

**Government of the District of Columbia
Office of the Chief Financial Officer
Office of Revenue Analysis**

D.C. Tax Facts



2023

*Muriel Bowser
Mayor*

*Phil Mendelson, Chairman
Council of the District of Columbia*

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MESSAGE FROM THE CFO

The District of Columbia has a single unit of government that provides many of the services typically provided by and shared between state and local levels of government in the fifty states in the U.S. Typical local-level revenue sources used by the District include the real property tax, personal property tax, deed transfer and recordation taxes, traffic fines, and a variety of other taxes and fees. D.C. also uses many state-level revenue sources, including the individual income tax, the general sales and use tax, motor vehicle license fees, business net income taxes and various excise taxes. The District levies various taxes and a great number of fees in support of General Fund revenue each year. Our taxpayers are, as always, important investors in the nation's capital city, contributing over \$11.3 billion in revenue into the General Fund in fiscal year 2022.

The District's principal local revenue producers are the individual income tax, the real property tax, and the general sales tax. The individual income tax, which generally is administered by state governments, is the largest source of tax revenue for the District, providing 27.5 percent of the total local-source General Fund revenues for fiscal year 2022. Because the individual income tax is progressive, the rate of increase for income tax revenues is greater than the rate of increase in income subject to the tax. Personal income tax credits include an out-of-state tax credit, a credit for child and dependent care expenses, a property tax credit, and the D.C. earned income tax credit.

The real property tax, which is generally administered by local jurisdictions, is the second largest source of tax receipts for the District government, accounting for 24.8 percent of total local-source General Fund revenues in fiscal year 2022. Several property tax relief options are available to eligible property owners. The most widely used is the Homestead Deduction Program. For owner-occupied residences of five units or less, the homestead program provides a \$84,000 deduction from the assessed value for fiscal year 2023. Other property tax relief measures include a 10 percent cap on the annual growth of real property tax liability for homeowners and the Senior Citizen and Disabled Homeowner Tax Relief Program, which allows certain senior citizens and persons with disabilities to claim a 50 percent reduction in property taxes. The FY 2023 Budget Support Act of 2022, effective October 1, 2022, provides additional real property tax relief to seniors and persons with disabilities that own and occupy a home in the District, by including a 2 percent cap on the annual growth of the taxable assessed value of the individual's home from the prior tax year.

The District's third largest revenue producer, the sales and use tax, is based on taxable sales in the District, which include most retail items, construction materials, and utilities used by business entities. Groceries, feminine hygiene products and diapers, prescription and non-prescription drugs, and professional services such as consulting, engineering, legal, and physician services, are exempt from the sales and use tax. The District sales and use tax

includes a general tax, typically levied at the state level, and meals and room tax, typically associated with local governments. This tax provided 15 percent of the District's fiscal year 2022 General Fund revenue.

Although the District has features of a complete state/local revenue structure, it does not have the mix of economic activity of a typical state or city revenue base. Manufacturing, which enhances the tax bases of most major cities and states, is largely lacking in the District. The federal presence in the District further compounds the disparity between the revenue-raising capacity of the District and that of many state and local governments. Some of the revenue implications due to the extraordinary federal presence include: (1) a narrower property tax base because of the substantial amount of federally owned tax-exempt property in the city; (2) a reduced income and sales tax base because of the tax-exempt status of the federal government, which is the city's second largest sector (the federal government has about 192,500 employees as of January 2023 while the private sector has approximately 533,000 employees, and (3) a significant amount of tax-exempt educational, religious, and foreign government properties. Federal actions could also (1) restrain economic development and (2) limit the District's tax revenues through the prohibition of taxing non-resident income earned in the District.

Details concerning the various taxes used by the District are presented in this publication for taxpayer education and to enhance citizens' awareness of their tax responsibilities. The Office of Revenue Analysis welcomes comments on this document and how it could be made more useful to the public.

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

INTRODUCTION

Each year the Office of Revenue Analysis in the Office of the Chief Financial Officer receives numerous requests from citizens, legislators and the public for statistics relating to District tax collections, tax burdens and tax rates.

D.C. Tax Facts presents a summary of information on the District's tax structure, tax rates, legal references, and other comparative tax data. Tax rates used in this publication are those in effect as of January 1, 2023. More detailed information on these subjects may be obtained online from other publications of this office, including: (1) A Comparison of Tax Rates and Burdens in the Washington Metropolitan Area, (2) Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, (3) the biannual Tax Expenditure Report, (4) the Tax Expenditure Evaluation Report (5) DC Tax Facts Visual Guide Report and (6) Economic Report of the District of Columbia. These publications are available on the Internet at <https://ora-cfo.dc.gov/> or www.cfo.dc.gov.

The primary source for the 2022 revenue presented in this report is the District of Columbia FY 2024 Proposed Budget and Financial Plan (March 22nd, 2023).

District of Columbia revenues (including non-tax revenues) totaled \$11.34 billion in FY 2022. Details concerning the various taxes used by the District are presented in this publication for taxpayer education and to enhance citizens' awareness of their tax responsibilities.

Questions regarding this report should be directed to: Charlotte Otabor, Fiscal Analyst, or Kevin Hundelt, Research Assistant, Office of the Chief Financial Officer, Office of Revenue Analysis, 1101 4th Street, SW, Suite W770, Washington, D.C. 20024. Telephone: (202) 727-4054 or (202) 442-6810.

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Office of Revenue Analysis*

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***PART I -- D.C. GENERAL FUND REVENUE, FY 2022,
FY 2023 and FY 2024 (Estimated)***

**TABLE 1
GENERAL FUND**

FISCAL YEAR 2022 REVENUE
(In Thousands of Dollars and Percent Composition)

| Tax | FY 2022 Revenue | Percent of General Fund Own Source Revenue |
|---|------------------------|---|
| Real Property 1/ | 2,814,534 | 24.83% |
| Personal Property | 82,885 | 0.73% |
| Public Space Rental | 39,060 | 0.34% |
| General Sales 2/ | 1,702,383 | 15.02% |
| Alcoholic Beverages | 6,919 | 0.06% |
| Cigarette | 22,465 | 0.20% |
| Motor Vehicle | 59,002 | 0.52% |
| Motor Fuel Tax 3/ | 22,928 | 0.20% |
| Individual Income | 3,116,991 | 27.50% |
| Corporate Franchise | 728,036 | 6.42% |
| U.B. Franchise | 263,286 | 2.32% |
| Public Utility 4/ | 129,362 | 1.14% |
| Toll Telecommunications 4/ | 46,716 | 0.41% |
| Insurance Premiums 5/ | 145,200 | 1.28% |
| Healthcare Provider Tax 6/ | 17,818 | 0.16% |
| Private Sports Wagering 7/ | 3,963 | 0.03% |
| Games of Skill | 17 | 0.00% |
| Ballpark Fee 4/ | 41,975 | 0.37% |
| Hospital Bed Tax and Hospital Provider Fee 8/ | 13,773 | 0.12% |
| ICF-IDD Assessment 9/ | 5,518 | 0.05% |
| Estate | 48,202 | 0.43% |
| Deed Recordation 10/ | 383,560 | 3.38% |
| Deed Transfer 10/ | 271,147 | 2.39% |
| Economic Interest 11/ | 35,276 | 0.31% |
| Total Taxes 12/ | 10,001,014 | 88.23% |
| Total Non-Tax | 624,165 | 5.51% |
| Other Sources 13/ | 40,670 | 0.36% |
| Special Purpose (O Type) 14/ | 669,671 | 5.91% |
| Total General Fund 12/ | 11,335,521 | 100.00% |

1/ Gross of transfer to the TIF Fund, PILOT, Walter Reed Development, and St. Elizabeth's East Campus Redevelopment.

2/ Gross of transfers to the Washington Convention Center Authority (WCCA), Tax Increment Financing (TIF) Fund and PILOT, Ballpark Revenue Fund, Healthy Schools Fund, ABCA Program, Healthy DC and Health Care Expansion Fund, WMATA Operations and Capital Subsidy, Commission on Arts and Humanities and St. Elizabeth's Redevelopment. Includes Medical Marijuana tax revenue.

3/ Gross of transfer to the Highway Trust Fund.

4/ Gross of transfer to the Ballpark Revenue Fund.

5/ Gross of transfer to the Healthy DC and Health Care Expansion Fund.

6/ Gross of transfer to the Nursing Facility Quality of Care Fund.

7/ Gross of transfer to the DBH Gambling Treatment and Intervention Fund

8/ Includes Hospital Inpatient Fee and Hospital Outpatient Fee and is gross of transfers to Hospital Fund and Hospital Provider Fee Fund.

9/ ICF-IDD Assessment transfers to Stevie Sellows Quality Improvement Fund.

10/ Gross of transfer to the Housing Production Trust Fund (HPTF)/ Bond repayment/ West End Library and Firehouse Maintenance Fund.

11/ Gross of transfer to the Housing Production Trust Fund (HPTF)/ Bond repayment. Includes Coop Recordation Tax.

12/ Gross of Dedicated Tax Revenue transfers to Enterprise Funds in Fiscal Year 2021.

13/ Legalized gambling transfer (lottery).

14/ Special-Purpose Revenues, which are generated from fees, fines, assessments, or reimbursements that are dedicated to the agency that collects the revenues, are often called "Other-Type," or "O-Type" Funds.

Note: Some figures may differ from reported ACFR numbers as specific definitions of funds may vary.

TABLE 2
GENERAL FUND
FY 2023 and FY 2024 REVENUE ESTIMATES
(In Thousands of Dollars)

| Tax | FY 2023 Estimates | FY 2024 Estimates |
|--|------------------------------|------------------------------|
| <i>Real Property 1/</i> | 2,808,908 | 2,807,055 |
| <i>Personal Property</i> | 76,760 | 76,760 |
| <i>Public Space Rental</i> | 43,100 | 43,100 |
| <i>General Sales 2/</i> | 1,825,929 | 1,881,756 |
| <i>Alcoholic Beverages</i> | 7,057 | 7,170 |
| <i>Cigarette</i> | 18,987 | 18,512 |
| <i>Motor Vehicle</i> | 55,000 | 55,550 |
| <i>Motor Fuel Tax 3/</i> | 22,879 | 22,830 |
| <i>Individual Income</i> | 3,122,982 | 3,227,523 |
| <i>Corporate Franchise</i> | 775,061 | 730,733 |
| <i>U.B. Franchise</i> | 198,905 | 192,023 |
| <i>Public Utility 4/</i> | 128,908 | 129,037 |
| <i>Toll Telecommunications 4/</i> | 42,991 | 41,719 |
| <i>Insurance Premiums 5/</i> | 146,962 | 148,328 |
| <i>Healthcare Provider Tax 6/</i> | 16,285 | 16,610 |
| <i>Private Sports Wagering 7/</i> | 4,798 | 4,338 |
| <i>Games of Skill</i> | 17 | 17 |
| <i>Ballpark Fee 4/</i> | 39,900 | 37,900 |
| <i>Hospital Bed Tax and Hospital Provider Fee 8/</i> | 13,764 | 13,764 |
| <i>ICF-IDD Assessment 9/</i> | 5,539 | 5,539 |
| <i>Estate</i> | 41,608 | 40,290 |
| <i>Deed Recordation 10/</i> | 235,531 | 214,890 |
| <i>Deed Transfer 10/</i> | 179,074 | 164,679 |
| <i>Economic Interest 11/</i> | 23,897 | 20,168 |
| Total Taxes 12/ | 9,834,842 | 9,900,291 |
| <i>Total Non-Tax</i> | 633,812 | 575,915 |
| <i>Other Sources 13/</i> | 43,731 | 43,975 |
| <i>Special Purpose (O Type) 14/</i> | 745,401 | 723,105 |
| Total General Fund 12/ | 11,257,785 | 11,243,287 |

- 1/ Gross of transfer to the TIF Fund, PILOT, Walter Reed Development, and St. Elizabeth's East Campus Redevelopment.
2/ Gross of transfers to the Washington Convention Center Authority (WCCA), Tax Increment Financing (TIF) Fund, PILOT, Ballpark Revenue Fund, Healthy Schools Fund, ABCA Program, Healthy DC and Health Care Expansion Fund, WMATA Operations and Capital Subsidy, and Commission on Arts and Humanities. Includes Medical Marijuana tax revenue.
3/ Gross of transfer to the Highway Trust Fund.
4/ Gross of transfer to the Ballpark Revenue Fund.
5/ Gross of transfer to the Healthy DC and Health Care Expansion Fund.
6/ Gross of transfer to the Nursing Facility Quality of Care Fund.
7/ Gross of transfer to DBH Gambling Treatment and Intervention Fund
8/ Includes Hospital Inpatient Fee and Hospital Outpatient Fee and is gross of transfers to Hospital Fund and Hospital Provider Fee Fund.
9/ ICF-IDD Assessment transfers to Stevie Sellows Quality Improvement Fund.
10/ Gross of transfer to the Housing Production Trust Fund (HPTF)/ Bond repayment/ West End Library and Firehouse Maintenance Fund.
11/ Gross of transfer to the Housing Production Trust Fund (HPTF)/ Bond repayment. Includes Coop Recordation Tax.
12/ Gross of Dedicated Tax Revenue transfers to Enterprise Funds in Fiscal Years 2023 and 2024.
13/ Legalized gambling transfer (lottery). Gross of transfers in FY 2024 to Neighborhood Safety and Engagement Fund and Early Childhood Development Fund.
14/ Special-Purpose Revenues, which are generated from fees, fines, assessments, or reimbursements that are dedicated to the agency that collects the revenues, are often called "Other-Type," or "O-Type" Funds.
Note: February 28, 2023, revenue estimates.

PART II – DISTRICT OF COLUMBIA TAXES AND NON-TAX REVENUE SOURCES

ALCOHOLIC BEVERAGE TAX

GENERAL LIABILITY:

The tax is levied on all alcoholic beverages manufactured by a holder of a manufacturer's license and on all beverages brought into the District by the holder of a wholesaler's or retailer's license.

D.C. Code Citation: Title 25, Chapter 9.

PRESENT RATES: (January 1, 2023)

Beer -- \$2.79 per 31-gallon barrel
 Light wine (14% alcohol or less) -- 30¢ per gallon
 Heavy wine (over 14% alcohol) -- 40¢ per gallon
 Champagne and sparkling wine -- 45¢ per gallon
 Spirits -- \$1.50 per gallon

REVENUE:

| <i>Fiscal Year</i> | <i>Revenue</i> |
|--------------------|----------------|
| 2022 | \$6,918,874 |
| 2023 (Estimate) | \$7,057,000 |
| 2024 (Estimate) | \$7,170,000 |

COMPARATIVE DATA: (January 1, 2023)

Metropolitan Area Alcoholic Beverage Tax Facts

| <i>ITEM</i> | <i>D.C.</i> | <i>MD</i> | <i>VA</i> |
|---|-------------|------------|---------------------|
| <i>Beer (per barrel)</i> | \$2.79 1/ | \$2.79 1/ | \$8.06 |
| <i>Spirits (per gallon)</i> | 1.50 1/ | 1.50 1/ 5/ | 20% of retail price |
| <i>Wine (per gallon) 4/</i> | | | |
| <i>14% or less alcohol (per gallon)</i> | .30 1/ | .40 1/ | 1.51 2/ 3/ |
| <i>More than 14% alcohol (per gallon)</i> | .40 1/ | .40 1/ | 1.51 2/ 3/ |
| <i>Sparkling wine (per gallon)</i> | .45 1/ | .40 1/ | 1.51 2/ 3/ |

1/ In addition, a 10.25% and 10% off- and on- premises sales tax applies in D.C., respectively; and a 9% sales tax applies in MD.

2/ In addition, state sales tax applies. This includes a \$.40 per liter wine tax, and an average combined 5.3% state sales tax (state sales tax plus local sales tax) applied at ABC stores, except in Central Virginia, Northern Virginia and Hampton Roads regions where the state sales tax rate applied is 6%. In Charlotte County, Danville, Gloucester County, Halifax County, Henry County, Northampton County, and Patrick County the state sales tax rate applied is 6.3%. In James City County, and Williamsburg, York County, the state sales tax rate applied is 7%. Wines with under 4% of alcohol- \$0.2565/gallon

3/ Some localities may apply additional tax.

4/ D.C. applies a tax of \$1.50 on every wine-gallon of all other alcoholic beverages, and a proportionate tax at the same rate on all fractional parts of such gallon.

5/ If distilled spirits contain a percentage of alcohol greater than 100 proof, there is an additional tax, for each 1 proof over 100 proof of 1.5 cents for each gallon or 0.3963 cents for each liter.

CIGARETTE TAX

GENERAL LIABILITY:

The cigarette tax is levied on the sale or possession of all cigarettes in the District. Cigarettes sold to the military and to Congress are exempt from the tax.

D.C. Code Citation: Title 47, Chapter 24.

