

**PUBLIC HEARING**

**ON**

**BILL 20-81, “Trash Compactor Tax Incentive Act of 2013”**

**Before the**

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

**Councilmember Jack Evans, Chairman**

**October 9, 2013, 10:00AM  
John A. Wilson Building, Room 120**



**Testimony of  
William Bowie  
Senior Counsel for the Office of Tax and Revenue  
Office of the Chief Financial Officer**

**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 William Bowie, Senior Counsel in the Office of General Counsel for the Office of Tax and Revenue (“OTR”) of the District of Columbia (“District”). I am pleased to present testimony today on Bill 20-81, the “Trash Compactor Tax Incentive Act of 2013”.

Under Bill 20-81, a new DC Code section would be created, DC Code § 47-1807.09, titled “Tax credit for trash and compactor purchase”. Under this new section, the following would take place:

1. The amount of tax payable for the purchase of a trash compactor would be reduced by a credit equal to 50% of the cost of the trash compactor to be used by the corporation at a licensed business located in the District;
2. If the amount of the credit allowable under this section exceeds the tax imposed on the purchase that would be due, the amount of any unused credit may be carried forward for up to 5 years; and
3. The corporation purchasing the trash compactor may assign all or part of the credit to a corporation to which the trash compactor is leased

At this time, OTR has several questions about implementation. To answer these questions, I would like to work with your Committee staff to determine whether the credit can be taken by an unincorporated business as well as a corporation, and to determine how the tax credit should be computed and on what tax it will be credited against. Finally, I would like to work with Committee staff to insert definitions for “trash compactor” and “purchase date.”

Thank you, Chairman Evans, for the opportunity to comment on this bill. I would be happy to answer any questions you or other Councilmember's might have at this time.