

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

September 30, 2015

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW – 6th Floor
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW – Suite 504
Washington, DC 20004

Re: September 2015 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies, as of September 2015, revised revenue estimates for the FY 2015 - 2019 District of Columbia Budget and Financial Plan. The September estimate for Local Fund revenues is revised upward by \$112.9 million in FY 2015 to \$6.8447 billion primarily due to one-time gains associated with settlement payments of \$73.6 million from on-line travel companies that have already been allocated in the September Supplemental Budget. In addition to this large payment, local deed recordation and transfer taxes and the estate tax have also been revised upward by \$39.3 million.

District revenues remain strong due to the strength of both the national and local economies. At the national level, real GDP grew at an annual rate of 2.7 percent over the year ending June 2015, job growth continues, and inflation remains low. Locally, job growth remains fairly strong, the population and number of households are increasing, and there has been a modest increase in the number of home sales. Stronger than anticipated revenue collections reflect the strong economy. However, given the possibility of a federal government shutdown, and weakness in the world economy stemming primarily from a slowdown in the Chinese economy and the turmoil it has created in the world's financial markets, there is uncertainty as to whether this strong growth is sustainable going forward. This economic uncertainty was highlighted by Federal Reserve Chairman Yellen in her recent statement at the September Federal Open Market Committee (FOMC) meeting, when they decided to leave interest rates at their historic lows.

Given the heightened uncertainty, the revenue forecast for FY 2016 – FY 2019 remains unchanged from June.

The table below compares the September 2015 revenue estimate to the June 2015 revenue estimate.

September revenue estimate compared to previous estimate

	Actual		Estimate		Projected	
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Local Source, General Fund Revenue Estimate (\$M)						
June 2015 Estimate	6,307.4	6,731.2	6,904.8	7,134.2	7,384.9	7,618.9
June Legislative Changes*		0.6	2.7	3.7	3.7	3.7
September Revision to Estimate		112.9	0.0	0.0	0.0	0.0
September 2015 Revenue Estimate**	6,307.4	6,844.7	6,907.5	7,137.9	7,388.6	7,622.6
<i>Percent change from previous year</i>	1.7%	8.5%	0.9%	3.3%	3.5%	3.2%

* These include primarily the taxation of vapor cigarette products and corporate tax reform related to tax havens

**Does not reflect September policy changes discussed below

Overview

The higher FY 2015 estimate is due in large part to an increase in sales tax revenue of \$73.6 million related to a settlement payment received from on-line travel agencies for taxes owed for hotel bookings. These revenues had not been previously reflected in the revenue estimates as the timing and amount of the settlement remained uncertain. As noted above, the revenues from the settlement have already been incorporated in the recent supplemental budget.

In addition to this one-time payment, local deed transfer and recordation taxes and the estate tax are revised upward by \$26.3 million and \$13.0 million, respectively for FY 2015. Deed transfer and recordation taxes had their strongest year since 2007 due to record sales of large commercial office buildings. Estate tax collections in 2015 ran considerably higher than their long-term average of about \$30.0 million. Both of these revenue sources, such as capital gains tax revenue associated with strong stock market gains, are extremely volatile and large upswings in one year can be followed by sharp declines the following year.

Other Taxes

The forecast for all other taxes remains unchanged. Because of timing of the collection of real property and income taxes, which together account for almost 60 percent of Local Fund revenues, we will not have a final fiscal year tally until December. To date, real property tax collections for the second half billings are on track to meet the year-end estimate. Sales tax collections, excluding the above-mentioned settlement, are also expected to match the strong forecast of 7 percent growth we had anticipated for FY 2015. The forecast for income taxes was

revised significantly upward in June primarily due to increased capital gains. There is no additional change at this time.

Tax Cuts Subject to Triggers

The revenues shown in the table do not include the cost of tax cuts that were legislated by the Council in June contingent on the certification of additional recurring revenues.

As provided in Section 47-181 of the District of Columbia Official Code “(a) If local Fiscal Year 2016 recurring annual revenues included in the quarterly revenue estimate issued in September 2015 exceed the annual revenue estimate incorporated in the approved budget and financial plan for Fiscal Year 2016, the additional revenue shall be used to implement the provisions set forth in the Tax Revision Commission Implementation Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 61 DCR 9990) (“TRC Act”).

Based on the revenue forecasts since February, revenues are sufficient in FY 2016 - FY 2019 to implement the following tax cut provisions according to the priority set forth in the TRC Act. The full priority list is shown in a table accompanying this letter.