PRESENT RATES: (January 1, 2023)

Tax on a pack of twenty or fewer cigarettes is \$5.02 per package or 25.1¢ per cigarette, and on little cigars that weigh no more than 4.5 pounds per thousand. The tax includes a \$0.52 per pack surtax in lieu of a retail sales tax. For more than 20 per pack, the surtax will be incrementally increased by \$0.025 per each cigarette above 20. Additionally, the rate for little cigars is \$.25 per little cigar. The FY 2019 Budget Support Act of 2018, effective October 1, 2018, increased the cigarette excise tax from \$2.50 per pack to \$4.50 per pack as part of the Smoking Cessation Amendment Act.

Tax on “other tobacco products,” which are any product containing, made from, or derived from tobacco, other than cigarettes or a \$2.00-plus premium cigar, is equal to the cigarette tax and surcharge on a pack of 20 cigarettes and expressed as a percentage (79%) of the average wholesale price of a package of 20 cigarettes. The Vapor Product Amendment Act of 2015 expanded the term “other tobacco product” to include vapor product which results in e-cigarettes being taxed at the same rate as “other tobacco products”. The term “vapor product” means any non-lighting, noncombustible product that uses a mechanical heating element, battery, or electronic circuit, regardless of shape or size that can be used to produce aerosol from nicotine in a solution. This includes any vapor cartridge or other container of nicotine in a solution or other form that is used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device.

The term “other tobacco product” does not include any other product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes and that is being marketed and sold solely for such an approved purpose.

REVENUE:

| <i>Fiscal Year</i> | <i>Revenue</i> |
|---------------------------|-----------------------|
| <i>2022</i> | <i>\$22,465,151</i> |
| <i>2023 (Estimate)</i> | <i>\$18,987,000</i> |
| <i>2024 (Estimate)</i> | <i>\$18,512,000</i> |

CIGARETTE TAX-continued

COMPARATIVE DATA: (January 1, 2023)

**Metropolitan Area
Cigarette Tax Facts**

| State | Tax Per Pack of 20 |
|----------------------------|---------------------------|
| <i>D.C.</i> | <i>\$5.02 1/</i> |
| <i>Maryland 2/</i> | <i>\$3.75</i> |
| <i>Virginia 3/ 4/</i> | <i>\$0.60</i> |
| <i>Alexandria</i> | <i>\$1.26</i> |
| <i>Arlington County 3/</i> | <i>\$0.40</i> |
| <i>Fairfax City</i> | <i>\$0.85</i> |

1/ Includes a per pack surtax in lieu of a retail sales tax calculated every March 31. The current rate is 52¢.

2/ 17.5 cents for each cigarette in a package of more than 20 cigarettes

3/ Cigarettes are subject to a sales tax plus additional local rates. Also, Arlington county tax rate increased to \$0.50 on each pack containing 25 cigarettes as of July 1, 2021.

4/ Beginning Jan 1, 2021, heated tobacco products will be subject to the tax in Virginia at 2.25¢ per stick.

ESTATE TAX

GENERAL LIABILITY:

The estate tax is imposed on the estate of every decedent who died while still a resident of the District, and on the estate of every nonresident decedent owning property having a taxable situs in the District at the time of his or her death. Tax rates range from 6.4% to 16% depending on the taxable estate after the estate tax exclusion.

In response to the Federal Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001, the District decoupled from federal estate tax rules. The federal legislation gradually eliminated the federal estate tax over the next several years, with full repeal taking effect in year 2010. However, the estate tax elimination was only temporary, as the full estate tax returned in 2011. The American Taxpayer Relief Act of 2012 permanently changed the estate tax after a decade of flux.

By decoupling, the District has chosen to create its estate tax threshold. Hence, some District estate taxpayers may be required to file and pay District estate taxes even when no federal filing or tax is due. The District's estate tax rates are linked to federal estate tax credits that were available prior to the enactment of EGTRRA. The highest rate of 16.0 percent applies to estates valued at more than \$10,000,000 (after allowable federal credits are taken).

The FY 2015 Budget Support Act instituted a revenue trigger for implementation of tax policy changes recommended by the District's Tax Revision Commission beyond FY 2015, one of which raised the estate tax threshold from \$1 million to \$2 million. The FY 2015 Budget Support Act additionally set a path for the District to recouple with federal estate tax rules. These changes were stipulated upon meeting some revenue triggers that would go into effect before the increase in the estate tax threshold. This increase in the estate tax threshold from \$1 million to \$2 million became effective at the beginning of FY 2017.

Effective January 1, 2018, the Estate tax statute was amended to conform with the federal rules. That is, the estate tax exclusion will be equal to the basic exclusion amount prescribed in section 2010(c)(3)(A) of the Internal Revenue Code and any cost-of-living adjustments made pursuant to section 2010(c)(3)(B) of the Internal Revenue Code. However, through the Tax Cuts and Jobs Act of 2017 (TCJA) set by Public Law 115-97, the federal government capped the estate tax rate at 40 percent and increased the exemption level to \$11.18 million for individuals (\$22.4 million married couples) indexed to inflation beginning 2018.

The District government, through the Estate Tax Clarification Amendment Act of 2018 included in the FY 2019 Budget Support Act of 2018 once again decoupled the District of Columbia's estate tax exclusion threshold from the federal level in response to the TCJA and established the District's threshold to \$5.6 million (the pre-TCJA level) for a decedent whose death occurs on or after January 1, 2018. The estate tax threshold will be increased annually, subject to inflation.

The FY 2021 Budget Support Act further reduced the estate tax exclusion threshold from \$5.682 million to \$4 million after January 1, 2021. The estate tax threshold will be increased annually, subject to a cost-of-living adjustment. With the adjustment, after January 1, 2023, estate tax exclusion threshold is about \$4.528 million.

Virginia repealed its estate tax by the 2006 General Assembly for decedents whose date of death occurs on or after July 1, 2007. Maryland's estate tax rate is like the District of Columbia's. The highest Maryland tax rate is 16.0 percent of the amount by which the decedent's taxable estate

ESTATE TAX-continued

exceeds the Maryland estate tax exemption (\$5 million) amount for the year of the decedent's death (after allowable federal credits are taken).

There is no inheritance or gift tax in the District of Columbia.

D.C. Code Citation: Title 47, Chapter 37.

PRESENT RATES: (January 1, 2023)

| Taxable Estates above threshold | Tax Rate |
|--|-----------------|
| \$1 million to \$1.5 million | 6.40% |
| over \$1.5 million to \$2 million | 7.20% |
| over \$2 million to \$2.5 million | 8% |
| over \$2.5 million to \$3 million | 8.80% |
| over \$3 million to \$3.5 million | 9.60% |
| over \$3.5 million to \$4 million | 10.40% |
| over \$4 million to \$5 million | 11.20% |
| over \$5 million to \$6 million | 12% |
| over \$6 million to \$7 million | 12.80% |
| over \$7 million to \$8 million | 13.60% |
| over \$8 million to \$9 million | 14.40% |
| over \$9 million to \$10 million | 15.20% |
| over \$10 million | 16% |

REVENUE:

| Fiscal Year | Revenue |
|--------------------|----------------|
| 2022 | \$48,201,629 |
| 2023 (Estimate) | \$41,608,031 |
| 2024 (Estimate) | \$40,290,286 |

GAMES OF SKILL GROSS RECEIPT TAX

GENERAL LIABILITY:

The games of skill gross receipt tax is imposed on the gross revenues of electronic games of skill machines located in bars and restaurants.

Games of skill is a new category of gaming devices that operates in on-premises alcohol retailers. These games are mechanical or electronic devices that have been certified by the Office of the Attorney General (OAG) as a game of skill, and thus not gambling, where the ability to win is not influenced by prior wins or losses, outside sources, chance, or unreasonable or unknown skill requirements. Players can win cash, gift cards, or vouchers. Although the games of skill machines cannot directly dispense cash prizes, it does issue award vouchers that can be redeemed for cash at the licensed retailer.

The Alcoholic Beverage and Cannabis Control Board (Board) authorizes the licensed establishment to host the games of skill device and the regulatory structure is managed by the Office of Lottery and Gaming (OLG). Generally, each retailer can register up to five games of skill devices that must display a registration sticker that is located within the retailer only in Alcoholic Beverage and Cannabis Administration (ABCA) approved locations and be near a properly posted warning sign.

D.C. Code Citation: Title 36, Chapter 6.

PRESENT RATES: (January 1, 2023)

The games of skill tax rate is 10% of the games of skill machine gross revenue from each game of skill machine in the District.

REVENUE:

| Fiscal Year | Revenue |
|--------------------|----------------|
| 2022 | \$16,940 |
| 2023 (Estimate) | \$16,940 |
| 2024 (Estimate) | \$16,940 |

INCOME TAXES

CORPORATION AND UNINCORPORATED BUSINESS FRANCHISE TAXES

GENERAL LIABILITY:

Corporate and unincorporated franchise tax revenue totaled about \$991.3 million making up 9.9 percent of the total *gross tax revenue* in fiscal year 2022. Since 2015, franchise tax revenue has made up an average of 8.14 percent of total tax revenue per year in the District.

The corporation franchise tax is imposed on corporations carrying on a trade, business or profession in the District or receiving income from District sources. Whoever engages in a trade, business or profession in the District of Columbia must register. Failure to register may result in a fine of not more than \$500 and a civil penalty of \$50 for every separate day that such failure to register continues.

The tax on unincorporated businesses is imposed on businesses with gross income over \$12,000. A 30% salary allowance for owners and a \$5,000 exemption are deductible from net income to arrive at taxable income. No person other than a corporation shall engage in or conduct a trade, business or profession. A person who fails to obtain a trade or business license may be fined not more than \$300 for each day that such failure continues. The minimum tax is \$250 if D.C. gross receipts are less than \$1 million and \$1,000 if D.C. gross receipts are greater than \$1 million.

Generally, persons exempt from filing an unincorporated business franchise tax return include trade, business, or professional organizations having a gross income not more than \$12,000 for the taxable year, and trade, business, or professional organizations which by law, customs, or ethics cannot be incorporated, such as doctors and lawyers. A business is also exempt if more than 80% of gross income is derived from personal services rendered by the members of the entity and capital is not a material income-producing factor. Federal conformity is maintained pursuant to Public Law 105-100.

Additionally, DC provides tax incentives to Qualified High Technology Companies (QHTCs) by providing various tax credits for disadvantaged employee retraining and wages paid, and employee relocation. The FY 2021 Budget Support Act of 2020 further limited the benefits to Qualified High Technology Companies by reducing the QHTC income tax credits for retraining qualified disadvantaged employees from \$20,000 to \$10,000; Repealing the carry-forward of income tax credits for disadvantaged employee retraining and wages paid; Repealing beneficial income tax rates and exemptions; Eliminating the rollover of capital gain from qualified QHTC stock to other qualified QHTC stock; Repealing tax credits for employee relocation; Repealing preferential capital gains treatment for investors in QHTCs; and Repealing tax credits for Qualified Social E-commerce Companies.

The FY 2021 Budget Support Act of 2020 also clarifies that taxable income of incorporated businesses include gains from a sale or other disposition of assets, even if such sale results in the termination of the business.

D.C. Code Citation: Title 47, Chapter 18.

INCOME TAXES—continued

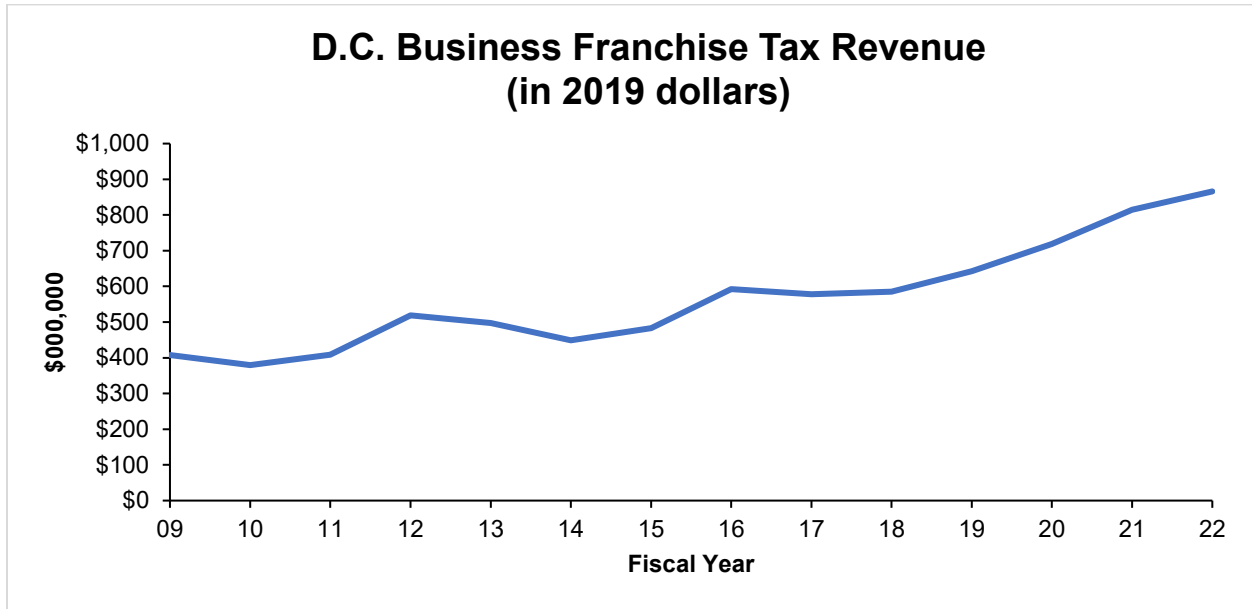
PRESENT RATES: (January 1, 2023)

The corporation and unincorporated business franchise tax rate is 8.25%.

REVENUE:

| Fiscal Year | Corporation | Unincorporated Business |
|--------------------|--------------------|--------------------------------|
| 2022 | \$728,036,090 | \$263,286,451 |
| 2023 (Estimate) | \$775,061,249 | \$198,905,409 |
| 2024 (Estimate) | \$730,732,905 | \$192,023,294 |

INCOME TAXES—continued



| YEAR | D.C. BUSINESS FRANCHISE TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|---|---------------------------------------|
| 2009 | 407.7 | 6.77% |
| 2010 | 379.5 | 6.47% |
| 2011 | 408.8 | 6.75% |
| 2012 | 518.8 | 7.96% |
| 2013 | 497.4 | 7.43% |
| 2014 | 448.8 | 6.60% |
| 2015 | 483.0 | 6.22% |
| 2016 | 592.8 | 7.69% |
| 2017 | 578.1 | 7.42% |
| 2018 | 585.2 | 7.39% |
| 2019 | 642.7 | 7.60% |
| 2020 | 718.8 | 8.83% |
| 2021 | 814.3 | 9.80% |
| 2022 | 866.0 | 9.91% |

INCOME TAXES—continued

INDIVIDUAL INCOME TAX

GENERAL LIABILITY:

The District collected about \$3.1 billion in individual income tax revenues in TY 2022. Individual income tax revenue is about 75.9 percent of all *income* tax revenue generated in the District of Columbia.

The tax is imposed on every resident, defined as any individual who is domiciled in the District at any time during the tax year, or who maintains an abode in the District for 183 or more days during the year. On June 11, 1982, the District of Columbia Individual, Estates, and Trusts Federal Conformity Tax Act, which adopted the federal definition of income and made other modifications to the D.C. income tax, became law (D.C. Law 4-118). Provisions of this legislation are effective for tax years beginning after December 31, 1981.

The Fiscal Year 2015 Budget Support Act of 2014 created two new individual income tax brackets: the individual income tax middle bracket of \$40,000 - \$60,000; and a higher income bracket for individuals earning \$350,000 - \$1M per year. The Budget Support Act also systematically reduced the individual income tax rate for the middle bracket from 7.0 percent to 6.5 percent. The tax rate for the new higher income bracket was reduced from 8.95 percent to 8.75 while keeping the tax rate at 8.95 percent for individual income over \$1,000,000.

More changes were made to the tax brackets and tax rates through the Income Tax Fairness Amendment Act of 2021, as part of the FY 2022 Budget Support Act of 2021. The Income Fairness Amendment Act created new brackets beginning in tax year 2022 for incomes between \$250,000 and \$500,000 (taxed at 9.25 percent) and between \$500,000 and \$1 million (taxed at 9.75 percent), while raising the tax on income over \$1 million to 10.75 percent.

Additionally, the Tax Reform Amendment Act of 2017, D.C. Law 22-33, amended the District of Columbia Official Code so that for taxable years beginning after December 31, 2017, the standard deduction and personal exemption are set as prescribed by the Internal Revenue Code of 1986.

D.C. Code Citation: Title 47, Chapter 18.

