103	Charitable contributions	Social policy	1917/1935	170 and 642(c)	\$54,536	\$57,133	\$59,510	\$62,211	
104	Costs of removing architectural and transportation barriers to the disabled and elderly	Social policy	1976	190	\$93	\$93	\$93	\$93	
Federal Special Rules									
105	60-40 rule for gain or loss from section 1256 contracts	Economic development	1981	1256	\$748	\$748	\$841	\$894	
106	Interest rate and discounting period assumptions for reserves of property and casualty insurance companies	Economic development	1986	831, 832(b), and 846	\$454	\$518	\$454	\$454	
107	Inventory accounting	Economic development	1938	475, 491-492	\$3,505	\$3,700	\$3,923	\$4,157	
108	Ordinary gain or loss treatment for sale or exchange of Fannie Mae and Freddie Mac preferred stock by certain financial institutions	Economic development	2008	PL. 110-343, section 301	\$65	-\$65	-\$65	-\$65	
109	Special alternative tax on small property and casualty insurance companies	Economic development	1954	321(a), 501(c)(15), 832, and 834	\$65	\$65	\$65	\$65	
110	Apportionment of research and development expenses for determining foreign tax credits	International commerce	1977	861-863 and 904	\$259	\$259	\$259	\$259	
111	Interest-charge domestic international sales corporations	International commerce	1986	991-997	\$65	\$65	\$65	\$65	

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Local Tax Expenditure Estimates

D.C. Income Tax (Individual and Corporate Income Taxes)				Revenue Forgone (\$ in thousands)				
No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	FY 2012	FY 2013	FY 2014	FY 2015
Exemptions								
1	Additional personal exemption for the blind	Income security	1987	§ 47-1806.02(d)	\$96	\$103	\$106	\$109
2	Additional personal exemption for the elderly	Income security	1987	§ 47-1806.02(e)	\$4,346	\$4,670	\$4,800	\$4,930
Subtractions from Federal Adjusted Gross Income								
3	Qualified high-technology companies: capital gains	Economic development	2001	§ 47-1803.2(a)(2)(Q)	\$0	\$0	\$0	\$0
4	Qualified high-technology companies: depreciable business assets	Economic development	2001	§ 47-1803.3(a)(18)	no estimate	no estimate	no estimate	no estimate
5	College savings plan contributions	Education	2001	§ 47-4501 - § 47-4512	\$881	\$881	\$881	\$881
6	Public school teacher expenses	Education	2007	§ 47-1803.03(b-2)	\$92	\$92	\$92	\$92
7	Health insurance premiums paid for a same-sex spouse or domestic partner (business income tax)	Health	2006	§ 47-1803.02(a)(2)(W)	\$550	\$577	\$606	\$636
8	Health insurance premiums paid for a same-sex spouse or domestic partner (personal income tax)	Health	1992	§ 47-1803.03(a)(15) and 46-401(b)	\$56	\$55	\$56	\$59
9	Health professional loan repayments	Health	2006	§ 7-751.01 - § 7-751.16	\$58	\$58	\$58	\$58
10	Long-term care insurance premiums	Health	2005	§ 47-1803.03(b-1)	\$186	\$186	\$186	\$186
11	Housing relocation assistance	Housing	2002	§ 42-2851.05	\$0	\$0	\$0	\$0
12	D.C. and federal government pension income	Income security	1987	§ 47-1803.02(a)(2)(N)	\$4,361	\$4,305	\$4,419	\$4,612
13	D.C. and federal government survivor benefits	Income security	1987	§ 47-1803.02(a)(2)(N)	\$3,928	\$3,877	\$3,980	\$4,154
14	Disability payments for the permanently and totally disabled	Income security	1985	§ 47-1803.02(a)(2)(M)	\$72	\$71	\$73	\$76
15	Income of persons with a permanent and total disability	Income security	2005	§ 47-1803.02(a)(2)(V)	\$457	\$451	\$463	\$484
16	Railroad retirement system benefits	Income security	1985	§ 47-1803.02(a)(2)(L)	\$82	\$81	\$83	\$87
17	Social Security benefits for retired workers	Income security	1985	§ 47-1803.02(a)(2)(L)	\$14,763	\$14,574	\$14,959	\$15,613

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015 Local Tax Expenditure Estimates