September Revenue estimate after tax triggers

Local Source, General Fund Revenue Estimate (\$M)	Actual		Estimate		Projected	
	FY2014	FY 2015	FY2016	FY2017	FY 2018	FY2019
FY 16 Approved Budget <i>(Based on the February revenue estimate and includes June legislative changes)</i>	6,307.4	6,614.6	6,869.8	7,098.7	7,347.7	7,579.9
<i>Additional revenue since February revenue estimate</i>		230.0*	37.7	39.2	40.9	42.7
<i>Triggered tax cuts</i>			(28.7)	(30.0)	(31.5)	(32.6)
September Revenue After Tax Cuts	6,307.4	6,844.7	6,878.8	7,107.9	7,357.1	7,590.0

*FY 15 additional revenues are one-time gains that have been already allocated

Cost of Tax Cut Proposals

Estimated Cost

Listed according to priority set in the TRC Act	FY2016	FY2017	FY2018	FY2019
Reduce the rate on the new individual income tax middle bracket of \$40,000 - \$60,000 from 7.0% to 6.75%	(7.1)	(7.5)	(7.9)	(8.3)

Create a new individual income tax bracket of 350K to 1Million at 8.75%, >\$1Million remains at 8.95%	(4.7)	(5.0)	(5.2)	(5.5)
Reduce unincorporated and incorporated business franchise tax from 9.4% to 9.2%	(9.7)	(10.1)	(10.6)	(10.6)
Reduce the new individual income tax middle bracket of \$40,000 - \$60,000 from 6.75% to 6.5%	(7.1)	(7.5)	(7.9)	(8.3)
TOTAL COST	\$ (28.7)	\$ (30.0)	\$ (31.5)	\$ (32.6)

National and Regional Economies

The fundamentals underlying the national economy continue to be fairly strong. Real GDP grew at an annual rate of 2.7 percent over the year ending June 2015, jobs are increasing and inflation remains low.

- U.S. employment added 3.0 million jobs (2.1%) from July 2014 to July 2015.
- The U.S. unemployment rate (seasonally adjusted) was 5.3 percent in July 2015, the lowest rate in over 7 years.
- U.S. Personal Income in the June 2015 quarter was 4.2 percent above a year ago.
- The S&P stock market index closed down significantly at the end of the 3rd quarter (September 30), and is now 11.5 percent lower than the high point of July 20, 2015.
- Employment in the Washington metropolitan area has picked up significantly in the past several months. In the three-month period ending July 2015, wage and salary jobs in the region grew by 68,533 (2.2%) compared to a year earlier. The District of Columbia accounted for about 18 percent of the increase in area employment. July was the first time in more than two years in which the rate of growth of metropolitan area employment exceeded that of the U.S. as a whole.
- The D.C. metropolitan area unemployment rate was 4.6 percent in July (not seasonally adjusted), down from 5.3 percent a year earlier.
- In August 2015, the consensus of fifty economists contributing to the Blue Chip Economic Indicators continued to forecast steady growth in real GDP. The FY 2015 gain is expected to be 2.4 percent (The same as FY 2014), and 2.6 percent in FY 2016. Nominal growth is expected to be 3.6 percent in FY 2015 and 4.4 percent in FY 2016.

The District's Economy

Highlights of recent trends in the D.C. economy include fairly strong job growth, more population and housing units, and modest increase in the number of home sales.

- In the three months ending July 2015, there were 12,633 (1.7 %) more wage and salary jobs located in the District than a year earlier. Of particular note, there were 1,033 more federal government jobs in July than there were a year earlier. Private sector jobs increased by 11,200 (2.2%).

- District resident employment in the three months ending July 2015 increased by 10,762 (3.1%) compared to a year earlier.
- The July unemployment rate fell slightly to 6.8 percent (seasonally adjusted), a decrease from 7.8 percent a year ago.
- Wages earned in the District of Columbia grew 2.6 percent in the March 2015 quarter, compared to the same quarter a year ago. D.C. Personal Income was 3.6 percent higher.
- Home sales thus far in 2015 have been higher than in 2014. Single family sales for the three-month period ending July 2014 were up 3.9 percent from a year ago, with a 2.3 percent decline in the average selling price. Condominium sales were up 1.6 percent, and the average price was 5.0 percent higher. The value of all home sale settled contracts for the three-month period ending July 2015 was 3.3 percent more than a year ago.
- Leased commercial office space in July 2015 was up 0.5 percent from a year ago, while the vacancy rate fell over the past year from 7.1 percent in the second quarter of 2014 to 6.9 percent in the second quarter of 2015. Average effective rent increases were 3.4 percent higher in the June quarter than a year earlier.
- Hotel room-days sold for the three months ending July 2015 were 3.1 percent above the prior year, and hotel room revenues were up by 9.2 percent.

