

COUNCIL OF THE DISTRICT OF COLUMBIA

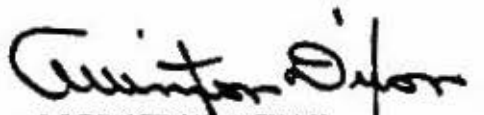
NOTICE

D. C. LAW 2-130

"District of Columbia Renters and Homeowners Tax
Reduction Act of 1978"

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 2-318, on first and second readings, June 27, 1978 and July 25, 1978 respectively. Following the signature of the Mayor on August 30, 1978, this legislation was assigned Act No. 2-268, published in the September 22, 1978, edition of the D.C. Register, (Vol. 25, page 2517) and transmitted to Congress on January 18, 1979 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and, therefore, cites the following legislation as D.C. Law 2-130, effective March 3, 1979.


ARRINGTON DIXON
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

January	18, 19, 22, 23, 24, 25, 26, 29, 30, 31
February	1, 2, 5, 6, 7, 8, 9, 13, 14, 15, 16, 20, 21, 22, 23, 26, 27, 28
March	1, 2

AW 2-130

MAR 03 1979

AN ACT

2-268

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

AUGUST 30, 1978

To increase the single-family residential real property tax exemption; to classify real property in the District of Columbia for purposes of establishing real property tax rates; to provide an expanded property tax credit for certain renters and homeowners in the District of Columbia, and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "District of Columbia Renters and Homeowners Tax Reduction Act of 1978".

Sec. 2. For the purposes of this act:

(a) The term "condominium" means the ownership of a single dwelling unit in a horizontal property regime.

(b) The term "cooperative housing association" means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property in the District of Columbia, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

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(c) The term "dwelling unit" means any room or group of rooms forming a single unit which is used or intended to be used for living, sleeping and the preparation and eating of meals and which is located within a building which is wholly or partially used or intended to be used for living and sleeping by human occupants.

(d) The term "horizontal property regime" shall have the meaning given that term by section 5-903 of the D.C. Code.

(e) The term "non-transient" means occupancy of a dwelling unit or units by any person(s) for a period of more than five (5) consecutive days during any one stay in such unit(s).

(f) The term "single family residential property" means real property improved by a dwelling unit which is used exclusively for non-transient residential purposes and which contains not more than one (1) dwelling unit whether as a row, detached or semi-detached structure, or as a single condominium unit within a horizontal property regime.

Sec. 3. The District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1051; D.C. Code, 47-621 et seq.) is amended as follows:

(a) Section 412 (D.C. Code, sec. 47-632) is amended to read as follows:

"The Council, after public hearing, shall by act establish each year, within twenty days after the receipt of the Mayor's recommendation under section 413, rates of taxation by class as set forth in section 47-632a of the D.C. Code which, except as provided in section 431 shall be applied, during the tax year, to the assessed value of all real property subject to taxation. The Council, acting by resolution, may extend the time for setting the rates of taxation. If the Council does extend the time for setting the rates of taxation of real property, it must establish those rates for the year. If the Council does not establish the rates of taxation of real property within twenty days and does not extend the time for setting the rates, the rates of taxation of real property submitted by the Mayor pursuant to section 413 shall be the rates of taxation of real property."

(b) Section 413 (D.C. Code, sec. 47-633) is amended to read as follows:

"(a) By July 1 of each year the Mayor shall calculate and submit to the Council proposed real property tax rates for the tax year: PROVIDED, That for the tax year beginning July 1, 1978, and for each tax year thereafter, the Mayor shall calculate and submit to

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the Council proposed real property tax rates to be applied to the classes of real property set forth in section 47-632a(b). The Mayor shall inform the Council of his or her certification of the assessment roll pursuant to section 47-646(g). The Mayor may extend the period for submitting such recommendation.

"(b) At the time the Mayor submits to the Council the proposed real property tax rates under subsection (a) of this section, he or she shall also submit the following:

"(1) The total aggregate assessed value of taxable real property for the year preceding the tax year for which the rates are being recommended, listing, for tax years beginning on or after July 1, 1978, the values of such properties by class as set forth in section 47-632a(b);

"(2) The estimated total aggregate assessed value of taxable real property for the tax year for which the property tax rates are being recommended, listing, for tax years beginning on or after July 1, 1978, the values of such properties by class as set forth in section 47-632a(b) and indicating separately for each class the estimated value, if any, attributable to new construction;

"(3) For real property tax years beginning July 1, 1978 and succeeding tax years, the real property tax rates (rounded to the nearest penny) calculated to yield in the tax year the same amount of revenue (exclusive of the revenue attributable to new construction) as was raised by that tax at the rate or rates applicable during the preceding tax year, plus a percentage of such revenue equal to the percentage change between the consumer price index for the first calendar year preceding the tax year and the consumer price index for the second calendar year preceding the tax year. The consumer price index referred to in the preceding sentence shall be the annual average Washington, D.C., all items consumer price index, for all urban consumers, as published by the Bureau of Labor Statistics of the U.S. Department of Labor.