D.C. Income Tax (Individual and Corporate Income Taxes)				Revenue Forgone (\$ in thousands)				
No.	Name of Tax expenditure Subtractions from Federal Adjusted Gross Income (cont)	Program Area	Year Enacted	Internal Revenue Code Section	FY 2012	FY 2013	FY 2014	FY 2015
18	Social Security benefits for the disabled	Income security	1985	§ 47-1803.02(a)(2)(L)	\$3,614	\$3,567	\$3,662	\$3,822
19	Social Security benefits for dependents and survivors	Income security	1985	§ 47-1803.02(a)(2)(L)	\$2,074	\$2,047	\$2,101	\$2,193
20	Environmental savings account contributions and earnings	Natural resources and environment	2001	§ 8-637.03	minimal	minimal	minimal	minimal
21	Rental assistance to police officers	Public safety	1993	§ 42-2902	minimal	minimal	minimal	minimal
22	Compensatory damages awarded in a discrimination case	Social policy	2002	§ 47-1803.02(a)(2)(U) and § 47-1806.10	\$25	\$25	\$26	\$27
23	Poverty lawyer loan assistance	Social policy	2007	§ 47-1803.02(a)(2)(X)	\$33	\$33	\$33	\$33
Credits								
24	Economic development zone incentives for businesses	Economic development	1988	§ 6-1501, § 6-1502, § 6-1504, and § 47-1807.06	\$0	\$0	\$0	\$0
25	Qualified high-technology companies: corporate income tax reduction	Economic development	2001	§ 47-1817.06	\$5,144	\$5,305	\$5,396	\$5,646
26	Qualified high-technology companies: employee relocation incentives	Economic development	2001	§ 47-1817.02	\$3,470	\$3,578	\$3,640	\$3,809
27	Qualified high-technology companies: employment incentives	Economic development	2001	§ 47-1817.03	included in #26	included in #26	included in #26	included in #26
28	Qualified high-technology companies: incentives to employ disadvantaged workers	Economic development	2001	§ 47-1817.05	included in #26	included in #26	included in #26	included in #26
29	Qualified high-technology companies: incentives to retrain disadvantaged workers	Economic development	2001	§ 47-1817.04	included in #26	included in #26	included in #26	included in #26
30	First-time home purchase for D.C. government employees	Employment	2000	§ 42-2506	\$116	\$116	\$116	\$116
31	Job growth tax credit	Employment	2010	§ 47-1807.09	\$0	\$158	\$399	\$721
32	Paid leave for organ or bone marrow donors	Health	2006	§ 47-1807.08	no estimate	no estimate	no estimate	no estimate
33	Employer-assisted home purchases	Housing	2002	§ 47-1807.07	minimal	minimal	minimal	minimal

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Local Tax Expenditure Estimates

D.C. Income Tax (Individual and Corporate Income Taxes)				Revenue Forgone (\$ in thousands)				
No.	Name of Tax expenditure Credits (cont)	Program Area	Year Enacted	Internal Revenue Code Section	FY 2012	FY 2013	FY 2014	FY 2015
34	Lower-income, long-term homeownership	Housing	2002	§ 47-1806.09 - § 47-1806.09f	\$5	\$5	\$5	\$5
35	Property tax circuit-breaker	Housing	1977	§ 47-1806.06	\$4,041	\$4,041	\$4,041	\$4,041
36	Earned income tax credit	Income security	2000	§ 47-1806.04(f)	\$46,864	\$48,364	\$47,870	\$49,856
37	Low-income credit	Income security	1987	§ 47-1806.04(e)	\$1,437	\$1,437	\$1,437	\$1,437
38	Brownfield revitalization and cleanup and environment	Natural resources	2001	§ 8-637.01	\$0	\$0	\$0	\$0
39	Child and dependent care	Social policy	1977	§ 47-1806.04(c)	\$6,680	\$6,680	\$6,680	\$6,680
REAL PROPERTY TAX								
Abatements								
40	New or improved buildings used by high-technology companies	Economic development	2001	§ 47-811.03	\$0	\$0	\$0	\$0
41	Non-profit organizations locating in designated neighborhoods	Economic development	2010	§ 47-857.11 - § 47-857.16	\$500 maximum	\$500 maximum	\$500 maximum	\$500 maximum
42	Improvements to low-income housing	Housing	2002	§ 47-866	\$0	\$0	\$0	\$0
43	New residential developments	Housing	2002	§ 47-857.01 - § 47-857.10	\$3,331	\$3,331	\$3,157	\$1,491
44	NoMA residential developments	Housing	2009	§ 47-859.01 - § 47-859.05	\$4,263	\$4,689	\$4,689	\$4,689
45	Preservation of section 8 housing in qualified areas	Housing	2002	§ 47-865	\$0	\$0	\$6	\$11
46	Single-room-occupancy housing	Housing	1994	§ 42-3508.06	\$0	\$0	\$0	\$0
47	Vacant rental housing	Housing	1985	§ 42-3508.02	\$0	\$0	\$0	\$0