Outlook

Apart from the possible adverse impact on the District economy of federal fiscal decisions that will be made in the coming months, there has been little change in the outlook for the District's economy since the June revenue estimate. Accordingly, as spelled out in the June estimate, this outlook includes:

- Job growth increases from 0.8 percent in FY 2014 to 1.5 percent in 2015, and 1.1 percent in FY 2016.
- Population growth continues at a slightly slower pace (18,100—2.8 percent—over the two fiscal years 2015 and 2016); resident employment grows by 5.0 percent over the same period.
- DC Personal Income growth increases from 2.5 percent in FY 2014 to 4.4 percent in FY 2015, and 4.6 percent in FY 2016.

Risks and Uncertainties

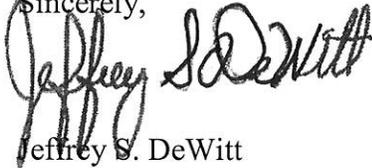
The federal government's fiscal policy uncertainty remains a primary concern. Although it continues to anchor the District's economy, the federal government cannot be counted on to be a source of significant growth over the next several years. This estimate assumes that the negative effects of federal budget constraints are diminishing. The prospect of a federal shutdown occurring at the beginning of the FY 2016 fiscal year, however, underscores the risks to the District's economy of fiscal disruption or additional tightening of federal spending.

Developments outside of the local economy represent other sources of uncertainty and potential downside risk. These include the possibility of slower national economic growth, declines in the

Developments outside of the local economy represent other sources of uncertainty and potential downside risk. These include the possibility of slower national economic growth, declines in the stock market, increases in interest rates, and financial market problems as the Federal Reserve phases out some of its monetary stimulus activities. Possible disruptions arising from uncertainties in Europe, the Middle East, China or elsewhere, and national security events also add to uncertainty.

If you have any questions regarding this matter, please contact me on (202) 727-2476.

Sincerely,



Jeffrey S. DeWitt

Enclosures

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- Rashad Young, City Administrator
- John Falcicchio, Chief of Staff to the Mayor
- Matthew Brown, Deputy Chief of Staff and Budget Director
- Kathy Patterson, District of Columbia Auditor
- Jennifer Budoff, Budget Director, Council of the District of Columbia

**Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2010 through
FY 2019**

Fiscal Years	2010 act	2011 act	2012 act	2013 act	2014 act	2015 est	2016 est	2017 est	2018 est	2019 est
Gross State Product (\$ billion)	105.05	110.02	111.81	112.67	115.01	118.66	123.96	130.38	136.16	142.43
	3.3%	4.7%	1.6%	0.8%	2.1%	3.2%	4.5%	5.2%	4.4%	4.6%
Real Gross State Product (billions \$2005)	103.54	106.22	106.27	105.43	105.47	107.01	109.50	112.57	114.87	117.41
	1.5%	2.6%	0.0%	-0.8%	0.0%	1.5%	2.3%	2.8%	2.0%	2.2%
Personal Income (\$ billion)	41.31	45.04	47.46	48.69	49.92	52.13	54.52	57.57	60.70	63.73
	2.7%	9.0%	5.4%	2.6%	2.5%	4.4%	4.6%	5.6%	5.4%	5.0%
Real Personal Income (billions \$2005)	40.77	43.53	44.93	45.48	46.03	47.90	49.52	51.28	52.99	54.51
	1.0%	6.8%	3.2%	1.2%	1.2%	4.1%	3.4%	3.6%	3.3%	2.9%
Per Capita Income (\$)	68,433	72,818	74,954	75,253	75,909	78,133	80,663	84,231	87,993	91,637
	0.5%	6.4%	2.9%	0.4%	0.9%	2.9%	3.2%	4.4%	4.5%	4.1%
Real Per Capita Income (\$2005)	67,534	70,370	70,957	70,295	69,987	71,799	73,264	75,034	76,818	78,390
	-1.1%	4.2%	0.8%	-0.9%	-0.4%	2.6%	2.0%	2.4%	2.4%	2.0%
Wages earned in D.C. (\$ billion)	57.24	59.53	60.62	62.05	63.42	65.83	68.75	71.98	75.30	78.87
	4.2%	4.0%	1.8%	2.4%	2.2%	3.8%	4.4%	4.7%	4.6%	4.7%
Wages earned by D.C. residents (\$ billion)	22.0	23.4	24.6	25.4	26.0	27.4	28.9	30.4	31.9	33.6
	6.1%	6.6%	5.0%	3.4%	2.3%	5.4%	5.3%	5.3%	5.0%	5.1%
Population ('000)	603.6	618.5	633.2	647.1	657.7	667.1	675.8	683.4	689.9	695.4
	2.2%	2.5%	2.4%	2.2%	1.6%	1.4%	1.3%	1.1%	0.9%	0.8%
Households ('000)	266.6	274.6	278.4	283.6	287.2	290.9	294.6	297.7	300.5	302.9
	1.7%	3.0%	1.4%	1.9%	1.3%	1.3%	1.3%	1.1%	0.9%	0.8%
Civilian Labor Force ('000)	344.4	349.7	359.3	373.6	374.3	383.8	389.4	394.4	398.8	402.9
	3.2%	1.5%	2.8%	4.0%	0.2%	2.5%	1.5%	1.3%	1.1%	1.0%
At-Place Employment ('000)	709.2	723.4	731.0	745.5	751.5	762.8	771.2	779.6	785.9	791.8
	1.1%	2.0%	1.0%	2.0%	0.8%	1.5%	1.1%	1.1%	0.8%	0.7%
Resident Employment ('000)	311.5	314.7	325.8	341.4	344.8	355.2	362.2	368.2	372.6	376.4
	2.2%	1.0%	3.5%	4.8%	1.0%	3.0%	2.0%	1.6%	1.2%	1.0%
Unemployment Rate	9.6	10.0	9.3	8.6	7.9	7.5	7.0	6.7	6.6	6.6
Housing Starts	1,305	1,921	3,453	3,583	4,476	2,672	2,598	2,630	2,611	2,465
Housing Stock ('000)	296.7	298.4	302.7	308.6	312.8	316.1	319.5	323.0	326.1	329.4
	0.5%	0.6%	1.4%	1.9%	1.4%	1.1%	1.1%	1.1%	1.0%	1.0%
Home sales	6,968	6,269	6,347	7,466	7,616	7,844	8,001	8,065	8,126	8,183
	19.1%	-10.0%	1.2%	17.6%	2.0%	3.0%	2.0%	0.8%	0.8%	0.7%
Average home sale price ('000)	538.4	601.0	630.1	712.8	736.4	770.6	807.9	856.4	905.1	951.0
	-9.9%	11.6%	4.8%	13.1%	3.3%	4.6%	4.8%	6.0%	5.7%	5.1%
Change in S & P 500 Index of Common Stock*	10.6%	1.8%	15.7%	24.8%	13.6%	6.0%	3.6%	2.2%	4.2%	4.6%
Interest rate on 10-year Treasury notes (%)	3.4	3.0	1.9	2.1	2.7	2.1	2.9	3.6	4.1	4.0
Washington Area Consumer Prices: % change from prior year	2.4	2.5	1.8	1.3	1.9	0.4	1.8	2.3	2.4	2.5

* Change in S and 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 2014 is the % change from CY 2013.4 to CY 2014.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Global Insight (May 2015) and Moody's Analytics (Economy.com) (May 2015); forecasts of the national economy prepared by the Congressional Budget Office (January 2015) and Blue Chip Economic Indicators (May 2015); BLS labor market information from April 2015, the Census Bureau estimates of the D.C. population (2014); Bureau of Economic Analysis estimates of D.C. Personal Income (December 2014); Metropolitan Regional Information System (MRIS) D.C. home sales data (April 2015), 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. (March 2015); Cushman and Wakefield information of commercial office buildings in DC (March 2015); and Reis information on apartment buildings in D.C. (March 2015).

FY 2014 - FY 2019 Revenue Actuals, Estimates and Projections: September 2015
(thousands of dollars)

