

PUBLIC HEARING
ON
**BILL 20-482 “BUDGET SUPPORT TECHNICAL
CLARIFICATION ACT OF 2013”**

**Before the
Committee of the Whole
Council of the District of Columbia**

The Honorable Phil Mendelson, Chairman

**November 7, 2013, 9:30 a.m.
John A. Wilson Building, Room 412**



**Testimony of Robert McKeon
Deputy Chief Counsel
Office of Tax and Revenue
Office of the Chief Financial Officer**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Mr. Chairman and members of the Committee, my name is Robert McKeon, Deputy Chief Counsel for the Office of Tax and Revenue. I am pleased to present testimony today on Bill 20-482, the “Budget Support Technical Clarification Act of 2013.”

Bill 20-482 should be amended to include two necessary changes to the Age-In-Place and Equitable Senior-Citizen Real Property and Relief Payment Plan Amendment Act of 2013 within the Fiscal Year 2014 Budget Support Act of 2013. First, the cost of living adjustment (COLA) needs to be clarified as it relates to the senior citizen and disabled real property tax relief income threshold of \$125,000. The COLA provided in the Fiscal Year 2014 Budget Support Act of 2013 does not provide for a base year from which to trend, and it does not provide for rounded dollar increments for the trended amount. Second, neither the increase in the income threshold from \$100,000 to \$125,000 nor the COLA applies to cooperative housing associations.

Attached to this testimony is suggested language to amend the COLA language to provide for a base year, applicability of the COLA to tax year 2015 and rounded dollar increments, as well as application of the increased threshold amount and revised COLA to cooperative housing associations.

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

Attachment “A”

Section 47-863(a)(1A)(A) of the District of Columbia Official Code is amended by striking the amount "\$125,000; adjusted for inflation beginning on January 1, 2015, as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index for All Urban Consumers, Washington-Baltimore Area, published by the Bureau of Labor Statistics of the Department of Labor" wherever it appears and inserting the phrase "\$125,000, increased annually, beginning October 1, 2014, by the senior or disabled cost-of-living adjustment (if the adjustment does not result in a multiple of \$50, rounded to the next lowest multiple of \$50)".

Section 47-863(a)(1A)(B) of the District of Columbia Official Code is amended by striking the amount "\$100,000" wherever it appears and inserting the phrase "\$125,000, increased annually, beginning October 1, 2014, by the senior or disabled cost-of-living adjustment (if the adjustment does not result in a multiple of \$50, rounded to the next lowest multiple of \$50)".

Section 47-802 of the District of Columbia Official Code is amended by adding a new paragraph (16) to read as follows:

“(16) The phrase "senior or disabled cost-of-living adjustment" for any real property tax year means \$125,000 multiplied by the difference between the Consumer Price Index for the preceding real property tax year and the Consumer Price Index for the real property tax year beginning October 1, 2012, divided by the Consumer Price Index for the real property tax year beginning October 1, 2012. For the purposes of this paragraph, the Consumer Price Index for any real property tax year is the average of the Consumer Price Index for the Washington-Baltimore Metropolitan Statistical Area for all-urban consumers published by the Department of Labor, or any successor index, as of the close of the 12-month period ending on September 30 of such real property tax year.

Applicability.

The foregoing shall apply to tax years beginning after September 30, 2014.