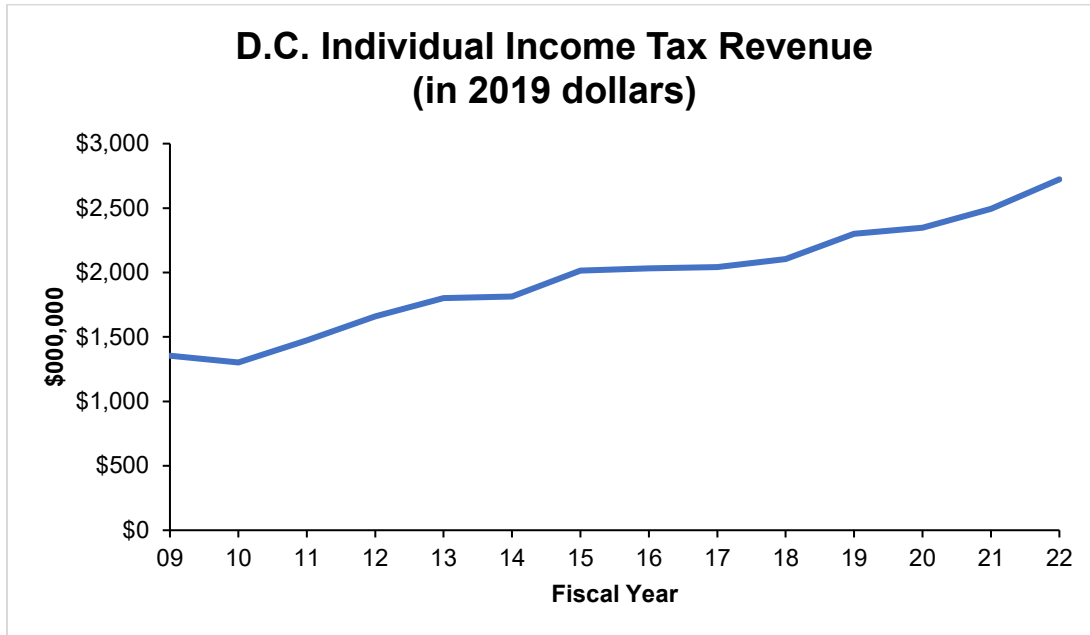
PRESENT RATES: (January 1, 2023)

| Taxable Income | Tax Rate |
|---|--|
| First \$10,000 | 4.0% |
| Over \$10,000, but not over \$40,000 | \$400 + 6.0% of excess > \$10,000 |
| Over \$40,000, but not over \$60,000 | \$2,200 + 6.5% of excess > \$40,000 |
| Over \$60,000, but not over \$250,000 | \$3,500 + 8.5% of excess > \$60,000 |
| Over \$250,000 but not over \$500,000 | \$19,650, plus 9.25% the excess > \$250,000 |
| Over \$500,000 but not over \$1,000,000 | \$42,775, plus 9.75% the excess > \$500,000 |
| Over \$1,000,000 | \$91,525, plus 10.75% the excess > \$1,000,000 |
| Standard Deduction/Exemption | |
| Single/Married Filing Separate | \$13,850 |
| Married Filing Jointly | \$27,700 |
| Head of Household | \$20,800 |

INCOME TAX-continued

REVENUE:

| Fiscal Year | Revenue |
|-----------------|-----------------|
| 2022 | \$3,116,991,366 |
| 2023 (Estimate) | \$3,122,981,664 |
| 2024 (Estimate) | \$3,227,522,904 |



| YEAR | <i>D.C. INDIVIDUAL INCOME TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000)</i> | <i>PERCENT OF TOTAL TAX COLLECTED</i> |
|------|--|---|
| 2009 | \$1,353.7 | 22.5% |
| 2010 | \$1,301.9 | 22.2% |
| 2011 | \$1,473.7 | 24.3% |
| 2012 | \$1,659.9 | 25.5% |
| 2013 | \$1,800.8 | 26.9% |
| 2014 | \$1,813.4 | 26.7% |
| 2015 | \$2,014.9 | 27.0% |
| 2016 | \$2,032.3 | 26.4% |
| 2017 | \$2,042.5 | 26.2% |
| 2018 | \$2,104.3 | 26.6% |
| 2019 | \$2,299.3 | 27.2% |
| 2020 | \$2,348.3 | 28.9% |
| 2021 | \$2,493.8 | 30.0% |
| 2022 | \$2,722.9 | 31.2% |

INSURANCE PREMIUMS TAX

GENERAL LIABILITY:

The tax is imposed on the gross insurance premiums received for insuring against risks in the District, less premiums received for reinsurance assumed, returned premiums and dividends paid to policyholders. All domestic and foreign insurance companies are liable for the tax, which is in lieu of all other taxes except real estate taxes and fees provided for by the District's insurance law.

Also, some of the revenues generated from the District's Health Maintenance Organizations (HMOs), revenues from contracts for services under the Medicaid program, DC HealthCare Alliance program, or Healthy DC program are dedicated to the Healthy DC and Health Care Expansion Fund.

D.C. Code Citation: Title 31; Title 47, Chapter 26.

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|-----------------|---------------|--------------|
| 2022 | \$145,199,830 | \$81,380,590 |
| 2023 (Estimate) | \$146,961,875 | \$82,061,547 |
| 2024 (Estimate) | \$148,328,115 | \$82,223,095 |

TRANSFER TO HEALTHY DC and HEALTH CARE EXPANSION FUND:

| Fiscal Year | Transfer Amount |
|-----------------|-----------------|
| 2022 | \$63,819,240 |
| 2023 (Estimate) | \$64,900,328 |
| 2024 (Estimate) | \$66,105,020 |

COMPARATIVE DATA: (January 1, 2023)

Insurance Premiums Tax Facts

| Type of Company/Policy | D.C. | MD | VA |
|-----------------------------------|----------|----------|----------|
| Life insurance companies | 1.70% | 2.00% | 2.25% |
| Life insurance special benefits | 1.70% | 2.00% | 2.25% |
| Domestic mutual companies | 1.70% | 2.00% | 1.00% |
| Industrial sick benefit companies | 1.70% | 2.00% | 1.00% |
| Worker's compensation | 1.70% | 2.00% | 2.50% |
| Other | 2.00% 1/ | 2.00% 2/ | 2.25% 3/ |
| Legal service insurance companies | --- | --- | 2.25% |

1/ 2.0% on accident and health insurance policy, on surplus line brokers, and on health insurance premiums and HMO's. Of insurance premium taxes generated by policies with health maintenance organizations (HMO), 75% of the 2.0% and 100% of 2% Medicare HMOs premium tax is distributed to the Healthy DC and Health Care Expansion Fund for providing affordable health benefits to eligible individuals.

2/ 3.0% on unauthorized insurers and surplus line brokers.

3/ Includes surplus line brokers.

MOTOR VEHICLE TAXES

MOTOR VEHICLE EXCISE TAX

GENERAL LIABILITY:

The excise tax is imposed on the issuance of every original and subsequent certificate of title on motor vehicles and trailers. Vehicles brought into the District by new residents, who have been titled elsewhere, are exempt from the tax¹.

The 2021 Budget Support Act of 2020 revised the calculation of the motor vehicle excise tax. In addition to the motor vehicle weight class, the revised calculation of the excise tax considers the fuel efficiency of motor vehicles (miles per gallon (“mpg”) city driving, rounded down to the nearest whole number) as mandated by Title V of the Clean Energy DC Omnibus amendment Act of 2018.

D.C. Code Citation: Title 50, Chapter 22.

PRESENT RATES: (January 1, 2023)

Formula - Fair Market Value (FMV) X MPG Taxable Percentage (%) = Excise Tax

| Unladen Weight | 20MPG or Less | 21MPG - 25MPG | 26MPG - 30MPG | 31MPG - 39MPG | 40MPG or More |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 3,499 or Less | 8.1% | 4.4% | 3.1% | 2.2% | 1.0% |
| 3,500 - 4,999 | 9.1% | 5.4% | 4.1% | 3.2% | 2.0% |
| 5,000 or More | 10.1% | 6.4% | 5.1% | 4.2% | 3.0% |

Changes to the vehicle excise tax does not apply to individuals who claimed and received the District Earned Income Tax Credit (DC EITC) for the most recent tax period. Individuals who qualify for the DC EITC may elect to pay by weight class (6%, 7%, 8%), or the MPG adjusted tax benchmark/schedule depending on lowest costs.

REVENUE:

| Fiscal Year | Revenue |
|--------------------|----------------|
| 2022 | \$59,001,542 |
| 2023 (Estimate) | \$55,000,000 |
| 2024 (Estimate) | \$55,550,000 |

1 D.C. Code § 50-2201.03(j) lists all motor vehicle excise tax exemption categories.

MOTOR VEHICLE EXCISE TAX-Continued

COMPARATIVE DATA: (January 1, 2023)

Metropolitan Area Motor Vehicle Excise Tax Facts

| State | Rate (based on FMV) |
|-------------|---------------------|
| D.C. 1/ | 1%-10.1% |
| Maryland 1/ | 6% |
| Virginia 2/ | 4.15% |

1/ Based on fair market value. In Maryland, there is a minimum tax of \$100 for non-resident vehicles less than 7 years old; 6% of the value of vehicle for states that impose no tax for vehicles less than 7 years old; and \$38.40 and \$19.20 for vehicles and motor vehicles and trailers over 7 years old, respectively.

2/ Based on vehicle's gross sales price, or \$75, whichever is greater. An additional \$64 fee applies to hybrid and electric vehicles, excluding mopeds.

MOTOR VEHICLE FUEL TAX

GENERAL LIABILITY:

The tax is imposed on every importer of motor vehicle fuel, including gasoline, diesel fuel, benzol, benzene, naphtha, kerosene, heating oils, all liquefied petroleum gases and all combustible gases and liquids suitable for the generation of power for the propulsion of motor vehicles. Since October 1, 1996, the revenue from the motor vehicle fuel tax has been deposited into the Highway Trust Fund, rather than the General Fund.

Prior to FY 2021, the District levied the motor fuel vehicle tax at the wholesale level, equal to 8 percent of the average wholesale price of a gallon of regular unleaded gasoline. The average wholesale price was calculated, based on the average wholesale rate for regular gasoline in the Central Atlantic Region (PADD 1B), for adjustment twice a year. The average wholesale price was determined by the District and published by February 1 and August 1 of each year. The floor on the wholesale price for the calculation of the tax was \$2.94, or 23.5 cents per gallon.

The FY 2021 Budget Support Act included an additional surcharge of \$.053 per gallon on the sale of gasoline, gasohol, and other motor vehicle fuel. The surcharge is in addition to the \$.235 per gallon tax on the sale of gasoline, gasohol, and other motor vehicle fuel. The surcharge will also be increased annually, beginning in FY 2022, by the cost-of-living adjustment. The cost-of-living adjustment increase in the motor fuel surcharge is \$.107 per gallon on the sale of gasoline, gasohol, and other motor vehicle fuel. Revenues from the surcharge is dedicated to the Capital Improvements Program to fund the renovation, repair, and maintenance of local transportation infrastructure.

D.C. Code Citation: Title 47, Chapter 23.

PRESENT RATES: (January 1, 2023)

23.5¢ per gallon of regular unleaded gasoline and an additional surcharge of 10.7¢ per gallon

REVENUE:

| Fiscal Year | Revenue |
|-----------------|--------------|
| 2022 | \$22,928,000 |
| 2023 (Estimate) | \$22,878,619 |
| 2024 (Estimate) | \$22,829,691 |

COMPARATIVE DATA: (January 1, 2023)

Metropolitan Area Gasoline Tax Facts

| State | Rate per Gallon |
|-------------|-----------------|
| D.C. 1/ | \$0.235 |
| Maryland 2/ | \$0.470 |
| Virginia* | \$0.298 |

* Effective July 1, 2020, the Virginia Motor Vehicle Fuels Sales Tax of \$.077 for gasoline and alternative fuels and \$.078 for diesel (Wholesale Sales Tax) is levied on fuel sold or delivered to retail dealers in Virginia

1/ Does not include the additional surcharge of \$0.107 per gallon

2/ Maryland and Virginia motor fuel tax rate is effective beginning July 1, 2023

MOTOR VEHICLE REGISTRATION FEES

GENERAL LIABILITY:

Fees are imposed on every vehicle operated over the roads and public highways of the District of Columbia by a resident. A resident has the option of registering every two years.

D.C. Code Citation: Title 50, Chapter 15.

PRESENT RATES: (January 1, 2023) - Based on manufacturer's shipping weight

| PASSENGER CARS – Class A | |
|--|-------|
| Class I (3,499 pounds or less) | \$72 |
| Class II (3,500 – 4,999 pounds) | \$115 |
| Class III (5,000 pounds or greater) | \$155 |
| Class V (clean fuel or electric vehicle [Hybrid]) 1/ | \$ 36 |
| Motorized bicycle | \$ 30 |
| Motorcycles | \$ 52 |
| Antique vehicles | \$ 25 |
| TRUCKS AND BUSES – Class B | |
| Class I (3,499 pounds or less) | \$125 |
| Class II (3,500 – 4,999 pounds) | \$175 |
| Class III (5,000 – 6,999 pounds) | \$250 |
| Class IV (7,000 – 9,999 pounds) | \$500 |
| Class V (10,000 pounds or greater) 2/ | \$700 |
| TRAILERS – Class C | |
| Class I (1,499 pounds or less) | \$ 50 |
| Class II (1,500 – 3,499 pounds) | \$150 |
| Class III (3,500 – 4,999 pounds) | \$275 |
| Class IV (5,000 – 6,999 pounds) | \$500 |
| Class V (7,000 – 10,999 pounds) | \$700 |
| Class VI (11,000 pounds – 11,999) 3/ | \$850 |
| Driver's license (1 st time & renewal) 4/ | \$ 47 |
| Learner's permit | \$ 20 |
| Driver's license reinstatement | \$ 98 |
| Driver's instructor license | \$ 78 |
| Vehicle titles: | |
| New titles | \$ 26 |
| Duplicate titles | \$ 26 |
| Lien recordation (per lien) | \$ 20 |
| Temporary tags | \$ 13 |
| Inspection fee 5/ | \$ 35 |
| Residential parking permits 6/ | \$ 50 |
| Residential parking permits (Seniors 65 & Older) | \$35 |
| Reciprocity parking permit for students | \$338 |

1/ Applies to new vehicles only; the first two years of the vehicle registration, except for motorcycles and motorized bicycles.

2/ Additional \$50 per 1,000 pounds over 10,000 pounds.

3/ Additional \$75 per 1,000 pounds over 11,000 pounds.

4/ Eight years.

5/ Two years.

6/ There is a fee structure for additional eligible vehicles at \$75 for the 2nd vehicle; \$100 for the 3rd vehicle and \$150 for each vehicle beyond the first three vehicles

Source: D.C. Department of Motor Vehicles, www.dmv.dc.gov.

MOTOR VEHICLE REGISTRATION FEES-Continued

REVENUE:

| Fiscal Year | Revenue |
|-----------------|--------------|
| 2022 | \$23,292,724 |
| 2023 (Estimate) | \$25,641,617 |
| 2024 (Estimate) | \$32,678,744 |

COMPARATIVE DATA: (January 1, 2023)

METROPOLITAN AREA MOTOR VEHICLE REGISTRATION FEES

PASSENGER VEHICLE WEIGHTS

| JURISDICTION | 3,499 lbs. OR LESS | 3,500–3,700 lbs. | 3,701– 4,999 lbs. | OVER 5,000 lbs. |
|---------------------------------|-----------------------|---------------------|----------------------|--------------------|
| District of Columbia | \$72.00 | \$115.00 | \$115.00 | \$155.00 |
| Charles County, MD 1/ | 135.00 | 135.00 | 187.00 | 187.00 |
| Montgomery County, MD 1/ | 135.00 | 135.00 | 187.00 | 187.00 |
| Prince George's County, MD 1/ | 135.00 | 135.00 | 187.00 | 187.00 |
| Alexandria, VA 2/ 3/ | 30.75 | 30.75 | 35.75 | 35.75 |
| Arlington County, VA 2/ | 30.75 | 30.75 | 35.75 | 35.75 |
| Fairfax, VA 2/ 5/ | 63.75 | 63.75 | 68.75 | 68.75 |
| Fairfax County, VA 2/ 4/ | 63.75 | 63.75 | 73.75 | 73.75 |
| Falls Church, VA 2/ 5/ | 63.75 | 63.75 | 68.75 | 68.75 |
| Loudoun County, VA 2/ 6/ | 55.75 | 55.75 | 60.75 | 60.75 |
| Prince William County, VA 2/ 7/ | 63.75 | 63.75 | 68.75 | 68.75 |

1/ Vehicles are registered for two (2) years at time of titling or at the time registration is renewed in Maryland. The fees shown include a \$17.00 surcharge for the EMS system

2/ Rates shown include a \$30.75 state registration fee on vehicles weighing 4,000 pounds or less and a \$35.75 fee on vehicles weighing more than 4,000 pounds. Autos also subject to a local personal property tax.