Revenue Source	Actual	Preliminary	Estimate		Out year projections	
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Real Property	2,015,561	2,201,996	2,318,855	2,380,422	2,465,472	2,545,880
<i>Transfer to TIF/Pilot</i>	(30,135)	(49,639)	(46,394)	(39,619)	(40,966)	(42,359)
Real Property (net)	1,985,426	2,152,357	2,272,461	2,340,803	2,424,506	2,503,521
Personal Property	55,413	55,967	56,527	57,092	57,663	58,226
Public Space Rental	33,697	33,863	34,030	34,100	34,100	34,100
<i>Transfer to DDOT Enterprise</i>	(500)	(500)	(500)	(500)	(500)	(500)
Public Space Rental (net)	33,197	33,363	33,530	33,600	33,600	33,600
Total Property (net)	2,074,036	2,241,687	2,362,518	2,431,495	2,515,769	2,595,347
General Sales *	1,172,059	1,330,706	1,304,705	1,359,471	1,413,570	1,466,307
<i>Transfer to convention center</i>	(105,451)	(115,396)	(116,939)	(121,867)	(126,734)	(129,899)
<i>Transfer to TIF</i>	(21,239)	(31,823)	(29,603)	(28,095)	(30,734)	(31,895)
<i>Transfer to Ballpark Fund</i>	(16,319)	(17,050)	(17,900)	(18,509)	(19,212)	(19,788)
<i>Transfer to Healthy DC Fund</i>	(106)	(106)	(214)	(427)	(854)	(854)
<i>Transfer to WMATA</i>	(65,350)	(66,004)	(66,664)	(66,670)	(66,670)	(66,670)
<i>Transfer to Healthy Schools</i>	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)
<i>Transfer to ABRA</i>	(1,170)	(1,170)	(1,170)	(1,170)	(1,170)	(1,170)
General Sales (net)	958,158	1,094,891	1,067,949	1,118,467	1,163,930	1,211,765
Alcohol	6,234	6,529	6,801	7,132	7,459	7,778
Cigarette	33,205	32,973	33,124	32,971	32,835	32,718
Motor Vehicle	47,578	49,243	50,474	51,989	53,548	55,155
Motor Fuel Tax	22,961	22,731	22,504	22,279	22,056	21,836
<i>Transfer to Highway Trust Fund</i>	(22,961)	(22,731)	(22,504)	(22,279)	(22,056)	(21,836)
Total Sales (net)	1,045,175	1,183,636	1,158,348	1,210,559	1,257,772	1,307,416
Individual Income	1,679,173	1,830,105	1,864,316	1,947,935	2,026,276	2,116,377
Corp. Franchise	280,186	308,692	297,458	313,028	329,873	329,820
U. B. Franchise	135,395	151,640	145,614	150,580	156,654	156,696
Total Income	2,094,754	2,290,438	2,307,388	2,411,543	2,512,803	2,602,893
Public Utility	145,673	147,023	154,239	159,637	164,905	170,567
<i>Transfer to Ballpark Fund</i>	(8,603)	(9,305)	(9,631)	(9,968)	(10,297)	(10,650)
Public Utility (net)	137,070	137,718	144,608	149,669	154,608	159,917
Toll Telecommunications	52,520	52,520	52,520	52,520	52,520	52,520
<i>Transfer to Ballpark Fund</i>	(2,173)	(2,162)	(2,232)	(2,311)	(2,387)	(2,467)
