

# **Homestead Exemption Increase Amendment Act of 2018, Bill 22-909**

**Before the Committee on Finance and Revenue**

**The Honorable Jack Evans, Chairman**

**October 30, 2018, 10:00 AM  
Room 120, John A. Wilson Building**



**Testimony of  
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**Jeffrey S. DeWitt  
Chief Financial Officer  
Government of the District of Columbia**

Good morning Chairman Evans and members of the Committee on Finance and Revenue. My name is Basil Facchina, Assistant General Counsel for the Office of Tax and Revenue. I am pleased to present testimony on Bill 22-909, the “Homestead Exemption Increase Amendment Act of 2017.”

The Bill would amend the law governing real property taxation to increase the amount of the homestead deduction to \$125,000. For tax year 2018, the amount of the homestead deduction was \$73,350. This figure is subject to an annual cost-of-living adjustment. In general, the homestead deduction reduces the assessed value of owner-occupied residential property, thereby reducing the real property tax due on the property. Property receiving the homestead deduction is also subject to a cap on the increase in the assessed value of the property from year to year, limiting the increase in the tax on the property.

Certain additional amendments to the Bill are necessary in order to facilitate administration of the increased homestead deduction amount. The change needs to be effective at the beginning of a tax year, so that the deduction amount can be applied equally to first and second half real property tax bills and to permit computation of the cap on tax assessment increases for a full tax year.

Furthermore, the years used to compute the cost-of-living adjustment should be modified to permit an appropriate adjustment of the new deduction amount.

Suggested amendments to implement these recommendations are attached to my testimony.

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

## ATTACHMENT

### RECOMMENDED AMENDMENTS TO B22-909

Sec. 2. Chapter 8 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-802(14) is amended by striking the phrase “October 1, 2010” both places it appears and inserting the phrase “October 1, 2018” in its place.

(b) Section 47-850(a) is amended as follows:

(1) By striking the phrase “\$67,500” and inserting the phrase “\$125,000” in its place;

(2) By striking the phrase “October 1, 2012” and inserting the phrase “October 1, 2020” in its place.

(c) Section 47-850.01(a) is amended as follows:

(1) By striking the phrase “\$67,500” and inserting the phrase “\$125,000” in its place;

(2) By striking the phrase “October 1, 2012” and inserting the phrase “October 1, 2020” in its place.

Sec. 3. Applicability

(a) This Act shall apply as of October 1, 2019, provided that its fiscal effect has been included in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.