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015

Local Tax Expenditure Estimates

D.C. Income Tax (Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
REAL PROPERTY TAX									
Exemptions									
48	Development of a qualified supermarket, restaurant, or retail store	Economic development	1988	§ 47-1002(23)	\$1,980	\$2,278	\$2,659	\$3,049	
49	High-technology commercial real estate database and service providers	Economic development	2010	§ 47-4626	\$700	\$700	\$700	\$700	
50	Educational institutions	Education	1942	§ 47-1002(10)	\$102,031	\$102,031	\$102,337	\$102,541	
51	Libraries	Education	1942	§ 47-1002(7)	\$431	\$431	\$432	\$433	
52	Embassies, chanceries, and associated properties of foreign governments	General law	1942	§ 47-1002(3)	\$41,125	\$41,125	\$41,248	\$41,330	
53	Federal government property	General law	1942	§ 47-1002(1)	\$823,442	\$823,442	\$825,912	\$827,559	
54	Miscellaneous exemptions	General law	multiple years	multiple code sections	\$69,063	\$69,063	\$69,270	\$69,408	
55	Hospital buildings	Health	1942	§ 47-1002(9)	\$13,137	\$13,137	\$13,177	\$13,203	
56	Historic property	Housing	1974	§ 47-842 - § 47-844	\$119	\$119	\$120	\$120	
57	Homestead deduction	Housing	1978	§ 47-850	\$54,673	\$61,436	\$62,389	\$64,471	
58	Lower-income homeownership households and cooperative housing associations	Housing	1983	§ 47-3503	\$1,079	\$1,079	\$1,082	\$1,084	
59	Multi-family and single-family rental and cooperative housing for low and moderate-income persons	Housing	1978	§ 47-1002(20)	\$12,949	\$12,949	\$12,988	\$13,013	
60	Nonprofit housing associations	Housing	1983	§ 47-3505	\$7,553	\$7,553	\$7,576	\$7,591	
61	Resident management corporations	Housing	1992	§ 47-1002(24)	\$0	\$0	\$0	\$0	
62	Correctional Treatment Facility	Public safety	1997	§ 47-1002(25)	\$3,495	\$3,495	\$3,505	\$3,512	
63	Art galleries	Social policy	1942	§ 47-1002(6)	\$2,102	\$2,085	\$2,091	\$2,095	
64	Cemeteries	Social policy	1942	§ 47-1002(12)	\$5,548	\$5,548	\$5,565	\$5,576	
65	Charitable organizations	Social policy	1942	§ 47-1002(8)	\$14,272	\$14,272	\$14,315	\$14,343	
66	Churches, synagogues, and mosques	Social policy	1942	§ 47-1002(12)	\$59,481	\$59,481	\$59,660	\$59,779	
67	Washington Metropolitan Area Transit Authority properties	Transportation	1966	§ 9-1107.01	\$9,723	\$9,723	\$9,752	\$9,771	