Toll Telecommunications (net)	50,347	50,358	50,288	50,209	50,133	50,053
Insurance Premiums	97,192	95,822	95,576	91,014	92,764	94,548
<i>Transfer to Healthy DC Fund</i>	(34,695)	(33,458)	(34,128)	(34,810)	(35,506)	(36,217)
Insurance Premiums (net)	62,497	62,364	61,448	56,204	57,258	58,331
Healthcare Provider Tax	13,774	15,117	15,117	15,117	15,117	15,117
<i>Transfer to Nursing Facility Quality of Care Fund</i>	(13,774)	(15,117)	(15,117)	(15,117)	(15,117)	(15,117)
Healthcare Exchange Assessment	-	28,751	29,614	30,502	31,417	32,360
<i>Transfer to Health Exchange Authority</i>	-	(28,751)	(29,614)	(30,502)	(31,417)	(32,360)
Ballpark fee	34,133	31,800	31,800	32,754	33,737	34,749
<i>Transfer to Ballpark Fund</i>	(34,133)	(31,800)	(31,800)	(32,754)	(33,737)	(34,749)
Hospital Bed Tax & Provider Fee	31,935	-	-	-	-	-
<i>Transfer to Hospital Fund</i>	(31,935)	-	-	-	-	-
ICF-MR Assessment	4,938	5,519	5,519	5,519	5,519	5,519
<i>Transfer to Stevie Sellows</i>	(4,938)	(5,519)	(5,519)	(5,519)	(5,519)	(5,519)
Care First Contribution	5,000	-	-	-	-	-
<i>Transfer to Healthy DC Fund</i>	(5,000)	-	-	-	-	-
Total Gross Receipts (net)	249,914	250,440	256,344	256,082	261,999	268,301
Estate	32,123	45,123	32,123	32,123	32,123	32,123
Deed Recordation	208,180	\$ 232,237	222,973	227,095	234,370	242,347
<i>Transfer to HPTF/ bond repayment</i>	(31,227)	\$ (34,836)	(33,484)	(34,102)	(35,193)	(36,390)
Deed Recordation (net)	176,953	\$ 197,401	189,742	193,246	199,430	206,210
Deed Transfer	151,880	\$ 181,840	161,129	165,963	170,942	176,070
<i>Transfer to HPTF/ bond repayment</i>	(22,782)	\$ (27,276)	(24,169)	(24,894)	(25,641)	(26,411)
Deed Transfer (net)	129,098	\$ 154,564	136,960	141,069	145,301	149,659
Co-op Recordation	5,201	\$ 3,926	5,789	5,800	5,800	5,800
Economic Interests	25,970	\$ 20,000	11,000	10,000	10,000	10,000
Total Other Taxes (net)	369,345	421,014	375,614	382,238	392,654	403,792
TOTAL TAXES NET OF DEDICATED TAXES	5,833,224	6,387,214	6,460,213	6,691,917	6,940,997	7,177,750
Licenses & Permits	79,210	78,772	77,667	79,593	80,427	81,016
Fines & Forfeits	136,794	127,910	136,316	130,053	127,627	125,227
Charges for Services	77,984	77,238	75,429	78,072	76,216	78,861
Miscellaneous	125,220	118,547	95,375	95,221	99,355	95,320
TOTAL NON-TAX	419,208	402,467	384,787	382,939	383,625	380,424
Lottery	54,967	54,967	62,500	63,000	64,000	64,500
TOTAL REVENUE NET OF DEDICATED TAXES	6,307,399	6,844,648	6,907,500	7,137,856	7,388,622	7,622,674

