

PUBLIC HEARING
ON
BILL 19-687 “OUT-OF-STATE MUNICIPAL BOND
TAX REPEAL ACT OF 2012”

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

The Honorable Jack Evans, Chairman

February 29, 2012, 10:30 a.m.
John A. Wilson Building, Room 120



Testimony of Stephen M. Cordi
Deputy Chief Financial Officer
Office of Tax and Revenue
Office of the Chief Financial Officer

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

Mr. Chairman and members of the Committee, my name is Stephen Cordi, Deputy Chief Financial Officer for the Office of Tax and Revenue. I am pleased to present testimony today on Bill 19-687, “Out-of-State Municipal Bond Tax Repeal Act of 2012.”

The FY 2012 Budget Support Act of 2011, D.C. Law 19-21, included interest earned on all out-of-state bonds in the computation of District gross income. That provision was included in the Budget Support Act as a revenue enhancement to address the projected FY 2012 budget gap. The tax on municipal bonds purchased before January 1, 2012 was later repealed by emergency legislation. This legislation would repeal last year’s imposition of the District of Columbia income tax on the income from out-of-states bonds of individuals, estates and trusts acquired on and after January 1, 2012. The Office of Tax and Revenue anticipates no problems in implementing its provisions should they become law.

If there are any questions, I will be glad to answer them.