

# **Combined Condominium Real Property Tax Act of 2011**

**Before the Committee on Finance and Revenue**

**The Honorable Jack Evans, Chairman**

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Room 412, John A. Wilson Building**



**Testimony of  
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Good morning Chairman Evans and members of the Committee on Finance and Revenue. I am Bazil Facchina, Assistant General Counsel, for the Office of Tax and Revenue. I am pleased to present testimony on Bill 19-188, the “Combined Condominium Real Property Tax Act of 2011.”

In general, the Bill would amend the present condominium law to allow abutting condominium units under common ownership that are used as a single dwelling unit to be combined into a single lot for assessment and taxation purposes. The combination would be made pursuant to application by the owner, and would take effect for the succeeding real property tax year.

As a general matter, each condominium unit, as described in the condominium plat and declaration, is a separate and distinct entity and lot for purposes of District law. Currently, condominium units may be combined only if the condominium documents permit it. If the documents do not so permit, the documents must be amended before any combination can be made. This is generally quite difficult to accomplish, and so owners of abutting units that have combined them into a single dwelling unit must continue to treat them as 2 units or lots for tax purposes.

When the dwelling unit constitutes the owner’s principal residence, this can limit the availability of the homestead benefit, because this benefit can be applied to only one lot. D.C. Official Code § 47-850(d). Consequently, the taxpayer may not

be able to obtain the benefit of the homestead on the second lot which also constitutes part of the dwelling unit. Normally, a taxpayer whose principal residence covers more than one land lot can fairly easily combine these lots in order to obtain the homestead benefit for all of the property comprising the principal residence, but it is not always as easy for condominium owners to make the same type of combination under the current condominium law.

The Bill would enable residential condominium owners to make a combination in a manner similar to owners of traditional land lots. It should be stressed that any unit combination made pursuant to this Bill would be for assessment and taxation purposes only, and that the original condominium units would continue to exist and be given effect as separate and distinct entities for non-tax purposes.

Thank you, Chairman Evans, for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.