FY 2014 - FY 2019 Revenue Actuals, Estimates and Projections: September 2015
(percent change from prior year)

Revenue Source	Actual	Preliminary	Estimate		Out year projections	
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Real Property	5.3%	9.2%	5.3%	2.7%	3.6%	3.3%
<i>Transfer to TIF/Pilot</i>	7.7%	64.7%	-6.5%	-14.6%	3.4%	3.4%
Real Property (net)	5.2%	8.4%	5.6%	3.0%	3.6%	3.3%
Personal Property	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Public Space Rental	1.0%	0.5%	0.5%	0.2%	0.0%	0.0%
<i>Transfer to DDOT Unified</i>						
Public Space Rental (net)	-0.5%	0.5%	0.5%	0.2%	0.0%	0.0%
Total Property (net)	5.0%	8.1%	5.4%	2.9%	3.5%	3.2%
General Sales	3.0%	13.5%	-2.0%	4.2%	4.0%	3.7%
<i>Transfer to convention center</i>	1.3%	9.4%	1.3%	4.2%	4.0%	2.5%
<i>Transfer to TIF</i>	-43.4%	49.8%	-7.0%	-5.1%	9.4%	3.8%
<i>Transfer to Ballpark Fund</i>	5.9%	4.5%	5.0%	3.4%	3.8%	3.0%
<i>Transfer to Healthy DC Fund</i>		0.0%	101.9%	99.5%	100.0%	0.0%
<i>Transfer to WMATA</i>	4.9%	1.0%	1.0%	0.0%	0.0%	0.0%
<i>Transfer to Healthy Schools</i>	-5.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to ABRA</i>	154.3%	0.0%	0.0%	0.0%	0.0%	0.0%
General Sales (net)	4.9%	14.3%	-2.5%	4.7%	4.1%	4.1%
Alcohol	4.9%	4.7%	4.2%	4.9%	4.6%	4.3%
Cigarette	-2.3%	-0.7%	0.5%	-0.5%	-0.4%	-0.4%
Motor Vehicle	2.1%	3.5%	2.5%	3.0%	3.0%	3.0%
Motor Fuel Tax	2.5%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
<i>Transfer to Highway Trust Fund</i>	2.5%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
Total Sales (net)	4.5%	13.2%	-2.1%	4.5%	3.9%	3.9%
Individual Income	2.3%	9.0%	1.9%	4.5%	4.0%	4.4%
Corp. Franchise	-6.3%	10.2%	-3.6%	5.2%	5.4%	0.0%
U. B. Franchise	-12.3%	12.0%	-4.0%	3.4%	4.0%	0.0%
Total Income	0.0%	9.3%	0.7%	4.5%	4.2%	3.6%
Public Utility	2.3%	0.9%	4.9%	3.5%	3.3%	3.4%
<i>Transfer to Ballpark Fund</i>	-0.6%	8.2%	3.5%	3.5%	3.3%	3.4%
Public Utility (net)	2.4%	0.5%	5.0%	3.5%	3.3%	3.4%
Toll Telecommunications	-7.5%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	-2.7%	-0.5%	3.2%	3.5%	3.3%	3.4%
Toll Telecommunications (net)	-7.7%	0.0%	-0.1%	-0.2%	-0.2%	-0.2%
Insurance Premiums	25.3%	-1.4%	-0.3%	-4.8%	1.9%	1.9%
<i>Transfer to Healthy DC Fund</i>	35.4%	-3.6%	2.0%	2.0%	2.0%	2.0%
Insurance Premiums (net)	20.4%	-0.2%	-1.5%	-8.5%	1.9%	1.9%
Healthcare Provider Tax	-8.9%	9.8%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Nursing Facility Quality of Care Fund</i>	-8.9%	9.8%	0.0%	0.0%	0.0%	0.0%
Healthcare Exchange Assessment		-	3.0%	3.0%	3.0%	3.0%
<i>Transfer to Health Exchange Authority</i>			3.0%	3.0%	3.0%	3.0%
Ballpark fee	16.8%	-6.8%	0.0%	3.0%	3.0%	3.0%
<i>Transfer to Ballpark Fund</i>	16.8%	-6.8%	0.0%	3.0%	3.0%	3.0%
Hospital Bed Tax & Provider Fee	110.7%	-	-	-	-	-
<i>Transfer to Hospital Fund</i>	110.7%	-	-	-	-	-
ICF-MR Assessment	88.3%	11.8%	0.0%	0.0%	0.0%	0.0%
Transfer to Stevie Sellows	88.3%	11.8%	0.0%	0.0%	0.0%	0.0%
Care First Contribution	0.0%	-	-	-	-	-
<i>Transfer to Healthy DC Fund</i>	0.0%	-	-	-	-	-
Total Gross Receipts (net)	4.0%	0.2%	2.4%	-0.1%	2.3%	2.4%
Estate	-19.1%	40.5%	-28.8%	0.0%	0.0%	0.0%
Deed Recordation	-0.2%	11.6%	-4.0%	1.8%	3.2%	3.4%
<i>Transfer to HPTF</i>	2.0%	11.6%	-3.9%	1.8%	3.2%	3.4%
Deed Recordation (net)	-0.6%	11.6%	-3.9%	1.8%	3.2%	3.4%
Deed Transfer	-0.7%	19.7%	-11.4%	3.0%	3.0%	3.0%
<i>Transfer to HPTF</i>	0.8%	19.7%	-11.4%	3.0%	3.0%	3.0%
Deed Transfer (net)	-0.9%	19.7%	-11.4%	3.0%	3.0%	3.0%
Co-op Recordation	-6.3%	-24.5%	47.5%	0.2%	0.0%	0.0%
Economic Interests	346.6%	-23.0%	-45.0%	-9.1%	0.0%	0.0%
Total Other Taxes (net)	2.8%	14.0%	-10.8%	1.8%	2.7%	2.8%
TOTAL TAXES NET OF DEDICATED TAXES	2.9%	9.5%	1.1%	3.6%	3.7%	3.4%
Licenses & Permits	0.4%	-0.6%	-1.4%	2.5%	1.0%	0.7%
Fines & Forfeits	-6.0%	-6.5%	6.6%	-4.6%	-1.9%	-1.9%
Charges for Services	3.4%	-1.0%	-2.3%	3.5%	-2.4%	3.5%
Miscellaneous	-24.7%	-5.3%	-19.5%	-0.2%	4.3%	-4.1%
TOTAL NON-TAX	-10.1%	-4.0%	-4.4%	-0.5%	0.2%	-0.8%
Lottery	-19.5%	0.0%	13.7%	0.8%	1.6%	0.8%
TOTAL REVENUE NET OF DEDICATED TAXES	1.7%	8.5%	0.9%	3.3%	3.5%	3.2%