"(c) The rates of taxation for real property submitted by the Mayor pursuant to subsection (b)(3) shall become the real property tax rates applicable during the tax year for which they are submitted unless the Council acts to set different rates pursuant to section 47-632.

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"(d) On or before February 1 of each year, the Mayor shall estimate as closely as possible the rates of taxation for real property to be calculated in subsection (b)(3) of this section and shall so inform the Council."

(c) Section 426(i) (D.C. Code, sec. 47-646(i)) is amended by inserting the word "classification," after the word "assessment,".

Sec. 4. Section 303(a) of The Revenue Act of 1976 (D.C. Law 1-70; D.C. Code, sec. 47-632a(a)) is amended as follows:

(a) Subsection (a) is amended to read as follows:

"(a) The Council shall establish different categories of real property for purposes of setting the rates of taxation thereon."

(b) Subsection (b) is redesignated as subsection (d) and the following new subsections (b) and (c) are inserted in lieu thereof to read as follows:

"(b) For the property tax year beginning July 1, 1978, and ending on June 30, 1979, the following categories of real property are established for real property tax purposes, including the setting of rates of taxation applicable to each category:

"(1) Class One Property - Class One property shall be comprised of single family residential property

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and real property owned by a cooperative housing association and operated for residential purposes.

"(2) Class Two Property - Class Two property shall be comprised of all real property which is not Class One property.

"(c) The Mayor may require an owner of real property to submit information that the Mayor believes will assist in determining the classifications under subsection (b) of this section. The Mayor may prescribe the time and manner for submitting this information."

Sec. 5. Section 301(c) of the Rental Housing Act of 1977 (D.C. Law 2-54) is amended to read as follows:

"(c) Tenants receiving rental supplements under this title shall also be eligible to receive a tax credit under the provisions of section 8 of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1567g): PROVIDED, HOWEVER, That said tenants are otherwise eligible under the provisions of said Act to receive such tax credit."

Sec. 6. Section 8 of title VI of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (88 Stat. 1060; D.C. Code, sec. 47-1567g), is amended as follows:

(a) Subsection (a) is amended to read as follows:

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"(a)(1) For purposes of providing relief to certain District of Columbia residents who own their principal place of residence and who reside in the same, an income tax credit shall be allowed to the eligible claimant equal to the amount by which all or a portion of real property taxes the taxpayer pays on his or her principal place of residence for the taxable year, exceeds a percentage (as determined under subsection (a)(2) of this section) of his or her household gross income for that year. District of Columbia residents who rent their principal place of residence, who reside in the same and who are eligible claimants under the provisions of this section, shall be allowed an income tax credit equal to the amount by which rent paid constituting property taxes, deemed for the purposes of this subsection to be 15% of rent, on his or her principal place of residence for the taxable year, exceeds a percentage (as determined under subsection (a)(2) of this section) of his or her household gross income for that year and which exceeds the amount of any rental supplement payments, received by the claimant pursuant to the provisions of Title III of the Rental Housing Act of 1977, during that year.

"(a)(2) For taxable years beginning after December 31, 1977, the percentage required under paragraph (1) of this subsection to be determined for claimants other than elderly, blind, or disabled claimants shall be the percentage specified in the following table:

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Regular Circuit BreakerIf Household
Gross Income is:

*\$0 - \$2,999

*\$3,000 - \$4,999

*\$5,000 - \$6,999

*\$7,000 - \$9,999

*\$10,000 - \$14,999

*\$15,000 - \$20,000

Tax Credit
Equals:95% of property tax*
exceeding 1.5% of household
income75% of property tax*
exceeding 2.0% of household
income75% of property tax*
exceeding 2.5% of household
income75% of property tax*
exceeding 3.0% of household
income75% of property tax*
exceeding 3.5% of household
income75% of property tax*
exceeding 4.0% of household
income

* or rent paid constituting property tax (15% of rent)