3/ In tax year 2019, the city eliminated its motor vehicle decal fee while raising their personal property tax to \$5.33 per \$100 of assessed value on all automobiles.

4/ Includes a county license fee of \$33 for vehicles with a weight of 4,000 pounds or less, and \$38 for all other vehicles with a weight of more than 4,000 pounds.

5/ Includes a city motor vehicle license fee or vehicle registration (decal) fee of \$33 for all automobiles.

6/ Includes a county vehicle license fee of \$25 for all automobiles.

7/ Includes a county vehicle registration fee of \$33 for all automobiles.

PROPERTY TAXES

PERSONAL PROPERTY TAX

GENERAL LIABILITY:

The tax is levied on all tangible property, except inventories, used in a trade or business. Such property includes machinery, equipment, furniture, and fixtures.

The Fiscal Year 2021 Budget Support Act of 2020 amended the list of personal property exemptions to include software unless the software is incorporated as a permanent component of a computer, machine, piece of equipment, or device, or of real property, and the software is not commonly available separately; or the cost of the software is included as part of the cost of a computer, machine, piece of equipment, or device, or of the cost of real property on the books or records of the taxpayer. The amendment became effective July 1, 2021.

D.C. Code Citation: Title 47, Chapter 15.

PRESENT RATE:

\$3.40 per \$100 of assessed value; the first \$225,000 of taxable value is excluded from tax. Non-profit organizations, wireless telecommunication companies, certain digital audio radio satellite service companies, qualified supermarkets, certain systems using exclusively solar energy, and cogeneration systems are also exempted from personal property taxes. Qualified supermarkets are exempt from personal property taxes for a period not to exceed ten years.

REVENUE:

| Fiscal Year | Gross Revenue |
|-----------------|---------------|
| 2022 | \$82,884,502 |
| 2023 (Estimate) | \$76,760,000 |
| 2024 (Estimate) | \$76,760,000 |

COMPARATIVE DATA: (January 1, 2023)

| Jurisdiction | Rate |
|----------------------------|----------------|
| District of Columbia | \$3.4000 |
| Charles County, MD | \$2.8525 2/ 3/ |
| Montgomery County, MD | \$1.7350 2/ 3/ |
| Prince George's County, MD | \$2.5000 2/ 3/ |
| Alexandria, VA | \$4.7500 4/ 5/ |

PERSONAL PROPERTY TAX-continued

COMPARATIVE DATA-continued: (January 1, 2023)

Metropolitan Area Personal Property Tax Facts 1/

| Jurisdiction | Rate |
|---------------------------|----------------|
| Arlington County, VA | \$5.0000 4/ |
| Fairfax City, VA | \$4.1300 4/ |
| Fairfax County, VA | \$4.5700 4/ |
| Falls Church, VA | \$5.0000 4/ |
| Loudoun County, VA | \$4.1500 4/ 7/ |
| Prince William County, VA | \$3.7000 4/ 6/ |

1/ Personal property tax year in the Virginia area jurisdictions is on a calendar year basis. The rates submitted by Virginia jurisdictions for this report are applicable to calendar year 2021. The District of Columbia tax rate is from D.C. Official Code. Since 2001, the Virginia personal property tax relief varies by jurisdiction for qualifying vehicles.

2/ Rate applied to non-town businesses.

3/ Personal property rate does not include the municipal district tax, and special service area tax which differs by city, town or village in Charles, Montgomery, and Prince George's Counties, MD.

4/ Rate applied to regular individual personal property, and business tangible personal property.

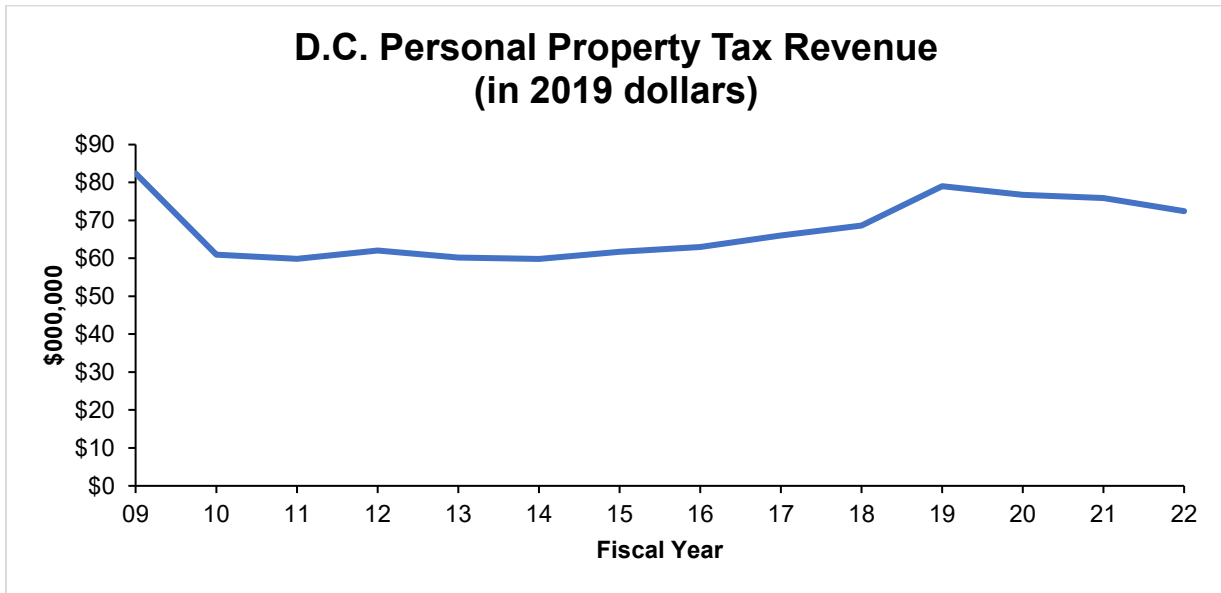
5/ Personal property rate of 5.33 for automobiles, \$4.50 for automobiles with 10,00lbs or more, and \$3.55 for vehicles with specially designed equipment for disabled persons.

6/ Prince William County has different property tax rates ranging from \$0.00001 to \$3.70 per \$100 of valuation depending on the type of property.

7/ Personal property tax rate varies depending on the industry. More information about Loudoun county personal property tax rate can be found at <https://www.loudoun.gov/1922/Property-Tax-Rates>

Note: The above rates are per \$100 of assessed value.

PERSONAL PROPERTY TAX-continued



| YEAR | D.C. PERSONAL PROPERTY TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|--|---|
| 2009 | \$82.4 | 1.4% |
| 2010 | \$61.0 | 1.0% |
| 2011 | \$59.9 | 1.0% |
| 2012 | \$62.1 | 1.0% |
| 2013 | \$60.2 | 0.9% |
| 2014 | \$59.8 | 0.9% |
| 2015 | \$61.7 | 0.8% |
| 2016 | \$63.0 | 0.8% |
| 2017 | \$66.0 | 0.8% |
| 2018 | \$68.6 | 0.9% |
| 2019 | \$79.0 | 0.9% |
| 2020 | \$76.8 | 0.9% |
| 2021 | \$75.9 | 0.9% |
| 2022 | \$72.4 | 0.8% |

REAL PROPERTY TAX

GENERAL LIABILITY:

The District of Columbia property tax uses four classifications of real property: Class I-- residential real property; Class II--commercial and industrial property, including hotels and motels; Class III-- vacant property; and Class IV--blighted property. All real properties, other than expressly exempted properties, are subject to taxation at 100% of estimated market value.

The assessed value for each Class I owner-occupied residence (including condominiums) that qualifies for a homestead deduction is reduced by \$84,000. Homestead properties also receive an owner-occupant residential tax credit that is calculated based on a minimum 40% of market value assessment. Additionally, homestead properties are subject to a 10% property tax cap whereby the property tax paid on the property is limited to at most 110% of the tax paid the previous year. This exemption is indexed annually (by the CPI) on October 1st of each year. For qualified senior homeowners, as well as homeowners with a disability, the District allows an additional 50 percent reduction in the amount of real property taxes that would otherwise be payable. In addition, a property tax deferral program allows qualified low-income homeowners, with total household Adjusted Gross Income (AGI) of \$50,000 or less, to defer a portion of their taxes.

Additionally, DC has a Lower Income, Long-term Homeowners Tax Credit available to ease the effect of rising assessments and taxes for long-term low-income residents. To access this credit, homeowners must have occupied the property as their principal residence for at least the last seven (7) consecutive years, be receiving the Homestead Deduction, and must meet specific income requirements. Owners of certain certified historic buildings may receive property tax relief through a special assessment if the owners enter an agreement with the city for at least twenty years. The District also has a property tax relief "circuit-breaker" program for qualified homeowners and renters (with adjusted gross income of \$57,600 or less in 2021 for households under 70 and \$78,600 for recipients aged 70 or older), which provides a tax credit for those with low and moderate income, the elderly, blind and disabled.

Senior citizens (age 65 and older) get additional real property tax relief with the senior homestead 2% cap on real property tax increase included in the FY 2023 Budget Support Act of 2022, effective October 1, 2022. That is, for seniors and persons with disabilities that own and occupy a home in the District, the taxable assessed value of the individual's home is limited to a 2% increase from the prior tax year, if they meet the income requirement. Additionally, qualified seniors and disabled residents living in cooperative housing associations also receive the 2% cap.

District law limits the estimated amount of total real property taxes collected from all residential properties (Class I) by limiting the annual growth in total real property taxes from all residential properties, by way of a calculated tax rate. If, just before the start of the fiscal year, it is estimated that actual Class I revenue will exceed the targeted growth amount, the residential tax rate is to be lowered to achieve only the statutorily specified revenue amount.

Class II properties are subject to a split tax rate structure. Currently, the tax rate for the first \$5 million in assessed value for Class II properties is set at \$1.65 per \$100 of assessed value; \$1.77 per \$100 on properties with assessed values between \$5 million and \$10 million; and \$1.89 on properties with assessed values above \$10 million. Additionally, legislation limits the growth in total Class II revenue to 10 percent annually.

REAL PROPERTY TAX- continued

The Nonprofit Workforce Housing Properties Real Property Tax Exemption Amendment Act of the Fiscal Year 2020 Budget Support Act of 2019 exempts commercial property taxes for rental housing owners who are non-profit entities, lease their units at certain income thresholds, and comply with additional requirements. For more details on qualifying for the exemption please refer to the D.C. Official Code § 47–1005.03.

D.C Law 22–81, also known as the East End Commercial Real Property Tax Rate Reduction Amendment Act of 2018, provides a special real property tax rate equal to the real property tax rate for Class 1 Properties of \$0.85 per \$100 of assessed value for 10 years for Class II properties located east of the east bank of the Anacostia River. The tax rate will be increased by \$0.04 annually until the tax rate is equal to the District's standard real property tax rate for Class II properties for the tax year beginning the 11th year after the applicability of the law. A caveat in the law is that the reduced tax rate does not apply to Class II properties located in any Tax Increment Financing (TIF) area in the region as defined in § 2-1217.01 of the Code of the District of Columbia. This Act was however repealed by the Fiscal Year 2021 Budget Support Act of 2020 (D.C. Law 23-149).

The General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2023-2028 Authorization Emergency Act of 2023 allows for the issuance of general obligation bonds and general obligation bond anticipation notes of the District of Columbia for the purposes of financing certain capital projects and for the refunding of certain capital indebtedness of the District of Columbia during fiscal years 2023 through 2028.

D.C. Code Citation: Title 47, Chapters 7-10, 13, 13A.

The District's Real Property Tax Year is October 1 through September 30.

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|--------------------|----------------------|--------------------|
| 2022 | \$2,814,533,647 | \$2,772,265,168 |
| 2023 (Estimate) | \$2,808,908,000 | \$2,763,054,956 |
| 2024 (Estimate) | \$2,807,055,000 | \$2,755,890,023 |

Transfers:

| Fiscal Year | TIF Program and PILOT | Walter Reed Development | St. Elizabeth East Campus Redevelopment |
|--------------------|------------------------------|--------------------------------|--|
| 2022 | \$41,415,077 | \$650,873 | \$202,529 |
| 2023 (Estimate) | \$44,501,675 | \$744,369 | \$607,000 |
| 2024 (Estimate) | \$49,813,608 | \$744,369 | \$607,000 |

REAL PROPERTY TAX-continued

COMPARATIVE DATA: (January 1, 2023)

METROPOLITAN AREA REAL PROPERTY TAX FACTS

| JURISDICTION | NOMINAL TAX PER \$100 VALUE | LEGAL ASSESSMENT (% of estimated market value) | TAX RATE PER \$100 VALUE ^{6/} |
|--------------------------------------|------------------------------------|---|---|
| D.C. | | | |
| Class I (residential) ^{1/} | \$ 0.850 | 100% | \$ 0.850 |
| Class II (commercial) ^{2/} | \$ 1.890 | 100% | \$ 1.890 |
| Class III (vacant) | \$ 5.000 | 100% | \$ 5.000 |
| Class IV (blighted) | \$10.00 | 100% | \$10.00 |
| MARYLAND | | | |
| Charles Co. ^{3/ 4/} | \$ 1.253 | 100% | \$ 1.253 |
| Montgomery Co. ^{3/ 5/} | \$ 0.806 | 100% | \$ 0.806 |
| Prince George's Co. ^{3/ 7/} | \$ 1.112 | 100% | \$ 1.112 |
| VIRGINIA | | | |
| Alexandria ^{8/} | \$ 1.110 | 100% | \$ 1.110 |
| Arlington Co. ^{9/} | \$ 1.030 | 100% | \$1.030 |
| Fairfax City | \$ 1.010 | 100% | \$ 1.010 |
| Fairfax Co. ^{10/} | \$ 1.1275 | 100% | \$ 1.1275 |
| Falls Church | \$ 1.230 | 100% | \$ 1.230 |
| Loudoun Co. | \$ 0.875 | 100% | \$ 0.875 |
| Prince William Co. | \$ 0.966 | 100% | \$ 0.966 |

^{1/} The first \$78,700 of assessed value is exempt from the tax on owner-occupied housing.

^{2/} 1st \$5(M) rate is \$1.65 per \$100 of assessed value; and \$1.77 for each \$100 of assessed value if the real property's assessed value is greater than \$5,000,000 but not greater than \$10 million for D.C.

^{3/} Rates shown include a state rate of 11.2 cents per \$100 of assessed value.

^{4/} Rates include \$0.064 for fire and rescue and are different in tax districts with various levies for recreation.

^{5/} Montgomery County property tax rate is a weighted rate. By law, the personal property tax rate is 2.5 times the real property rate.

^{6/} Nominal tax rate x assessment = tax rate.

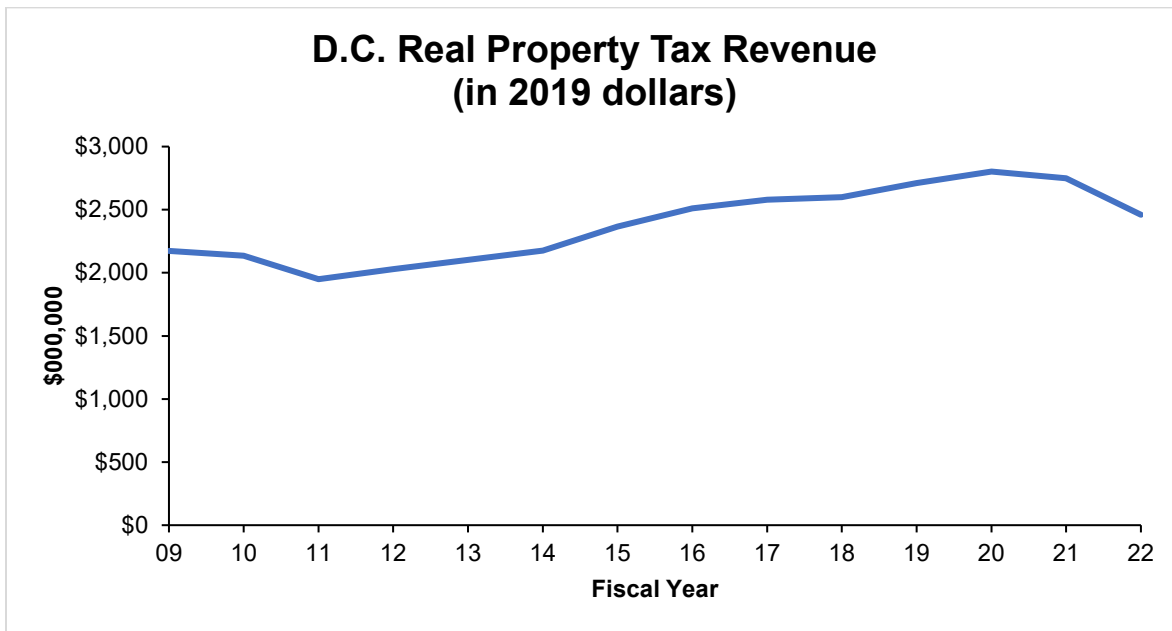
^{7/} Prince George's County real property tax rate does not include park and planning, storm water and WST.

