

PUBLIC HEARING

ON

**B17-0984, “Neighborhood Supermarket Tax Relief
Clarification Amendment Act of 2008”**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

Councilmember Jack Evans, Chairman

**December 9, 2008, 12:30 p.m.
Council Chamber, John A. Wilson Building,**



**Testimony of
John Ross
Senior Advisor to the Chief Financial Officer
For Economic Development Finance**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairman Evans and members of the Committee on Finance and Revenue. I am John Ross, Senior Advisor to the Chief Financial Officer for Economic Development Finance. I am pleased to testify today on behalf of the CFO on the “Neighborhood Supermarket Tax Relief Clarification Amendment Act of 2008.”

The Supermarket Tax Abatement was enacted in 2000 to provide tax incentives that would encourage supermarkets to locate in underserved areas of the District of Columbia. The Supermarket Tax Exemption Act of 2000 provides a 10-year real property tax exemption to certain qualified supermarkets.

The proposed legislation would amend the D.C. Official Code to provide a real property tax rebate for supermarkets that would otherwise qualify for the existing real property tax exemption under existing law but for the inability of their landlords to fully pass on to them the property tax exemptions. This is because some

lease agreements in multi-use developments prohibit landlords from passing on the tax exemptions provided by the law exclusively to their supermarket tenants.

The proposed legislation would grant rebates directly to those supermarkets that were intended to receive the real property tax exemption. It essentially represents a conforming amendment that will allow the intent of the original legislation to be implemented regardless of whether a supermarket owns or leases the real property in which it operates.

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation.

Thank you for the opportunity to testify. I am happy to answer any questions at this time.