

FOR-HIRE VEHICLE ACCESSIBILITY AMENDMENT ACT OF 2014, BILL 20-889

**Before the
Committees on**

Transportation and the Environment

The Honorable Mary M. Cheh, Chairperson

and

Finance and Revenue

The Honorable Jack Evans, Chairperson

**September 30, 2014, 11:30 AM
Council Chambers, John A. Wilson Building**



**Testimony of
Jessica Brown
Assistant General Counsel
Office of Tax and Revenue**

**Jeffrey DeWitt
Chief Financial Officer
Government of the District of Columbia**

Good afternoon Chairpersons Cheh and Evans, as well as members of the Committee on Transportation and the Environment and members of the Committee on Finance and Revenue. I am Jessica Brown, Assistant General Counsel, for the Office of Tax and Revenue. I am pleased to present testimony on Bill 20-889, the “For-Hire Vehicle Accessibility Amendment Act of 2014.”

In general, the Bill would provide a franchise tax credit for taxpayers who upgrade existing for-hire vehicles to make them wheelchair accessible and for taxpayers who purchase new for-hire vehicles that are initially manufactured to be wheelchair accessible. The per vehicle credit amount for upgrades will be equal to the incremental total cost associated with the upgrade, capped at \$10,000 per vehicle. The per vehicle credit for the purchase of new for-hire vehicles which are wheelchair accessible is \$10,000. Both credits would be available for tax years beginning on or after January 1, 2015 through tax years beginning before January 1, 2020.

The tax provisions of the Bill will require some revisions and additions in order to facilitate their implementation and administration by the Office of Tax and Revenue. I have appended to my testimony questions for the Council to consider.

We are prepared to work with the Council to refine the Bill's tax language to better achieve its goals and to facilitate its administration.

Thank you for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.

Attachment

1. In the proposed language for DC Official Code § 47-1860.02 the last line references a “credit period” but the term is not defined. This period should be defined to indicate when it begins or ends. For example: Will the \$10,000 be allowable in one year or over a 3 year period? Will the credit be available in the year the Mayor’s approval is granted or only when the vehicle is put back in service?
2. Is this credit intended to be a refundable or non- refundable credit?
3. If it is a nonrefundable credit, can an amount of the credit unused in the tax year be carried forward or back to other tax years?
4. Page 8, line 186: insert “approval” after “one year of receiving the credit.”
5. Proposed DC Official Code § 47-1860.05(c) provides that the Mayor will transmit an annual report to the Council which will include the names of the recipient of the credits and the credit amounts claimed. In order to release this data, disclosure authority must be given to the Office of Tax and Revenue. Additionally, due to the timeline of filing tax returns, there will be a time lag between when the approvals are granted and the filing of the return on which the credit is claimed.