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Local Tax Expenditure Estimates
 D.C. Income Tax (Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)			
					FY 2012	FY 2013	FY 2014	FY 2015
Credits								
68	First-time homebuyer credit for D.C. government employees	Employment	2000	§ 42-2506	\$291	\$291	\$292	\$292
69	Assessment increase cap	Housing	2001	§ 47-864	\$28,416	\$28,416	\$28,501	\$28,558
70	Credit for senior citizens and persons with disabilities	Housing	1986	§ 47-863	\$14,590	\$14,590	\$14,634	\$14,663
71	Brownfield revitalization and cleanup	Natural resources and environment	2001	§ 8-637.01	\$0	\$0	\$0	\$0
72	Condominium and cooperative trash collection	Natural resources and environment	1990	§ 47-872 and § 47-873	\$5,177	\$5,281	\$5,386	\$5,494
Deferrals, Rebates, and Multiple Categories								
73	Economic development zone incentives for real property owners	Economic development	1988	§ 6-1501 - § 6-1503	\$0	\$0	\$0	\$0
74	Public charter school tax rebate	Education	2005	§ 47-867	\$554	\$554	\$560	\$565
75	Homeowners in enterprise zones	Housing	2002	§ 47-858.01 - § 47-858.05	\$0	\$0	\$0	\$0
76	Low-income homeowners	Housing	2005	§ 47-845.02	\$2,758	\$2,758	\$2,766	\$2,771
77	Low-income, senior-citizen homeowners	Housing	2005	§ 47-845.03	\$827	\$827	\$830	\$831

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015

Local Tax Expenditure Estimates

D.C. Income Tax (Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)			
					FY 2012	FY 2013	FY 2014	FY 2015
DEED RECORDATION AND TRANSFER TAX								
Exemptions								
78	Educational institutions	Education	1962 and 1980	\$ 42-1102(3) and \$ 47-902(3)	\$1,026	\$1,026	\$1,029	\$1,031
79	Bona-fide gifts to the District of Columbia	General law	2011	\$ 47-902(24)	\$0	\$0	\$0	\$0
80	Embassies, chanceries, and associated properties of foreign governments	General law	1962 and 1980	\$ 42-1102(3) and \$ 47-902(3)	\$417	\$417	\$418	\$419
81	Federal government	General law	1962 and 1980	\$ 42-1102(2) and \$ 47-902(2)	\$672	\$672	\$674	\$675
82	Other properties exempt from real property taxation	General law	1962 and 1980	\$ 42-1102(2) and \$ 47-902(2)	\$923	\$923	\$926	\$928
83	Special act of Congress (recording tax only)	General law	1962	\$ 42-1102(4)	\$367	\$367	\$368	\$368
84	Cooperative housing associations	Housing	1983	\$ 42-1102(14), \$ 47-3503(a)(2), \$ 47-3503(a)(3), \$ 47-902(11), and \$ 47-3503(b)(2)	\$355	\$355	\$356	\$356
85	Inclusionary zoning program (transfer tax only)	Housing	2007	\$ 47-902(23)	\$4	\$15	\$31	\$62
86	Lower-income homeownership households	Housing	1983	\$ 42-1102(12), \$ 47-3503(a)(1), \$ 47-3503(a)(3), \$ 47-902(9), and \$ 47-3503(b)(1)	\$142	\$142	\$143	\$143
87	Nonprofit housing associations	Housing	1983	\$ 42-1102(13), \$ 47-3503(c), \$ 47-902(10), and \$ 47-3505(b)	\$213	\$213	\$213	\$214
88	Resident management corporations	Housing	1992	\$ 42-1102(20), \$ 47-3506.01(b)(1), \$ 47-902(15), and \$ 47-3506.01(b)(2)	\$0	\$0	\$0	\$0
89	Charitable entities	Social policy	1962 and 1980	\$ 42-1102(3) and \$ 47-902(3)	\$1,539	\$1,539	\$1,543	\$1,546
90	Churches, synagogues, and mosques	Social policy	1962 and 1980	\$ 42-1102(3) and \$ 47-902(3)	\$256	\$256	\$257	\$258
91	Tax-exempt entities subject to a long-term lease	Tax administration and equity	2003	\$ 42-1102(27) and \$ 47-902(21)	no estimate	no estimate	no estimate	no estimate

