

**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

March 1, 2005

The Honorable Anthony A. Williams
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW – 6th Floor
Washington, DC 20004

The Honorable Linda W. Cropp
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW – Suite 504
Washington, DC 20004

Dear Mayor Williams and Chairman Cropp:

I am pleased to certify revised revenue estimates for FY 2005 and preliminary revenue estimates for FY 2006-2009 supporting the District's FY 2006 Budget and Financial Plan. Total non-dedicated General Fund revenues for FY 2005 are estimated to be \$4,276.2 million, which is \$108.6 million more than the estimate certified in November 2004. Estimated Special Purpose Fund (O-type) revenues for FY 2005 are \$345.6 million. The total non-dedicated General Fund revenue supporting the District's FY 2006 Budget is estimated to be \$4,514.8 million, which is \$99.2 million more than the November 2004 projection. Additionally, there are \$349.0 million in Special Purpose Fund (O-type) revenues for FY 2006. The expected revenues, as compared to the November 2004 estimate, are as follows:

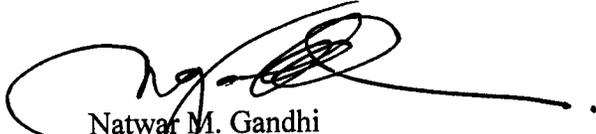
Local Source, General Fund Revenue Estimate (\$ million)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
February 2005 non-dedicated General Fund revenue estimate	4,276.2	4,514.8	4,745.8	5,022.0	5,309.8
Growth	5.3%	5.6%	5.1%	5.8%	5.7%
November 2004 non-dedicated General Fund revenue estimate w/ enhancements & tax reductions	4,167.6	4,415.6	4,646.6	4,861.9	-
Net change over November 2004 estimate	108.6	99.2	99.2	160.1	-
Special Purpose (O-type) Revenue	345.6	349.0	235.4	238.5	237.9
Total General Fund Revenue Resources	4,621.8	4,863.8	4,981.2	5,260.5	5,547.7

March 1, 2005
FY 2005 Revenue Estimates

The revised estimates include the revenue impact of the trigger-activated reductions in the gross receipts and deed recordation and transfer taxes, and also income taxes assuming all the conditions will be met.

If you have any questions regarding this matter, please contact me on (202) 727-0065.

Sincerely,



Natwar M. Gandhi
Chief Financial Officer

Enclosures

DISTRIBUTION LIST

Councilmember Carol Schwartz (At-Large)
Councilmember David Catania (At-Large)
Councilmember Phil Mendelson (At-Large)
Councilmember Kwame R. Brown (At-Large)
Councilmember Jim Graham (Ward 1)
Councilmember Jack Evans (Ward 2)
Councilmember Kathleen Patterson (Ward 3)
Councilmember Adrian Fenty (Ward 4)
Councilmember Vincent Orange (Ward 5)
Councilmember Sharon Ambrose (Ward 6)
Councilmember Vincent C. Gray (Ward 7)
Councilmember Marion Barry (Ward 8)
Robert Bobb, Deputy Mayor and City Administrator
Alfreda Davis, Chief of Staff to the Mayor
Deborah K. Nichols, District of Columbia Auditor
Arte Blitzstein, Budget Director, Council of the District of Columbia

FY 2003 - FY 2009 Revenue Actuals, Estimates and Projections for Baseline Budget
(thousands of dollars)

Revenue Source	FY 2003 Actual	FY 2004 Actual	FY 2005 Feb-05 Revised Estimate	FY 2006 Feb-05 Original Estimate	FY 2007 Feb-05 Proj.	FY 2008 Feb-05 Proj.	FY 2009 Feb-05 Proj.
Total Property	901,888	1,027,975	1,137,857	1,242,105	1,362,112	1,470,323	1,569,664
Total Sales	694,494	737,309	820,691	876,129	929,110	975,193	1,023,702
Total Income	1,167,452	1,299,009	1,380,226	1,405,670	1,417,652	1,496,016	1,576,870
Total Gross Rec.	261,348	271,897	244,728	246,891	248,700	250,730	252,866
Total Other Taxes	268,192	329,004	291,716	330,364	372,252	418,174	466,970
TOTAL TAXES (w/ enhancements & legislation)	3,293,374	3,665,194	3,875,218	4,101,159	4,329,826	4,610,436	4,890,072
TOTAL NON-TAX (w/ enhancements & legislation)	303,957	323,699	330,973	340,522	342,896	338,513	346,573
Lottery/Interfund Transfer	72,050	73,500	70,000	73,100	73,100	73,100	73,100
Federal Project Funds	33,000	-	-	-	-	-	-
TOTAL NON-DEDICATED GENERAL FUND	3,702,281	4,062,393	4,276,191	4,514,781	4,745,822	5,022,049	5,309,745
SPECIAL PURPOSE REVENUE FUND*			345,581	349,033	235,404	238,492	237,912
TOTAL GENERAL FUND	3,702,281	4,062,393	4,621,772	4,863,814	4,981,226	5,260,541	5,547,657