^{8/} \$0.02 of Alexandria property tax is used to fund priority capital improvement projects such as a new pre-K facility, street paving and multimodal "Complete Streets" improvements, municipal broadband, and major facility repairs including museums and the Courthouse. Another \$0.01 of the real property tax goes to affordable housing.

^{9/} Arlington County real property tax include \$0.017 Sanitary District Tax per \$100 of assessed value.

^{10/} Includes \$0.0325 dedicated to the stormwater fund. Fairfax County also has a phase 1 and 2 in the Dulles Rail Transportation Improvement District where it levies a \$0.090 per \$100 assessed value and a \$0.180 per \$100 assessed value on commercial and industrial zoned property (including commercial apartments), or property used for commercial or industrial purposes within the district, respectively.

REAL PROPERTY TAX-continued



| YEAR | D.C. REAL PROPERTY TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|--|---------------------------------------|
| 2009 | \$2,172.0 | 36.1% |
| 2010 | \$2,135.5 | 36.4% |
| 2011 | \$1,949.3 | 32.2% |
| 2012 | \$2,028.8 | 31.1% |
| 2013 | \$2,101.4 | 31.4% |
| 2014 | \$2,176.7 | 32.0% |
| 2015 | \$2,367.1 | 31.7% |
| 2016 | \$2,511.2 | 32.6% |
| 2017 | \$2,579.6 | 33.1% |
| 2018 | \$2,600.5 | 32.9% |
| 2019 | \$2,710.1 | 32.1% |
| 2020 | \$2,802.2 | 34.4% |
| 2021 | \$2,749.4 | 33.1% |
| 2022 | \$2,458.7 | 28.1% |

PUBLIC SPACE RENTAL

GENERAL LIABILITY:

The tax is imposed on commercial use of publicly owned property between the property line and the street.

The Fiscal Year 2016 Budget Support Act of 2015 stipulated that the District shall not charge a fee to an organization for occupying public space to operate a farmer's market; provided, that it participates in the Supplemental Nutritional Assistance Program and the Women, Infants and Children Farmers Market Nutrition Program.

D.C. Code Citation: Title 10, Chapter 11.

PRESENT RATE: (January 1, 2023)

Various rates for the following: vault (a structure or an enclosure of space beneath the surface of the public space like tanks for petroleum products), sidewalk (enclosed and unenclosed cafes), surface and fuel oil tank.

| Calculation of Vault Rental Fees |
|--|
| $\text{Vault Rental Fee} = (\text{assessed value of the land by square foot}) \times (\text{vault square footage}) \times (\text{utilization factor})$ |

Note: The assessed value of the land is determined by the Office of Tax & Revenue; the vault square footage is supplied by the D.C. Department of Transportation's Public Space Regulation Administration (PSRA); rent per fuel oil tank is \$100 (the Council may adjust the amount of rent per fuel tank); and the utilization factor is currently 1.2% for vaults with a single level and .30% for additional levels (which is applied based on information supplied by PSRA).

REVENUE:

| Fiscal Year | Gross Revenue |
|-----------------|---------------|
| 2022 | \$39,059,520 |
| 2023 (Estimate) | \$43,100,000 |
| 2024 (Estimate) | \$43,100,000 |

PUBLIC UTILITY TAX

GENERAL LIABILITY:

The tax is imposed on the gross receipts of telephone, television, cable, satellite, and radio companies and on the units delivered to customers of natural gas, electricity, and heating oil.

D.C. Code Citation: Title 47, Chapter 25.

PRESENT RATE: (January 1, 2023)

Note: Non-residential rates are 1% greater than the residential rates. The 1% surcharge on non-residential customers is dedicated to the Ballpark Revenue Fund.

REVENUE:

| Fiscal Year | Gross Revenues | Net Revenues |
|-----------------|----------------|---------------|
| 2022 | \$129,361,520 | \$122,294,569 |
| 2023 (Estimate) | \$128,908,258 | \$121,971,231 |
| 2024 (Estimate) | \$129,037,166 | \$122,292,637 |

Transfer to Ballpark Revenue Fund:

| Fiscal Year | Transfer Amount |
|-----------------|-----------------|
| 2022 | \$7,066,951 |
| 2023 (Estimate) | \$6,937,027 |
| 2024 (Estimate) | \$6,744,529 |

COMPARATIVE DATA: (January 1, 2023)

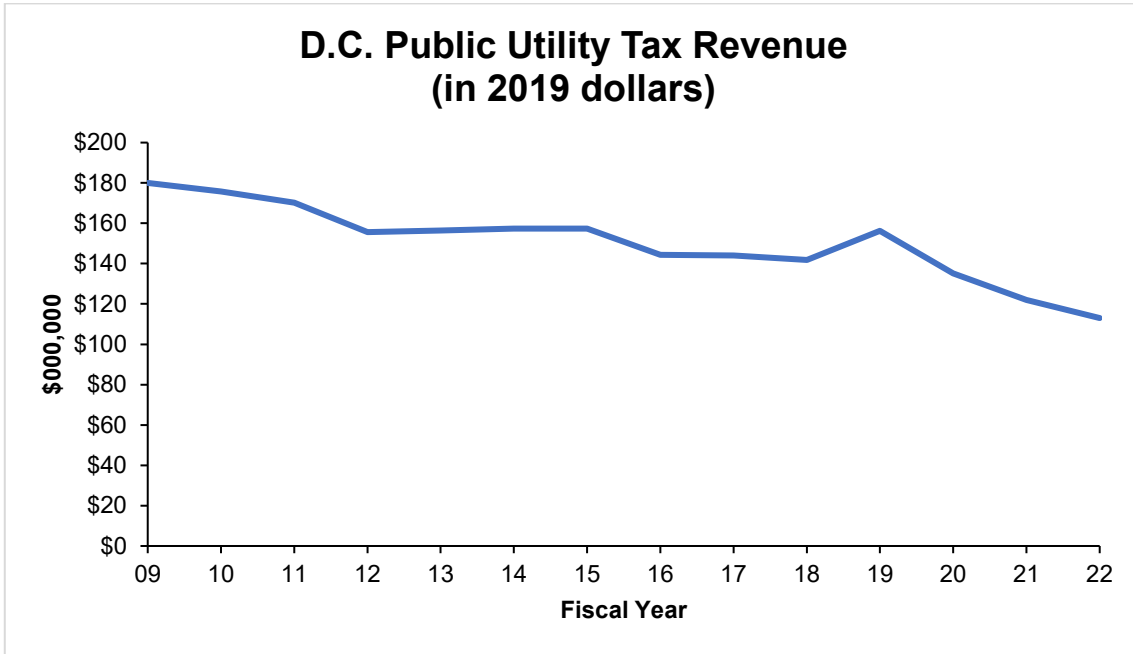
METROPOLITAN AREA UTILITY TAX FACTS

| JURISDICTION | UTILITIES SUBJECT TO TAX | RATE | BASIS |
|----------------------|---|---|--|
| District of Columbia | Television, radio, and telephone | 10.0% 11.0% | Gross receipts Residential Non-residential |
| | Heating oil | \$0.170 \$0.187 | Per Gallon Residential Non-residential |
| | Natural gas | \$0.0707 \$0.07777 | Per Therm Residential Non-residential |
| | Electric distribution | \$0.0070 \$0.0077 | Per Kilowatt Hr Residential Non-residential. |
| Maryland | Electric, light and power, gas, oil pipeline, telegraph and telephone companies | 2.0% | Gross receipts |
| | Natural gas | \$0.00402 | Per Therm |
| | Electricity | \$0.00062 | Per Kilowatt Hr |
| Virginia 2/ | Electric 1/ Less than 2,500 kWh 2,500 – 50,000 kWh Above – 50,000 kWh Gas 1/ Below 500 CCF | \$0.001595/kWh \$0.00102/kWh \$0.000771/kWh \$0.0201/CCF | Utility Consumption |

1/ includes a local consumption tax rate and a special regulatory tax rate.

2/All local telephone utility taxes in Virginia are taxed with 5% statewide communication sales and use tax.

PUBLIC UTILITY TAX-continued



| YEAR | D.C. PUBLIC UTILITY TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|---|---------------------------------------|
| 2009 | \$180.0 | 3.0% |
| 2010 | \$175.7 | 3.0% |
| 2011 | \$170.2 | 2.8% |
| 2012 | \$155.6 | 2.4% |
| 2013 | \$156.3 | 2.3% |
| 2014 | \$157.3 | 2.3% |
| 2015 | \$157.3 | 2.1% |
| 2016 | \$144.4 | 1.9% |
| 2017 | \$144.1 | 1.8% |
| 2018 | \$141.8 | 1.8% |
| 2019 | \$156.3 | 1.8% |
| 2020 | \$135.1 | 1.7% |
| 2021 | \$122.0 | 1.5% |
| 2022 | \$113.0 | 1.3% |

RECORDATION AND TRANSFER TAXES

GENERAL LIABILITY:

Recordation Tax

The recordation tax is imposed on the recording of all deeds to real estate in the District. The basis of the tax is the amount of consideration given for the property, including cash, property other than cash, mortgages, liens and security interest in non-residential property. Where there is no consideration or where the consideration is nominal, the tax is imposed based on the fair market value of the property.

The Fiscal Year 2018 Budget Support Act of 2017 provides a reduced recordation tax rate or reduced economic interest in a cooperative unit tax rate to qualified first-time District homebuyers based on their residency status, prior homeownership, eligible property, and income, provided that the entire benefit of the reduced recordation tax rate is allocated to the first-time District homebuyer, as shown on the settlement statement, or closing disclosure form. The eligible property refers to an improved residential real property, including an economic interest in a cooperative unit, purchased at an amount not to exceed the purchase ceiling of \$684,500 in FY 2023 (the ceiling is adjusted annually beginning in 2019 and rounded to the next lowest multiple of \$500).

The Recordation and Transfer Taxes Amendment Act of the Fiscal Year 2020 Budget Support Act of 2019 increased both the deed recordation and transfer tax rates to 2.5% from 1.45% for all mixed-use and commercial real estate transactions valued at \$2 million or higher. The subtitle went into effect in tax year 2020.

The Nonprofit Workforce Housing Properties Real Property Tax Exemption Amendment Act of Fiscal Year 2020 Budget Support Act of 2019 exempts deed recordation taxes for rental housing owners who are non-profit entities, lease their units at certain income thresholds, and comply with additional requirements. For more details on qualifying for the exemption please refer to the D.C. Official Code § 47–1005.03.

D.C. Code Citation: Title 42, Chapter 11.

PRESENT RATE: (January 1, 2023)

Deed Recordation

0.725% of consideration or fair market value for qualified first-time homebuyers,

1.1% of consideration or fair market value for residential property transfers < \$400,000,

1.45% of consideration or fair market value on the entire amount for all other deed transfers ≥ \$400,000.

2.5% of consideration or fair market value for all mixed-use and commercial real estate transfers ≥ \$2,000,000.

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|-----------------|---------------|---------------|
| 2022 | \$383,559,784 | \$325,687,817 |
| 2023 (Estimate) | \$235,531,100 | \$199,918,319 |
| 2024 (Estimate) | \$214,889,520 | \$182,368,980 |

RECORDATION AND TRANSFER TAXES-continued

Transfer Tax

The transfer tax is imposed on each transfer of real property at the time the deed is submitted for recordation. The tax is based upon the consideration paid for the transfer. Where there is no consideration or where the amount is nominal, the basis of the transfer tax is the fair market value of the property conveyed.

D.C. Code Citation: Title 47, Chapter 9.

PRESENT RATE: (January 1, 2023)

Deed Transfer

1.1% of consideration or fair market value for residential property transfers < \$400,000,
1.45% of consideration or fair market value on the entire amount for all other deed transfers ≥ \$400,000.

2.5% of consideration or fair market value for all mixed-use and commercial real estate transfers ≥ \$2,000,000.

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|-----------------|---------------|---------------|
| 2022 | \$271,146,987 | \$229,467,018 |
| 2023 (Estimate) | \$179,073,700 | \$151,929,529 |
| 2024 (Estimate) | \$164,678,820 | \$139,689,885 |

Note: All property other than Class 1 taxed at 1.45% of consideration or full market value of transfer.

Economic Interest Tax

The economic interest tax is triggered by either one of the following two elements: 1) more than 50% of the controlling interest of the property owner is transferred; or 2) 80% of the assets of the property owner consist of real property located in D.C.

A transfer of shares in a cooperative housing association in connection with the grant, transfer or assignment of proprietary leasehold or other proprietary interest, in whole or in part, is defined as a transfer of an economic interest and subject to the tax.

D.C. Code Citation: Title 42, Chapter 11.

PRESENT RATE: (January 1, 2023)

2.9% of consideration or fair market value, except that in the case of a transfer of economic interest in a cooperative housing association where the consideration is less than \$400,000, the rate of taxation shall be 2.2%.

For qualified first-time home buyers, the rate for an economic interest in a cooperative unit is:

- (i) 1.825% when consideration allocable to the real property is less than \$400,000; or
- (ii) 2.175% when consideration allocable to the real property is \$400,000 or greater.

RECORDATION AND TRANSFER TAXES-continued

The Recordation and Transfer Taxes Amendment Act of the Fiscal Year 2020 Budget Support Act of 2019 increased the economic interest transfer tax rate for mixed-use or commercial property valued at \$2 million or above to 5% from 2.9%. Additionally, a surtax on the recordation of security interest instruments was imposed by the subtitle. The subtitle went into effect in tax year 2020.

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|--------------------|----------------------|--------------------|
| 2022 | \$35,275,824 | \$34,217,479 |
| 2023 (Estimate) | \$23,897,000 | \$23,005,550 |
| 2024 (Estimate) | \$20,168,000 | \$19,276,550 |

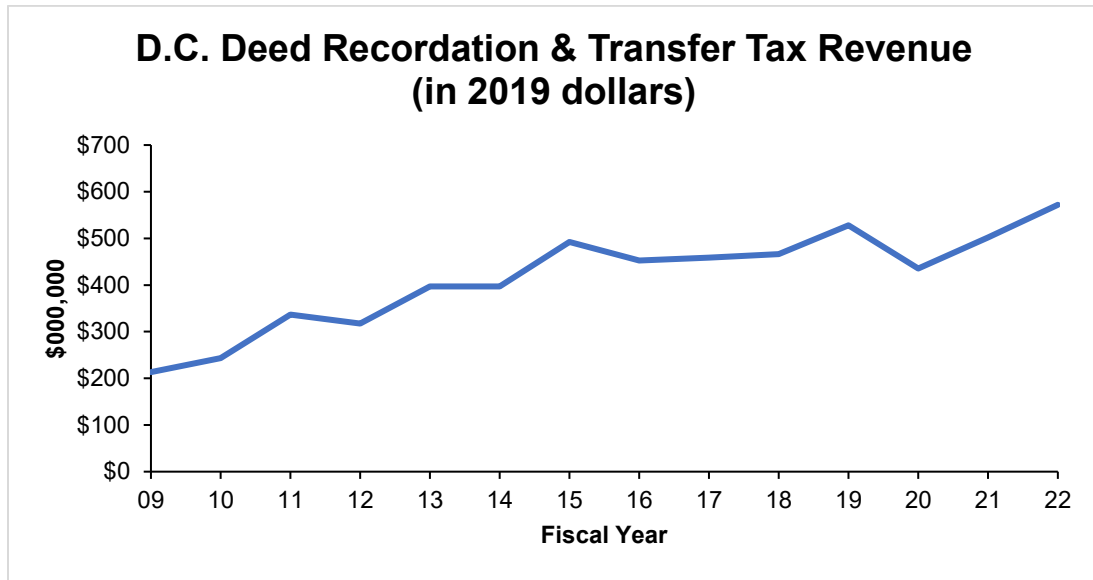
RECORDATION AND TRANSFER TAXES

Fifteen percent of the District’s real estate transfer taxes and 15 percent of deed recordation taxes, including the recordation of transfers of economic interest in co-ops are deposited into the Housing Production Trust Fund. 85% of the Deed Transfer and Recordation Taxes attributable to the new buildings constructed on Lots 836, 837, and 855 in Square 37 (or future subdivision or creation of condominium units on the lots), is deposited to the West End Library and Fire Station Maintenance Fund.