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Table 4-19
District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015
Local Tax Expenditure Estimates
D.C. Income Tax (Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)				
					FY 2012	FY 2013	FY 2014	FY 2015	
SALES TAX									
Exemptions									
92	Energy products used in manufacturing	Economic development	1949	§ 47-2005(1)	\$3,705	\$3,551	\$3,551	\$3,551	\$3,551
93	Internet access service	Economic development	1999	§ 47-2001(n)(2)(F)	\$3,326	\$3,326	\$3,326	\$3,326	\$3,326
94	Materials used in development of a qualified supermarket	Economic development	2000	§ 47-2005(28)	\$530	\$528	\$549	\$571	\$571
95	Professional and personal services	Economic development	1949	§ 47-2001(n)(2)(B)	\$250,508	\$255,268	\$261,394	\$283,810	\$283,810
96	Qualified high-technology companies: certain sales	Economic development	2001	§ 47-2001(n)(2)(G)	\$631	\$644	\$657	\$670	\$670
97	Qualified high-technology companies: technology purchases	Economic development	2001	§ 47-2005(31)	\$172	\$175	\$179	\$183	\$183
98	Transportation and communication services	Economic development	1949	§ 47-2001(n)(2)(A)	\$43,231	\$42,341	\$43,485	\$47,214	\$47,214
99	Federal and D.C. governments	General law	1949	§ 47-2005(1)	\$182,625	\$184,451	\$187,771	\$192,278	\$192,278
100	Medicine, drugs, and medical devices	Health	1949	§ 47-2005(14) and (15)	\$9,636	\$9,636	\$9,636	\$9,636	\$9,636
101	Groceries	Social policy	1949	§ 47-2001(n)(2)(E)	\$56,299	\$57,368	\$59,491	\$64,593	\$64,593
102	Materials used in war memorials	Social policy	1957	§ 47-2005(16)	\$0	\$0	\$0	\$0	\$0
103	Non-profit (501(c)(4)) organizations	Social policy	1987	§ 47-2005(22)	\$31,147	\$31,833	\$32,692	\$35,496	\$35,496
104	Semi-public institutions	Social policy	1949	§ 47-2005(3)	\$46,364	\$47,384	\$48,663	\$50,561	\$50,561
105	Miscellaneous	Tax administration and equity	1949	§ 47-2005	no estimate	no estimate	no estimate	no estimate	no estimate
106	Motor fuels	Tax administration and equity	1981	§ 47-2005(20)	\$21,616	\$21,832	\$22,050	\$22,271	\$22,271
107	Public utility companies	Tax administration and equity	1949	§ 47-2005(5)	\$89,847	\$89,847	\$89,847	\$89,847	\$89,847
108	State and local governments	Tax administration and equity	1949	§ 47-2005(2)	minimal	minimal	minimal	minimal	minimal
109	Valet parking services	Tax administration and equity	2002	§ 47-2001(n)(2)(H)	\$390	\$383	\$393	\$413	\$413

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Table 4-19

District of Columbia Tax Expenditure Estimates, for FY 2012 - FY 2015 Local Tax Expenditure Estimates

D.C. Income Tax (Individual and Corporate Income Taxes)

No.	Name of Tax expenditure	Program Area	Year Enacted	Internal Revenue Code Section	Revenue Forgone (\$ in thousands)			
					FY 2012	FY 2013	FY 2014	FY 2015
INSURANCE PREMIUMS TAX								
Credit								
110	Tax credit for certified capital investment by insurance companies	Economic development	2004	§ 31-5233	\$9,200	\$9,200	\$4,000	\$0
PERSONAL PROPERTY TAX								
Exemptions								
111	Digital audio radio satellite companies	Economic development	2000	§ 47-1508(a)(8)	no estimate	no estimate	no estimate	no estimate
112	Qualified high-technology companies	Economic development	2001	§ 47-1508(a)(10)	\$183	\$182	\$182	\$182
113	Qualified supermarkets	Economic development	2000	§ 47-1508(a)(9)	\$304	\$307	\$312	\$316
114	Non-profit organizations	Social policy	1902	§ 47-1508(a)(1)	\$4	\$4	\$4	\$4
115	Motor vehicles and trailers	Transportation	1954	§ 47-1508(a)(3)	\$2,244	\$2,266	\$2,307	\$2,330
116	Public utility and toll telecommunications providers	Tax administration and equity	2001	§ 47-1508(a)(3A)	\$9	\$9	\$9	\$9
117	Wireless telecommunication companies	Tax administration and equity	1998	§ 47-1508(a)(7)	minimal	minimal	minimal	minimal
118	Works of art lent to the National Gallery by non-residents	Tax administration and equity	1950	§ 47-1508(a)(2)	\$0	\$0	\$0	\$0

