

**PUBLIC HEARING ON**

**“Performing Arts Promotion Tax Rebate Clarification Amendment  
Act of 2022,” Bill 24-940**

**Before the  
Committee on Business and Economic Development  
The Honorable Kenyan McDuffie, Chairman**

**Council of the District of Columbia**

**October 5, 2022, at 1:00 p.m.  
Virtual Meeting Platform**



**Testimony of Bazil Facchina  
Assistant General Counsel  
Office of the Chief Financial Officer**

**Glen Lee  
Chief Financial Officer  
Government of the District of Columbia**

Good afternoon, Chairman McDuffie and Members of the Committee on Business and Economic Development. My name is Bazil Facchina. I am an Assistant General Counsel in the Office of the Chief Financial Officer (OCFO). I am pleased to testify for the OCFO on Bill 24-940, the “Performing Arts Promotion Tax Rebate Clarification Amendment Act of 2022” (“Bill”).

In general, the Bill is the result of a collaboration between the Council, the Office of Office of Cable Television, Film, Music and Entertainment (OCTFME), and the OCFO to improve the administration of the performing arts real property tax rebate provided under D.C. Official Code § 47-869. Under this program, the Office of Tax and Revenue (OTR) provides rebates of real property taxes to qualifying performing arts businesses. In order to qualify, each business currently must apply to OTR for the rebate by September 15 of each year and demonstrate that it has satisfied the applicable requirements, including the hours of live performances during the year, payments to performers, and type of venue.

The process of reviewing these applications has created administrative burdens for OTR and for the applicants, affecting the effectiveness of the program in providing assistance to performing arts venues. After consultations among stakeholders, an alternative arrangement has been developed under which the Mayor, rather than OTR, will receive and process these applications beginning with tax year 2023, which begins October 1, 2022.

While the requirements for qualification will generally remain the same, OCTFME, because of its familiarity with the performing arts community, will be in a better position to understand what information applicants are able to provide and to verify whether applicants meet the requirements. OCTFME will then certify the eligible applicants to OTR, which will verify that the tax requirements for the rebate have been satisfied and will pay the rebate to the applicant. This model is based on one currently used for urban farming tax abatements, which has proven successful.

Under the bill, applicants for the rebate will apply to the Mayor (OCTFME), rather than to OTR, by September 15 of each tax year. OCTFME will review each application and supporting documents and determine whether the applicant meets the applicable requirements as to hours of live performances, compensation of artists, the portion of the tax year for which the applicant is eligible for the rebate, and other non-tax criteria established by the law. OCTFME will then certify the eligible applicants to OTR by October 31. OTR will then determine whether the real property tax has been paid and the amount of the rebate each applicant is entitled to receive. The rebates will be paid by December 31, but OTR will be allowed at least 30 days from the date OCTFME provides the certification to pay the rebates.

Thank you for the opportunity to testify. This concludes my testimony and I am happy to answer any questions you have at this time.