*(a)(3) For taxable years beginning after December 31, 1977, the percentage required under paragraph (1) to be determined for elderly, blind or disabled claimants shall be the percentage specified in the following table:

*Elderly, Blind, or Disabled Circuit Breaker

*If household gross income is: The credit shall equal the amount of property taxes paid or rent paid constituting property taxes (15% of rent) which is in excess of the following percentage of household gross income:

*Under \$4,999	1.0%
*\$5,000 to \$9,999	1.5%
*\$10,000 to \$14,999	2.0%
*\$15,000 to \$20,000	2.5%

*(a)(4) All eligible claimants who rent their principal place of residence, who reside in the same and who receive rental supplements under the provisions of Title III of the Rental Housing Act of 1977, shall, when computing their income tax credit pursuant to this section, deduct from the amount of said credit the total amount of rental supplements received during the taxable year. The amount of credit which is in excess of any rental supplements received shall constitute the eligible claimant's total income tax credit under this

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section. If the amount of rental supplements received exceeds the amount of credit calculated under this section, then the eligible claimant's credit shall equal zero."

(b) Subsection (b)(1)(A) is amended by deleting the phrase "(not including relief or credit granted under this section)" and inserting in lieu thereof the following: "(not including relief or credit granted under this section or any rental supplement provided under authority of Title III of the Rental Housing Act of 1977)".

(c) Subsection (b)(7) (as added by D.C. Law 2-45, sec. 4(b)) is amended to read as follows:

"(7)(A) the term 'disabled claimant' means a claimant unable to engage in any gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. Certification of such physical or mental impairment shall be attested to by a licensed physician selected by the claimant at his or her own expense. Such claims and certification shall be submitted in such form and in such manner and at such time as the Mayor shall prescribe.

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"(B) In the event that the Mayor shall determine that a claim made under the provisions of this subsection is unsubstantiated by available evidence, the Mayor may require the claimant to be examined by a licensed physician chosen by the Mayor at the expense of the District of Columbia government."

(d) Subsection (b)(8) is amended by deleting the words "or on behalf of" in the first sentence and, in the third sentence, by inserting the phrase "rental supplements obtained under the provisions of Title III of the Rental Housing Act of 1977" immediately prior to the phrase "advance rental payments for another period".

(e) The first sentence of subsection (e) is amended to read as follows:

"Beginning with calendar year 1977 and for each succeeding calendar year, if a claimant owns and occupies his or her home in the District on December 31 of any such year, 'property taxes accrued' means real property taxes (exclusive of special assessments, interest on a delinquency in payment of tax, and penalties and services charges) as reflected on the District real estate tax bill ordinarily sent out in September of such year: PROVIDED, HOWEVER, That any amount of real property tax deferred under the

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provisions of sections 47-655 or 47-656 shall be considered as 'property taxes accrued' for the purpose of determining the credit allowable under this section."

Sec. 7. The Residential Property Tax Relief Act of 1977, effective February 28, 1978 (D.C. Law 2-45), is amended as follows:

(a) Section 2 is amended by redesignating current subsections (1) and (2) as (a) and (b), respectively.

(b) Section 3 is amended as follows:

(1) Subsection (b) is amended by deleting the phrase "six thousand dollars (\$6,000)" and inserting in lieu thereof the phrase "nine thousand dollars (\$9,000)".

(2) Subsection (c)(1) is amended by deleting the phrase "and for each tax year thereafter."

(3) Subsections (c)(2) and (c)(3) are redesignated as (c)(3) and (c)(4), respectively, and a new subsection (c)(2) is added to read as follows:

"(2) For the purpose of computing taxes on real property in the District of Columbia for the tax year commencing July 1, 1978 and for each year thereafter, the Mayor shall deduct from the estimated market value of residential real property owned by a cooperative housing association and occupied by the

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members of such association the amount of eighteen percent (18%) of the estimated market value of said property: PROVIDED, HOWEVER, That the deduction may not exceed the amount of nine thousand dollars (\$9,000) multiplied by the number of dwelling units which are the principal place of residence of members of such association."

(c) Section 6 is amended by redesignating subsections (1), (2) and (3) as (a), (b) and (c), respectively.

Sec. 8. The Mayor shall publish in the District of Columbia Register and local newspapers the tax assessments for each year and that tax rate (rounded to nearest penny) which will bring in the same amount of real estate tax revenues in the upcoming tax year as was produced from the real estate tax in the immediately preceding real estate tax year, excluding new construction.

Sec. 9. This act shall take effect as provided for acts of the Council of the District of Columbia in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act.