Housing Production Trust Fund/ Bond Repayment/ West End Library and Firehouse Maintenance Fund Transfers:

| Fiscal Year | Recordation Tax | Transfer Tax | Economic Interest |
|--------------------|------------------------|---------------------|--------------------------|
| 2022 | \$57,871,967 | \$41,679,969 | \$1,058,345 |
| 2023 (Estimate) | \$35,612,781 | \$27,144,171 | \$891,450 |
| 2024 (Estimate) | \$32,520,540 | \$24,988,935 | \$891,450 |

RECORDATION AND TRANSFER TAXES-continued



| YEAR | D.C. DEED RECORDATION & TRANSFER TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|--|---------------------------------------|
| 2009 | \$213.3 | 3.5% |
| 2010 | \$243.2 | 4.1% |
| 2011 | \$336.7 | 5.6% |
| 2012 | \$317.3 | 4.9% |
| 2013 | \$396.7 | 5.9% |
| 2014 | \$397.3 | 5.8% |
| 2015 | \$492.1 | 6.6% |
| 2016 | \$452.4 | 5.9% |
| 2017 | \$458.4 | 5.9% |
| 2018 | \$466.5 | 5.9% |
| 2019 | \$527.8 | 6.2% |
| 2020 | \$435.2 | 5.3% |
| 2021 | \$501.7 | 6.0% |
| 2022 | \$571.9 | 6.5% |

SALES AND USE TAX

GENERAL LIABILITY:

The District of Columbia has six tax categories that fall under the general sales and use tax. The retail sales tax rate of 6.0% is imposed on all tangible personal property sold or rented at retail in the District and on certain selected services. Grocery-type foods, prescription and non-prescription drugs, and professional services such as consulting, engineering, legal, and physician services, are among the items exempt from the sales tax. Construction materials and business purchases of public utility services are among those included. The Tax Revision Commission Implementation Amendment Act of 2014 (BSA Subtitle (VII) (B)) expanded the sales tax base to include some services not taxed in the District of Columbia. These include bottled water delivery services and other direct selling establishments, carpet and upholstery cleaning services, fitness and recreational sports centers, and other personal care services such as tanning, car washes, bowling centers and billiard parlors. The other rate categories apply to goods and services as indicated below. The FY 2019 Budget Support Act of 2018, effective October 1, 2018, additionally exempts feminine hygiene products from the general retail sales tax.

The use tax is imposed at the same rate on property sold or purchased outside the District and then brought into the District to be used, stored or consumed. Vendors subject to the jurisdiction of the District are required to collect and pay the use tax. When the vendor is not subject to the jurisdiction of the District, or when the purchaser brings the property into the District, the purchaser is required to pay the tax.

D.C. Act 22-556, The Internet Sales Tax Emergency Amendment Act of 2018, which became effective, January 1, 2019, mandates businesses without a physical presence in the District with at least 200 transactions or \$100,000 in-state sales collect and remit sales taxes at the authorized retail rate on transactions delivered in the city. The law was passed as a result of the 2018 United States Supreme Court's decision on *South Dakota v. Wayfair* that states are allowed to require businesses without an economic nexus in the state to collect taxes on behalf of the state if the business conducted within the state reach the established threshold. D.C. Law 22-258 made the legislation permanent.

The FY 2020 Budget Support Act of 2019, effective October 1, 2019, exempts sales of diapers and incontinence products from the retail sales tax. Additionally, the Act amended the definition of soft drinks to only exclude any beverages that are 100 percent fruit or vegetable juice or are at least 50 percent milk, including soy, rice, or similar milk substitutes and increased the general gross receipts tax on sales of soft drinks to 8 percent from 6 percent.

In April 2020, due to the impact of the Covid-19 pandemic on restaurants and bars, the District, in emergency legislation, reduced the tax rate on sales of alcoholic beverages for off-premises consumption by alcoholic beverage licensees acting under authority of §§ 25-112(h)(1), 25-113(a)(3)(C), or 25-113.01(f) or (g), from 10.25% to 10%. The change was made permanent in the FY 2021 BSA and subsequent clarification bill.

Finally, the Tourism Recovery Tax Emergency Amendment Act of 2022, increased the sales and use tax rate from 14.95 percent to 15.95 percent from April 1, 2023, to March 30, 2027 on the gross receipts from the sale of or charges for any room or rooms, lodgings, or accommodations furnished to a transient by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished in the District. The additional one percent is dedicated to the Washington Convention and Sports Authority for transfer to Destination DC.

SALES AND USE TAX-continued

D.C. Code Citation: Title 47, Chapters 20 and 22.

PRESENT RATES: (January 1, 2023)

A six-tier rate structure is presently in effect:

- 6.0% Retail rate for sales of certain tangible personal property and selected services; food, or drinks sold in vending machines; tickets to legitimate theaters and entertainment venues, and medical marijuana.
- 8.0% Soft drinks.
- 10.0% Restaurant meals, food and drinks prepared for immediate consumption on the premises where sold, off-premises alcohol sold by certain alcoholic beverage licensees; and prepaid telephone cards.
- 10.25% Rental vehicles, tickets sold for games and events at the ballpark, merchandise sold at the baseball stadium, tickets sold for games and events at the Capital One Center, merchandise sold at the Capital One Center, and alcoholic beverages for off premises consumption unless the seller has a specified liquor license.
- 15.95% Hotels (transient accommodations).
- 18.0% Parking of motor vehicles in commercial lots.

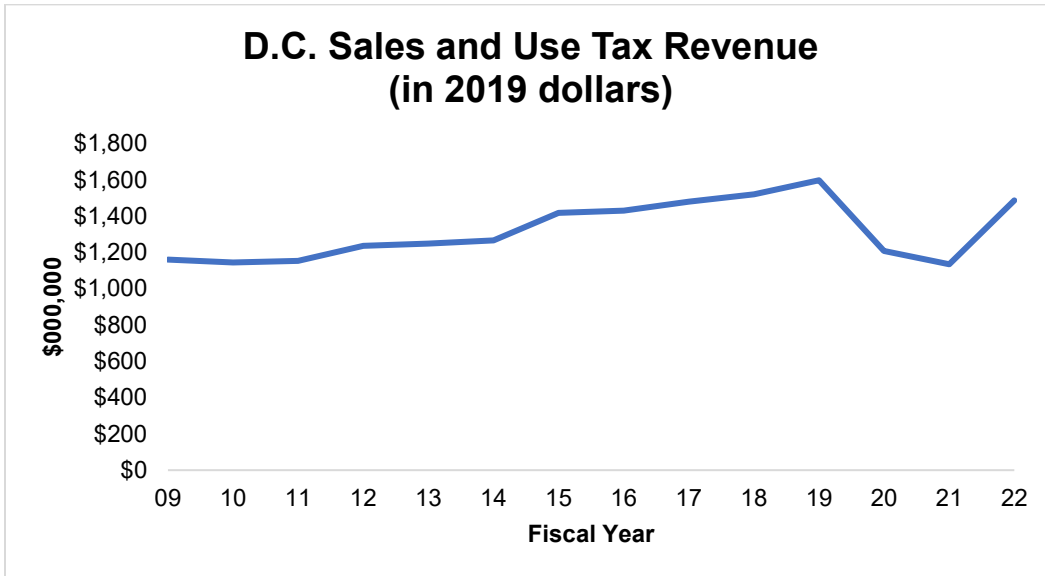
Note: The following portions of the sales tax go to the Convention Center Fund: 1% from restaurant meals and 4.45% from transient accommodations. The 18% parking tax in commercial lots tax is dedicated to WMATA. The 6% tax on medical marijuana is dedicated to the Healthy DC and Health Care Expansion Fund. 1.3% tax on hotels is dedicated to Destination D.C. 0.3 percentage points of the 6% general sales tax rate is dedicated to the Commission on Arts and Humanities after any transfer of funds to TIF and the Convention Center. There are other transfers from gross sales and use tax including Tax Increment Financing Funds, Ballpark Fund, Healthy Schools, ABRA and St. Elizabeth East Campus Redevelopment.

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|----------------------|---|--|
| 2022 | \$1,702,382,984 | \$1,241,589,920 |
| 2023 (Estimate) | \$1,825,929,000 | \$1,307,437,000 |
| 2024 (Estimate) | \$1,881,756,000 | \$1,337,662,275 |
| Transfers to: | | |
| Fiscal Year | Convention Center and Destination DC | Tax Increment Financing (TIF) and PILOT |
| 2022 | \$122,280,390 | \$32,517,464 |
| 2023 (Estimate) | \$158,090,000 | \$44,092,145 |
| 2024 (Estimate) | \$173,720,000 | \$48,556,750 |
| Fiscal Year | Ballpark Fund | Healthy Schools |
| 2022 | \$12,428,539 | \$5,590,000 |
| 2023 (Estimate) | \$14,535,000 | \$5,690,000 |
| 2024 (Estimate) | \$16,150,000 | \$5,690,000 |
| Fiscal Year | WMATA | ABRA |
| 2022 | \$242,672,138 | \$1,170,000 |
| 2023 (Estimate) | \$249,913,650 | \$1,170,000 |
| 2024 (Estimate) | \$252,770,770 | \$1,170,000 |
| Fiscal Year | Commission on Arts and Humanities | Healthy DC and Health Care Expansion |
| 2022 | \$41,688,101 | \$2,229,315 |
| 2023 (Estimate) | \$42,686,000 | \$2,234,085 |
| 2024 (Estimate) | \$43,721,000 | \$2,234,085 |

SALES AND USE TAX-continued

| <i>Transfers to (contd.):</i> | |
|-------------------------------|--|
| Fiscal Year | St. Elizabeth East Campus Redevelopment |
| 2022 | \$117,117 |
| 2023 (Estimate) | \$81,120 |
| 2024 (Estimate) | \$81,120 |



| YEAR | D.C. SALES & USE TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|--|---|
| 2009 | \$1,160.0 | 19.3% |
| 2010 | \$1,145.1 | 19.5% |
| 2011 | \$1,153.5 | 19.1% |
| 2012 | \$1,237.2 | 19.0% |
| 2013 | \$1,248.8 | 18.7% |
| 2014 | \$1,265.7 | 18.6% |
| 2015 | \$1,418.7 | 19.0% |
| 2016 | \$1,430.7 | 18.6% |
| 2017 | \$1,480.2 | 19.0% |
| 2018 | \$1,519.6 | 19.2% |
| 2019 | \$1,597.7 | 18.9% |
| 2020 | \$1,207.5 | 14.8% |
| 2021 | \$1,134.8 | 13.7% |
| 2022 | \$1,487.2 | 17.0% |

SPORTS WAGERING TAX

GENERAL LIABILITY:

The Sports Wagering Lottery Amendment Act of 2018 legalized sports wagering in the District of Columbia after the Supreme Court of the United States ruled that the Professional and Amateur Sports Protection Act of 1992 (PAPSA) was unconstitutional because it infringed on states' 10th amendment rights.² PAPSA allowed states with legalized sports wagering within their borders to continue offering sports wagering but prohibited the other 46 states from legalizing sports wagering.

The legalization of sports wagering allows individuals to be able to place single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets on sporting events. Wagering can occur in person, at a sports wagering facility or over the internet using websites or mobile devices. All bets must be initiated and received within the geographic boundaries of the District of Columbia.³

The Office of Lottery and Gaming (OLG) regulates and operates sports wagering in the District. As a regulator, the OLG governs all conduct associated with sports wagering, including sports wagering conditions, consumer protections, internal control systems, and maintenance of financial records.⁴

Maryland recently passed a sports betting Bill requiring sports gambling companies to pay a 15% tax on their proceeds. Virginia has a 15 percent tax on sports betting based on a permit holder's adjusted gross revenue (AGR). The AGR is calculated by subtracting from the amount wagered by players all winnings and any legislatively authorized deductions, including the value of bonuses and promotions offered as an incentive for consumers to place a wager., as well as the federal excise taxes paid on the wagering activity.

D.C. Code Citation: Title 36, Chapter 6.

PRESENT RATE: (January 1, 2023)

The tax imposed on sports wagering is a 10 percent tax on privately operated sports wagering revenues, or total funds wagered less amounts paid to players.⁵

2 Council of the District of Columbia, Committee on Finance and Revenue Committee Report. Report on Bill 22-944, the "Sports Wagering Lottery Amendment Act of 2018".

3 Ibid.

4 Ibid.

5 OLG also operates a District-wide sports betting game that is not subject to the tax, but which transfers net revenue to the District general fund.

SPORTS WAGERING TAX-continued

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue | |
|-----------------------------|---|--|---|
| 2022 | \$3,962,622 | \$3,762,622 | |
| 2023 (Estimate) | \$4,797,956 | \$4,597,956 | |
| 2024 (Estimate) | \$4,338,160 | \$0 | |
| <i>Transfers to:</i> | | | |
| Fiscal Year | Department of Behavioral Health Gambling Addiction Program | Neighborhood Safety and Engagement Fund | Early Childhood Development Fund |
| 2022 | \$200,000 | \$0 | \$0 |
| 2023 (Estimate) | \$200,000 | \$0 | \$0 |
| 2024 (Estimate) | \$200,000 | \$2,069,080 | \$2,069,080 |

TOLL TELECOMMUNICATIONS TAX

GENERAL LIABILITY:

The tax is imposed on telecommunication companies, including wireless telecommunications providers, for the privilege of providing toll telecommunication service in the District. The service charge is on any sound, vision or speech communication for which there is a toll charge that varies in amount with the distance or elapsed transmission time of each individual communication or the transmission or reception of any sound, vision or speech communication that entitles a person upon the payment of a periodic charge that is determined as a flat amount or upon the basis of a total elapsed transmission time, to an unlimited number of communications to or from all or a substantial portion of persons who have telephone or radio telephone stations in a specified area outside the local telephone system area in which the station that provides the service is located.

The items clearly omitted from this tax are anything to do with equipment sales, rental, maintenance, repairs, or charges.

D.C. Code Citation: Title 47, Chapter 39.

PRESENT RATE: (January 1, 2023)

- 10% of gross charges – residential
- 11% of gross charges – non-residential

Note: Non-residential rates are 1% greater than the residential rates. The incremental revenue from the non-residential rate is dedicated to the Ballpark Revenue Fund established by [D.C. Code 10-1601.02].

REVENUE:

| Fiscal Year | Gross Revenue | Net Revenue |
|-----------------|---------------|--------------|
| 2022 | \$46,716,415 | \$44,408,500 |
| 2023 (Estimate) | \$42,991,172 | \$40,763,427 |
| 2024 (Estimate) | \$41,719,441 | \$39,507,211 |

Transfer to Ballpark Fund:

| Fiscal Year | Transfer Amount |
|-----------------|-----------------|
| 2022 | \$2,307,915 |
| 2023 (Estimate) | \$2,227,745 |
| 2024 (Estimate) | \$2,212,230 |

Metropolitan Area:

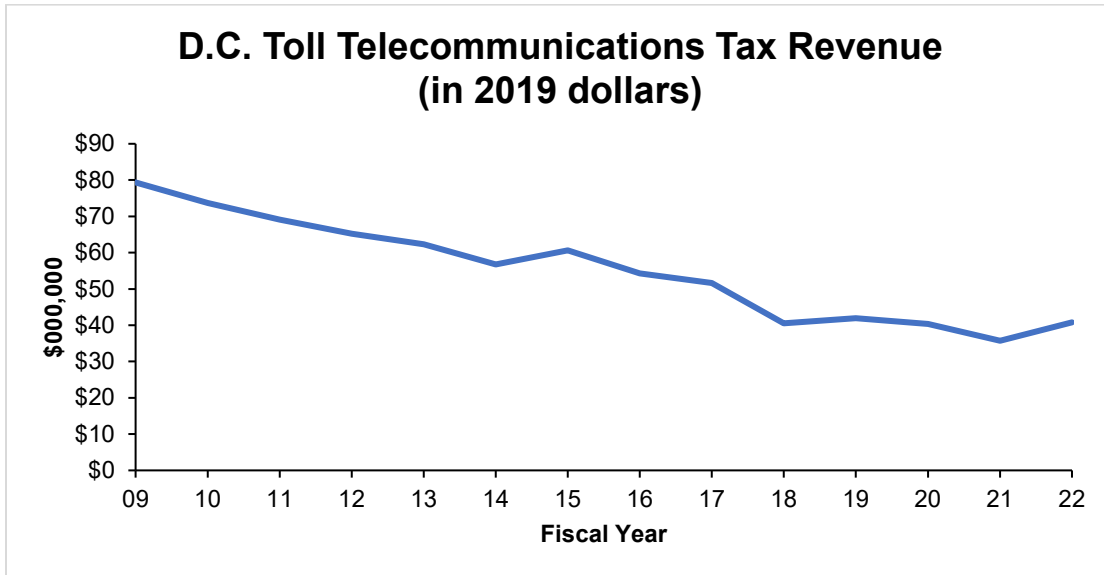
TOLL TELECOMMUNICATIONS TAX RATES

| District of Columbia | Maryland ¹ | Virginia ² |
|-----------------------|-----------------------|-----------------------|
| 10.0% Residential | 2.0% | 5% |
| 11.0% Non-residential | 2.0% | 5% |

¹Maryland's tax is a public service company franchise tax on gross receipts.

