

Senior Co-Living Establishment Act of 2019, Bill 23-537

Before

**Anita Bonds, Chairperson
Committee on Housing and Neighborhood Revitalization
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**Comments by Bazil Facchina
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Thank you for the opportunity to provide the following comments on Bill 23-537, “Senior Co-Living Establishment Act of 2019” (Bill), for inclusion in the hearing record.

In general, the Bill would create a Senior Co-Living Program in the Department of Housing and Community Development to provide a one-time per residence grant and a stipend to incentivize senior homeowners to rent space in their homes to other seniors. The program provides for a one-time per residence grant of up to \$2,500 to assist eligible senior homeowners to modify their homes to accommodate a senior tenant. A monthly stipend of up to \$300 per residence, indexed for changes in the cost of living, is also provided.

The Bill calls for the one-time grant to be exempt from District income taxation, and an amendment to the District’s income tax law should be made to implement this intention. To this end, we recommend that the Bill be amended to include the following provision:

“Chapter 18 of Title 47 is amended by adding at the end of § 47-1803.02(a)(2) a new paragraph (LL) to read as follows:

“(LL) The amount received by a taxpayer as a grant under the Senior Co-Living Program pursuant to [insert codified section reference].”

Under this suggested provision the stipend paid under this program and rental income received by a senior homeowner from the tenant, less allowable deductions, would be taxable income. The grants, stipend, and net rental income received by a senior homeowner could also affect the property's eligibility for the senior real property tax deduction because they may be taken into account in determining whether the household income exceeds the allowable ceiling. Furthermore, the tenant's income might also be included in the household income for purposes of eligibility for this benefit if the rent paid under the written lease with the tenant is less than fair market value.

We would be pleased to work with the Committee to develop appropriate language should it deem further amendments to the Bill advisable.

Thank you again for providing this opportunity to provide these comments to the Committee. Let us know if we may be of further assistance in this matter.