Proposal	Estimated Cost				Cumulative Costs			
	FY16	FY17	FY18	FY19	FY16	FY17	FY18	FY19
Reduce the rate on the new individual income tax middle bracket of \$40,000 - \$60,000 from 7.0% to 6.75%	\$ (7,116)	\$ (7,494)	\$ (7,868)	\$ (8,270)	\$ (7,116)	\$ (7,494)	\$ (7,868)	\$ (8,270)
Create a new individual income tax bracket of 350K to 1Million at 8.75%, >\$1Million remains at 8.95%	\$ (4,734)	\$ (4,985)	\$ (5,234)	\$ (5,501)	\$ (11,851)	\$ (12,479)	\$ (13,103)	\$ (13,771)
Reduce unincorporated and incorporated business franchise tax from 9.4% to 9.2%	\$ (9,692)	\$ (10,060)	\$ (10,565)	\$ (10,568)	\$ (21,543)	\$ (22,538)	\$ (23,668)	\$ (24,339)
Reduce the new individual income tax middle bracket of \$40,000 - \$60,000 from 6.75% to 6.5%	\$ (7,116)	\$ (7,493)	\$ (7,868)	\$ (8,269)	\$ (28,659)	\$ (30,032)	\$ (31,536)	\$ (32,608)
Reduce unincorporated and incorporated business franchise tax from 9.2% to 9.0%	\$ (9,692)	\$ (10,060)	\$ (10,565)	\$ (10,568)	\$ (38,351)	\$ (40,092)	\$ (42,101)	\$ (43,176)
Raise the estate tax threshold from \$1Million to \$2 Million	\$ (4,500)	\$ (4,702)	\$ (4,891)	\$ (5,109)	\$ (42,851)	\$ (44,793)	\$ (46,992)	\$ (48,285)
Raise the standard deduction from \$5,200 for singles, \$6,500 for Head of Households, \$8,350 for married to- \$5650 for singles, \$7,800 for Head of Households and \$10,275 for married	\$ (8,312)	\$ (8,753)	\$ (9,190)	\$ (9,659)	\$ (51,164)	\$ (53,546)	\$ (56,183)	\$ (57,944)
Increase the personal exemption from \$1,800 to \$2,200	\$ (12,810)	\$ (13,489)	\$ (14,163)	\$ (14,886)	-72698.3119	-76222.29018	-79992.41522	-82968.1834
Raise the standard deduction from \$5,650 for singles, \$7,800 for Head of Households, \$10,275 for married to- \$6,100 for singles, \$8,950 for Head of Households and \$12,200 for married	\$ (8,725)	\$ (9,187)	\$ (9,646)	\$ (10,138)	-59888.2589	-62733.30437	-65828.98012	-68082.41311
Increase the personal exemption from \$2,200 to \$2,700	\$ (15,554)	\$ (16,378)	\$ (17,197)	\$ (18,074)	\$ (88,252)	\$ (92,600)	\$ (97,189)	\$ (101,042)
Reduce unincorporated and incorporated business franchise tax from 9.0% to 8.75%	\$ (11,446)	\$ (11,905)	\$ (12,563)	\$ (13,257)	\$ (99,697)	\$ (104,505)	\$ (109,752)	\$ (114,299)
Increase the personal exemption from \$2,700 to \$3,200	\$ (15,057)	\$ (15,855)	\$ (16,648)	\$ (17,497)	\$ (114,754)	\$ (120,360)	\$ (126,400)	\$ (131,796)
Raise estate threshold from \$2 Million to conform to federal level	\$ (9,400)	\$ (9,822)	\$ (9,400)	\$ (9,400)	\$ (124,154)	\$ (130,182)	\$ (135,800)	\$ (141,196)
Reduce unincorporated and incorporated business franchise tax from 8.75% to 8.5%	\$ (11,446)	\$ (11,905)	\$ (11,905)	\$ (11,905)	\$ (135,600)	\$ (142,087)	\$ (147,705)	\$ (153,101)
Increase the personal exemption from \$3,200 to \$3,700	\$ (14,529)	\$ (15,299)	\$ (16,064)	\$ (16,884)	\$ (150,129)	\$ (157,386)	\$ (163,769)	\$ (169,984)
Reduce unincorporated and incorporated business franchise tax from 8.5% to 8.25%	\$ (11,446)	\$ (11,905)	\$ (12,563)	\$ (13,257)	\$ (161,575)	\$ (169,291)	\$ (176,332)	\$ (183,242)
Increase the personal exemption from \$3,700 to conform to the federal level (\$4,000) and repeal the LIC	\$ (8,470)	\$ (8,919)	\$ (9,365)	\$ (9,843)	\$ (170,045)	\$ (178,211)	\$ (185,697)	\$ (193,084)
TOTAL	(\$170,045)	(\$178,211)	(\$185,697)	(\$193,084)				