²Virginia's tax is a communications sales tax, which is listed on consumers' bills.

TOLL TELECOMMUNICATIONS TAX-continued



| YEAR | D.C. TOLL TELECOMMUNICATIONS TAX REVENUE ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX COLLECTED |
|-------------|--|---|
| 2009 | \$79.3 | 1.3% |
| 2010 | \$73.7 | 1.3% |
| 2011 | \$69.1 | 1.1% |
| 2012 | \$65.3 | 1.0% |
| 2013 | \$62.3 | 0.9% |
| 2014 | \$56.7 | 0.8% |
| 2015 | \$60.6 | 0.8% |
| 2016 | \$54.3 | 0.7% |
| 2017 | \$51.7 | 0.7% |
| 2018 | \$40.5 | 0.5% |
| 2019 | \$41.9 | 0.5% |
| 2020 | \$40.4 | 0.5% |
| 2021 | \$35.7 | 0.4% |
| 2022 | \$40.8 | 0.5% |

BASEBALL GROSS RECEIPTS TAX
(Transferred to Ballpark Revenue Fund)

GENERAL LIABILITY:

The Ballpark Omnibus Financing and Revenue Act of 2004 requires that a Ballpark Fee must be paid by certain businesses on June 15th of every District fiscal year until the bonds issued to build the ballpark are re-paid. To determine if a business is subject to the Ballpark Fee, that business must compute its annual District gross receipts for the most recent taxable year ending before June 15th.

The persons subject to the Ballpark Fee are persons that have income of \$5,000,000 or more in annual District gross receipts and either are subject to filing franchise tax returns (whether Corporate or Unincorporated) or are employers required to make unemployment insurance contributions.

An entity granted an exemption from the D.C. Franchise Tax pursuant to D.C. Code § 47-1802.01, is not subject to the Ballpark Fee, unless it has unrelated business taxable income. A tax-exempt entity with unrelated business taxable income must pay the Ballpark Fee if \$5,000,000 or more of its annual D.C. Gross Receipts are attributable to any unrelated business taxable income for its most recent calendar or fiscal year.

As part of the FY 2021 Budget Support Act, the Ballpark Revenue Fund Excess Revenue Amendment Act of 2020 allows the purposes for any revenue collected in the Ballpark Revenue Fund (“Ballpark Fund”) to include transfers to the District’s General Fund in fiscal years 2020, 2021, and 2022, if sufficient revenue is first collected for debt service due on the Ballpark Revenue Bonds per the bond covenants.

The FY 2024 Budget Support Act of 2023 provides that to the extent revenues in the Ballpark Fund are not required by bond financing documents to be used to pay debt service, \$22 million of any excess revenue collected in the Ballpark Fund in fiscal year 2024 and \$20 million of any excess revenue collected in fiscal years 2025 to 2027 may be transferred to the District’s General Fund.

D.C. Code Citation: Title 47, Chapter 27B

PRESENT RATE: (January 1, 2023)

BALLPARK FEE SCHEDULE

| D.C. Gross Receipts | Ballpark Fee |
|------------------------------|---------------------|
| Less than \$ 5,000,000 | \$0 |
| \$ 5,000,000 to \$ 8,000,000 | \$5,500 |
| \$ 8,000,001 to \$12,000,000 | \$10,800 |
| \$12,000,001 to \$16,000,000 | \$14,000 |
| \$16,000,001 and greater | \$16,500 |

REVENUE:

| Fiscal Year | Revenue |
|--------------------|----------------|
| 2022 | \$41,975,388 |
| 2023 (Estimate) | \$39,900,000 |
| 2024 (Estimate) | \$37,900,000 |

HEALTHCARE PROVIDER TAX

(Transferred to Nursing Facility Quality of Care Fund)

The Healthcare Provider Tax imposes a 6% assessment on the District’s nursing homes (tax is per annum of net resident revenue) in monthly installments. All the funds raised are designated to go to the Nursing Facility Quality of Care Fund.

D.C. Code Citation: Title 47, Chapter 12C

REVENUE:

| Fiscal Year | Revenue |
|-----------------|--------------|
| 2022 | \$17,818,279 |
| 2023 (Estimate) | \$16,284,632 |
| 2024 (Estimate) | \$16,610,325 |

ICF-IDD ASSESSMENT *(Transferred to Stevie Sellows Quality Improvement Fund)*

Each intermediate care facility for individuals with intellectual or developmental disabilities (ICF-IDD) in D.C. must pay an assessment of 6% of gross revenue in quarterly installments. All assessments shall be transferred to the Stevie Sellows Quality Improvement Fund which is used to fund quality of care improvements at ICF-IDDs.

D.C. Code Citation: Title 47, Chapter 12D

REVENUE:

| Fiscal Year | Revenue |
|-----------------|-------------|
| 2022 | \$5,517,962 |
| 2023 (Estimate) | \$5,538,639 |
| 2024 (Estimate) | \$5,538,639 |

HOSPITAL BED TAX AND HOSPITAL PROVIDER FEE *(Transferred to Hospital Fund and Hospital Provider Fee Fund)*

Beginning October 1, 2022, the District may charge each hospital a fee based on its outpatient gross patient revenue. The fee is charged at a uniform rate of 0.0918% that is set to generate an amount described in D.C. Code §44-664.03(a). The fees collected are deposited in the Hospital Provider Fee Fund.

Also beginning October 1, 2022, the District may charge each hospital a fee based on its inpatient net patient revenue. The fee is charged at a uniform rate of 0.33% necessary to generate no more than \$8,854,038 (D.C. Code §44-664.13(a)(2)). The fees collected are deposited in the Hospital Fund.

Both fees will sunset September 30, 2029.

HOSPITAL BED TAX AND HOSPITAL PROVIDER FEE-continued

D.C. Code Citation: Title 44, Chapters 6A

REVENUE:

| Fiscal Year | Revenue |
|--------------------|----------------|
| 2022 | \$13,773,037 |
| 2023 (Estimate) | \$13,764,292 |
| 2024 (Estimate) | \$13,764,292 |

NON-TAX REVENUE AND LOTTERY

NON-TAX REVENUE

GENERAL LIABILITY:

Local non-tax revenue refers to fines, fees, and other charges that flow into the District of Columbia's general fund. These revenues are categorized into four major categories; licenses and permits (which includes the revenue from motor vehicle registration fees reported on page 18), fines and forfeitures, charges for services, and miscellaneous revenues, which includes interest income, unclaimed property, payment in lieu of taxes, and other revenue sources. More information on the District's non-tax revenue is available at <https://ora-cfo.dc.gov/>.

REVENUE:

| Fiscal Year | Revenue |
|-----------------|---------------|
| 2022 | \$624,165,072 |
| 2023 (Estimate) | \$633,812,202 |
| 2024 (Estimate) | \$575,915,376 |

LOTTERY

GENERAL LIABILITY:

Every year, the District of Columbia Office of Lottery and Gambling⁶ transfers the net proceeds of receipts from lottery gaming to the General Fund. The proceeds are equal to gross receipts net of payouts and administrative costs. The transfer is based primarily on ticket sales and prize payout. Games included as part of the D.C. Lottery are DC 2, DC 3, DC 4, DC 5, Race2Riches, DC Fast Play, Lucky for Life, The Lucky One, Powerball, Mega Millions, DC Scratchers, DC Keno, and Tap-N-Play.

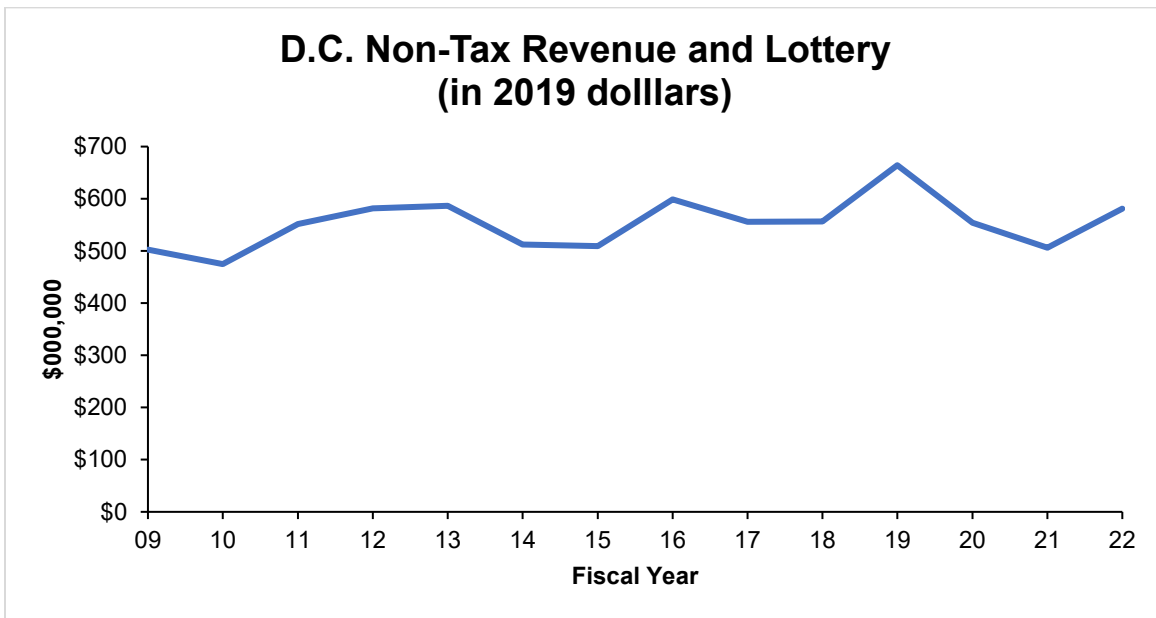
REVENUE:

| Fiscal Year | Revenue | Net Revenue |
|-----------------|--------------|--------------|
| 2022 | \$40,670,000 | \$0 |
| 2023 (Estimate) | \$43,731,000 | \$0 |
| 2024 (Estimate) | \$43,975,000 | \$41,458,000 |

| <i>Transfers to:</i> | | |
|----------------------|---|----------------------------------|
| Fiscal Year | Neighborhood Safety and Engagement Fund | Early Childhood Development Fund |
| 2022 | \$0 | \$0 |
| 2023 (Estimate) | \$0 | \$0 |
| 2024 (Estimate) | \$1,258,500 | \$1,258,500 |

⁶ The Office of Lottery and Gambling also regulates and operate sports wagering in the District. See page 38 for more information.

NON-TAX REVENUE-continued



| YEAR | NON-TAX REVENUE AND LOTTERY ADJUSTED FOR INFLATION (IN 2019 DOLLARS) (\$000,000) | PERCENT OF TOTAL TAX AND NON-TAX REVENUE COLLECTED |
|-------------|---|---|
| 2009 | \$502.8 | 7.8% |
| 2010 | \$474.8 | 7.6% |
| 2011 | \$551.3 | 8.4% |
| 2012 | \$581.8 | 8.3% |
| 2013 | \$586.4 | 8.1% |
| 2014 | \$512.1 | 7.1% |
| 2015 | \$509.3 | 6.4% |
| 2016 | \$599.0 | 7.3% |
| 2017 | \$556.0 | 6.7% |
| 2018 | \$556.2 | 6.6% |
| 2019 | \$664.3 | 7.3% |
| 2020 | \$554.1 | 6.4% |
| 2021 | \$506.3 | 6.1% |
| 2022 | \$580.8 | 6.2% |

SPECIAL PURPOSE NON-TAX REVENUE

GENERAL LIABILITY:

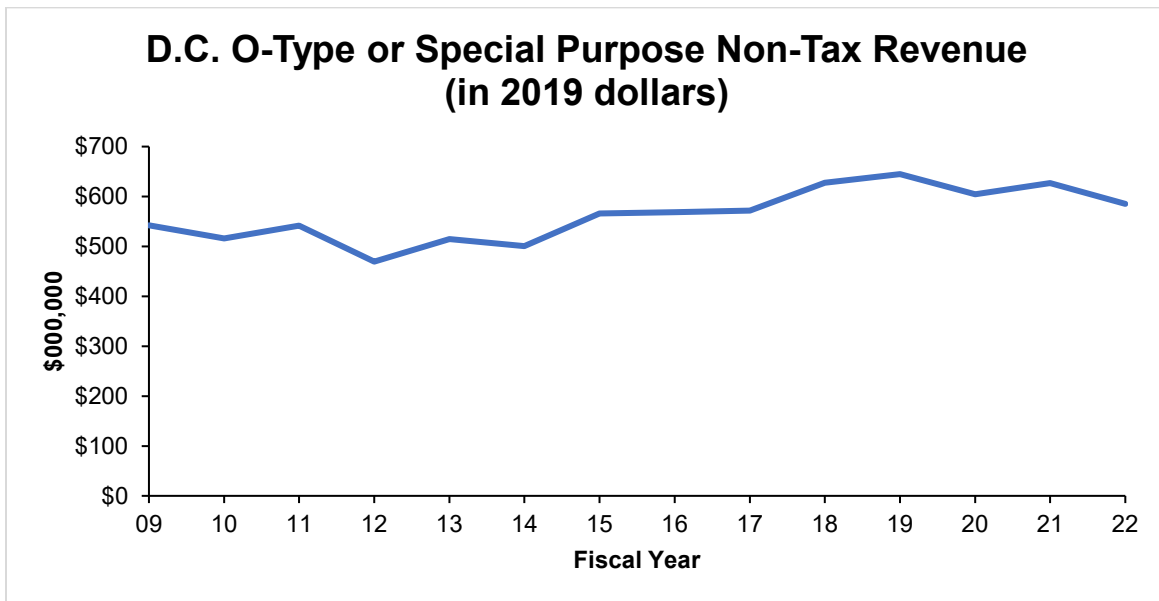
Special purpose non-tax revenues⁷, often referred to as “Other” or “O-Type” revenues, are funds generated from fees, fines, assessments or reimbursements that are dedicated to the District agency that collects the revenues to cover the cost of performing the function. The “dedication” of the revenue to the collecting agency is what distinguishes this revenue from the general-purpose non-tax revenues. The legislation that creates the fee, fine or assessment must stipulate its purpose-designation and must also state whether any unspent funds are to retain designation after the fiscal year or revert to general-purpose funds. Unspent revenue in certain funds cannot revert to general purpose funds.

REVENUE:

| Fiscal Year | Revenue |
|-----------------|---------------|
| 2022 | \$669,671,266 |
| 2023 (Estimate) | \$745,400,604 |
| 2024 (Estimate) | \$723,104,706 |

⁷ More information on the District’s special purpose non-tax revenue is available at <https://ora-cfo.dc.gov/>.

SPECIAL PURPOSE NON-TAX REVENUE-continued



| YEAR | SPECIAL PURPOSE NON-TAX REVENUE ADJUSTED FOR INFLATION (IN \$2019) (\$000,000) | PERCENT OF TOTAL TAX, NON-TAX AND SPECIAL PURPOSE NON-TAX REVENUE COLLECTED |
|-------------|---|--|
| 2009 | \$541.9 | 7.7% |
| 2010 | \$515.8 | 7.5% |
| 2011 | \$541.7 | 7.6% |
| 2012 | \$469.4 | 6.2% |
| 2013 | \$514.9 | 6.6% |
| 2014 | \$500.8 | 6.4% |
| 2015 | \$566.1 | 6.6% |
| 2016 | \$568.3 | 6.4% |
| 2017 | \$571.9 | 6.4% |
| 2018 | \$627.3 | 6.9% |
| 2019 | \$644.8 | 6.6% |
| 2020 | \$604.6 | 6.5% |
| 2021 | \$626.8 | 6.6% |
| 2022 | \$585.0 | 5.9% |

PART III -- SELECTED D.C. TAX STATISTICS

TABLE 3
D.C. TAX REVENUE
Budgetary Basis
(In Thousands of Nominal Dollars)

| FISCAL YEAR | TOTAL COLLECTIONS | INCOME TAXES /1 | PROPERTY TAXES /2 | EXCISE AND SALES AND USE TAXES /3 | GROSS RECEIPTS TAXES /4 | OTHER TAXES /5 |
|--------------------|--------------------------|------------------------|--------------------------|--|--------------------------------|-----------------------|
| 2000 | 3,116,477 | 1,338,564 | 692,781 | 731,511 | 212,011 | 141,610 |
| 2001 | 3,293,608 | 1,400,237 | 707,423 | 761,474 a | 233,740 | 190,734 |
| 2002 | 3,228,804 | 1,160,424 | 803,389 | 750,059 | 231,786 | 283,146 |
| 2003 | 3,384,087 | 1,167,452 | 901,888 | 780,207 | 261,348 | 273,192 |
| 2004 | 3,804,572 | 1,299,009 | 1,027,976 | 826,169 | 271,897 | 379,521 |
| 2005 | 4,249,024 | 1,472,432 | 1,148,333 | 956,767 | 294,665 a | 376,827 |
| 2006 | 4,516,332 | 1,591,483 | 1,241,515 | 1,004,470 | 288,322 b | 390,542 |
| 2007 | 5,154,830 | 1,736,361 | 1,548,331 | 1,056,780 | 315,160 b | 498,198 |
| 2008 | 5,324,683 | 1,755,894 | 1,760,356 | 1,107,631 | 310,680 b | 390,122 |
| 2009 | 5,052,140 | 1,478,068 | 1,924,468 | 1,072,353 | 315,341 b | 261,910 |
| 2010 | 5,005,153 | 1,434,131 | 1,907,755 | 1,075,730 | 322,578 c | 264,959 |
| 2011 | 5,325,261 | 1,656,282 | 1,800,745 | 1,127,502 | 342,316 d | 398,416 |
| 2012 | 5,853,298 | 1,956,590 | 1,910,254 | 1,218,577 | 360,874 d | 415,512 |
| 2013 | 6,100,486 | 2,094,179 | 2,003,088 | 1,246,803 | 343,891 d | 412,525 |
| 2014 | 6,297,282 | 2,094,754 | 2,104,171 | 1,281,998 | 385,182 d | 431,177 |
| 2015 | 6,916,842 | 2,315,842 | 2,287,847 | 1,424,895 | 359,393 e | 528,866 |
| 2016 | 7,233,584 | 2,464,330 | 2,456,990 | 1,451,321 | 362,858 e | 498,085 |
| 2017 | 7,472,682 | 2,512,522 | 2,569,101 | 1,527,381 | 361,776 e | 501,901 |
| 2018 | 7,772,369 | 2,641,587 | 2,659,240 | 1,597,405 | 365,129 e | 508,146 |
| 2019 | 8,455,408 | 2,941,982 | 2,827,757 | 1,707,222 | 395,069 e | 583,378 |
| 2020 | 8,236,709 | 3,104,933 | 2,954,093 | 1,316,574 | 371,122 f | 489,987 |
| 2021 | 8,809,136 | 3,506,271 | 3,037,653 | 1,309,821 | 370,136 g | 585,255 |
| 2022 | 10,001,014 | 4,108,314 | 2,936,478 | 1,813,697 | 404,342 g | 738,184 |

/1 Income Taxes: Includes Individual Income, Corporation Franchise, and Unincorporated Business Franchise taxes.

/2 Property Taxes: Includes Real Property, Personal Property, and Public Space Rental taxes.

/3 Excise and Sales and Use Taxes: Includes General Sales and Use Taxes; Alcoholic Beverage, Cigarette, and Motor Vehicle Excise taxes; and Motor Vehicle Fuel tax.

a/ Also includes Hotel Occupancy tax.

/4 Gross Receipts Taxes: Includes Public Utility, Toll Telecommunications, and Insurance Premiums taxes.

a/ Also includes Baseball Gross Receipts tax.

b/ Also includes Baseball Gross Receipts tax and Healthcare Provider tax.

c/ Also includes Baseball Gross Receipts tax, Healthcare Provider tax, and Hospital and Medical Services Corporation (HMSC) contribution.

d/ Also includes Baseball Gross Receipts tax, Healthcare Provider tax, HMSC contribution, Hospital Bed tax and Hospital Provider fee, and Intermediate Care Facility for Individuals with Intellectual or Developmental Disabilities (ICF-IDD) assessment.

e/ Also includes Baseball Gross Receipts tax, Healthcare Provider tax, Hospital Bed tax and Hospital Provider fee, and ICF-IDD assessment.

f/ Also includes Baseball Gross Receipts tax, Healthcare Provider tax, Hospital Bed tax and Hospital Provider fee, ICF-IDD assessment, and private sports wagering tax.

g/ Also includes Baseball Gross Receipts tax, Healthcare Provider tax, Hospital Bed tax and Hospital Provider fee, ICF-IDD assessment, private sports wagering tax and games of skill tax.

/5 Other Taxes: Includes Estate, Deed Recordation, Deed Transfer, and Economic Interest taxes.

Source: *Government of the District of Columbia Annual Comprehensive Financial Report* (various years)

TABLE 4
2020 D.C. INCOME TAX DISTRIBUTION

| Income Category | Number of Filers | Distribution of Filers | DC AGI (\$ millions) | Distribution of DC AGI | Tax (\$ millions) | Distribution of Tax |
|-------------------------|-------------------------|-------------------------------|-----------------------------|-------------------------------|--------------------------|----------------------------|
| Breakeven and Loss | 13,698 | 3.7% | -614.5 | -1.6% | 0.1 | 0.0% |
| \$0.01 Under \$10,000 | 34,456 | 9.4% | 166.0 | 0.4% | 0.7 | 0.0% |
| \$10,000 Under \$20,000 | 32,141 | 8.7% | 482.6 | 1.2% | 4.6 | 0.2% |
| \$20,000 Under \$30,000 | 32,900 | 8.9% | 823.6 | 2.1% | 16.7 | 0.7% |
| \$30,000 Under \$50,000 | 60,209 | 16.3% | 2,384.6 | 6.0% | 77.8 | 3.3% |
| \$50,000-\$75,000 | 58,537 | 15.9% | 3,614.9 | 9.2% | 153.0 | 6.5% |
| \$75,000-\$100,000 | 37,560 | 10.2% | 3,251.5 | 8.2% | 163.6 | 7.0% |
| \$100,000-\$150,000 | 40,441 | 11.0% | 4,918.5 | 12.5% | 283.5 | 12.1% |
| \$150,000-\$200,000 | 19,727 | 5.4% | 3,399.1 | 8.6% | 209.2 | 8.9% |
| \$200,000-\$500,000 | 30,631 | 8.3% | 9,018.8 | 22.8% | 608.2 | 26.0% |
| \$500,000-\$1,000,000 | 5,293 | 1.4% | 3,556.9 | 9.0% | 252.0 | 10.8% |
| \$1,000,000 and Over | 2,668 | 0.7% | 8,502.0 | 21.5% | 569.5 | 24.3% |
| Total | 368,261 | 100.0% | 39,504 | 100.0% | 2,339 | 100.0% |

Source: Office of the Chief Financial Officer/Government of the District of Columbia

**TABLE 5
DISTRICT OF COLUMBIA REAL PROPERTY ASSESSMENTS - TAXABLE, EXEMPT AND TOTALS
TAX YEAR 2022**

| Type of Property | Total Acres | Land Value | Improvements | Total Value | Gross Tax Revenue 1/ | % of All Properties | | Number of Properties |
|--|-------------|-----------------|-----------------|-----------------|----------------------|---------------------|-------------|----------------------|
| | | | | | | Land Acres | Total Value | |
| Total Taxable | 17,416 | 101,835,369,154 | 144,563,472,991 | 246,398,842,145 | 2,793,013,354 | 52.0 | 58.1 | 202,908 |
| Class One | 10,697 | 65,015,049,454 | 89,077,065,413 | 154,092,114,867 | 1,145,439,634 | 32.0 | 37.1 | 193,029 |
| Residential/Single Family | 8,155 | 51,118,879,258 | 64,334,193,439 | 115,453,072,697 | 841,529,146 | 24.4 | 29.2 | 171,312 |
| Homestead | 5,700 | 34,002,090,660 | 39,200,596,461 | 73,202,687,121 | 491,747,161 | 17.1 | 19.4 | 93,579 |
| Other | 4,487 | 27,850,555,150 | 33,887,516,761 | 61,738,071,911 | 456,957,154 | 13.4 | 15.9 | 75,014 |
| Seniors | 1,212 | 5,956,639,980 | 5,120,884,050 | 11,077,524,030 | 33,619,324 | 3.6 | 3.4 | 17,905 |
| Disabled | 38 | 194,895,530 | 192,195,650 | 387,091,180 | 1,170,683 | 0.1 | 0.1 | 660 |
| Non-Homestead | 2,455 | 17,116,788,598 | 25,133,596,978 | 42,250,385,576 | 349,781,985 | 7.3 | 9.8 | 77,733 |
| Residential/Multifamily | 2,498 | 13,735,821,271 | 24,387,422,882 | 38,123,244,153 | 302,001,786 | 7.4 | 7.8 | 21,590 |
| Residential/ Partially Taxed | 44 | 160,348,925 | 355,449,092 | 515,798,017 | 1,908,702 | 0.1 | 0.1 | 127 |
| Class Two | 6,622 | 36,322,055,220 | 55,006,691,059 | 91,328,746,279 | 1,604,346,226 | 19.7 | 20.7 | 8,787 |
| Large Office Buildings | 385 | 20,517,857,990 | 39,608,825,317 | 60,126,683,307 | 1,108,630,327 | 1.1 | 11.7 | 670 |
| Hotels/Motels | 101 | 2,830,245,430 | 4,244,869,651 | 7,075,115,081 | 132,650,059 | 0.3 | 1.6 | 187 |
| Other Commercial | 5,872 | 11,754,226,262 | 9,273,580,470 | 21,027,806,732 | 341,499,904 | 17.5 | 6.7 | 7,780 |
| Commercial/ Partially Taxed | 265 | 1,219,725,538 | 1,879,415,621 | 3,099,141,159 | 21,565,936 | 0.8 | 0.7 | 150 |
| Class Three | 83 | 451,452,750 | 439,430,179 | 890,882,929 | 34,689,686 | 0.2 | 0.3 | 950 |
| Class Four | 14 | 46,811,730 | 40,286,340 | 87,098,070 | 8,537,808 | 0.0 | 0.0 | 142 |
| Total Exempt | 16,176 | 73,417,712,539 | 47,470,382,221 | 120,888,094,760 | 2,110,825,494 | 48.2 | 41.9 | 11,243 |
| Total US/DC Government | 12,740 | 56,420,872,875 | 22,930,949,785 | 79,351,822,660 | 1,471,113,424 | 37.9 | 32.2 | 5,363 |
| United States | 10,575 | 47,674,414,085 | 14,834,640,194 | 62,509,054,279 | 1,170,005,499 | 31.5 | 27.2 | 2,904 |
| District of Columbia | 2,165 | 8,746,458,790 | 8,096,309,591 | 16,842,768,381 | 301,107,925 | 6.4 | 5.0 | 2,459 |
| Total Non-US/DC Exempt | 2,974 | 14,909,837,816 | 21,213,978,608 | 36,123,816,424 | 548,094,541 | 8.9 | 8.5 | 5,515 |
| Low-Income | 41 | 154,688,900 | 286,181,753 | 440,870,653 | 4,027,609 | 0.1 | 0.1 | 1,275 |
| Religious | 495 | 2,225,869,099 | 1,662,344,731 | 3,888,213,830 | 68,913,907 | 1.5 | 1.3 | 922 |
| Educational | 812 | 4,358,762,657 | 4,436,311,978 | 8,795,074,635 | 163,374,770 | 2.4 | 2.5 | 415 |
| Charitable | 125 | 532,992,060 | 538,821,710 | 1,071,813,770 | 16,179,030 | 0.4 | 0.3 | 367 |
| Hospitals | 84 | 222,856,320 | 596,686,280 | 819,542,600 | 15,472,094 | 0.3 | 0.1 | 8 |
| Libraries | 2 | 21,254,350 | 8,944,433 | 30,198,783 | 554,384 | 0.0 | 0.0 | 21 |
| Foreign Governments | 307 | 2,680,022,740 | 4,135,218,976 | 6,815,241,716 | 116,847,771 | 0.9 | 1.5 | 621 |
| Cemeteries | 264 | 300,059,790 | 15,558,730 | 315,618,520 | 5,818,084 | 0.8 | 0.2 | 19 |
| Miscellaneous | 648 | 3,854,430,840 | 9,355,253,137 | 13,209,683,977 | 143,619,009 | 1.9 | 2.2 | 1,492 |
| WMATA | 195 | 558,901,060 | 178,656,880 | 737,557,940 | 13,287,883 | 0.6 | 0.3 | 375 |
| Partially Exempt | 462 | 2,087,001,848 | 3,325,453,828 | 5,412,455,676 | 91,617,530 | 1.4 | 1.2 | 365 |
| Total Taxable & Exempt 2/ 3/ | 33,592 | 175,253,081,693 | 192,033,855,212 | 367,286,936,905 | 4,903,838,847 | 100.0 | 100.0 | 214,151 |

1/ Gross tax revenue does not include eligible tax abatements, credits, exemptions, real property account adjustments or refunds.

2/ Detail may not add to total due to rounding.

3/ The data in this table represent approximately 46 square miles of land area. The District of Columbia has a total of approximately 69 square miles of total land area including 7 square miles of water area and 16 miles of highways, streets, roads, and alleys.

**PART IV -- HISTORY OF MAJOR CHANGES IN D.C. TAX STRUCTURE,
FY 1970 TO FY 2023**

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|-----------------------------------|---------------------------------|------------------------------|---|--|
| ALCOHOLIC BEVERAGES: | | | | |
| Beer | | | | |
| | 1970 | 1970 | Rate increased 25¢/barrel to \$2.25/barrel | +\$ 150,000 |
| | 1989 | 1989 | Rate increased 54¢/barrel to \$2.79/barrel | +\$ 250,000 |
| Sparkling Wine | | | | |
| | 1989 | 1989 | Rate decreased 5¢/gal to 40¢/gal | -\$ 25,000 |
| | 1990 | 1990 | Rate increased 5¢/gal to 45¢/gal | +\$ 20,000 |
| Spirits | | | | |
| | 1970 | 1970 | Rate increased 25¢/gal to \$2.00/gal | +\$ 1,500,000 |
| | 1978 | 1978 | Rate decreased 50¢/gal to \$1.50/gal | -\$ 1,800,000 |
| Wine (14% or Less Alcohol) | | | | |
| | 1989 | 1989 | Rate increased 25¢/gal to 40¢/gal | +\$ 750,000 |
| | 1990 | 1990 | Rate decreased 10¢/gal to 30¢/gal | -\$ 300,000 |
| (More than 14% Alcohol) | | | | |
| | 1989 | 1989 | Rate increased 7¢/gal to 40¢/gal | +\$ 25,000 |
| CIGARETTES | | | | |
| | | 1970 | Rate increased from 3¢/pk to 4¢/pk | +\$ 1,050,000 |
| | 1973 | 1973 | Rate increased from 4¢/pk to 6¢/pk | +\$ 1,800,000 |
| | 1976 | 1976 | Rate increased from 6¢/pk to 10¢/pk | +\$ 2,600,000 |
| | 1977 | 1977 | Rate increased from 10¢/pk to 13¢/pk | +\$ 2,400,000 |
| | 1987 | 1987 | Rate increased from 13¢/pk to 17¢/pk (April 1987) | +\$ 1,200,000 |
| | 1991 | 1992 | Rate increased from 17¢/pk to 30¢/pk (April 1991) | +\$ 5,200,000 |
| | 1992 | 1992 | Rate increased from 30¢/pk to 50¢/pk (April 1992) | +\$ 4,500,000 |
| | 1993 | 1993 | Rate increased from 50¢/pk to 65¢/pk (July 1993) | +\$ 4,500,000 |
| | 2002 | 2003 | Rate increased from 65¢/pk to \$1.00/pk (January 2003) | +\$ 5,800,000 |
| | 2008 | 2009 | Rate increased from \$1.00/pk to \$2.00/pk (October 2008) | +\$ 12,530,000 |
| | 2009 | 2010 | Rate increased from \$2.00/pk to \$2.50/pk (October 2009) | +\$ 10,215,000 |
| | 2012 | 2012 | Rate increased from \$2.50 to \$2.86/pk (October 2011) | +\$ 1,080,000 |
| | 2014 | 2015 | Rate increased from \$2.86 to \$2.90/pk | --- |
| | 2015 | 2016 | Rate increased from \$2.90 to \$2.91/pk | --- |
| | 2016 | 2017 | Rate increased from \$2.91 to \$2.92/pk | --- |
| | 2017 | 2018 | Rate increased from \$2.92 to \$2.94/pk | --- |
| | 2018 | 2019 | Rate increased from \$2.94 to \$4.94/pk due to excise tax increase from \$2.50 to \$4.50/pk | +\$ 5,220,000 |
| | 2019 | 2020 | Rate increased from \$4.94 to \$4.98/pk | --- |
| | 2020 | 2021 | Rate increased from \$4.98 to \$5.00/pk | --- |
| | 2021 | 2022 | Rate increased from \$5.00 to \$5.01/pk | --- |
| | 2022 | 2023 | Rate increased from \$5.01 to \$5.02/pk | --- |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|---------------------------------|------------------------------|---|--|
| DEED RECORDATION AND TRANSFER | | | | |
| Recordation | | | | |
| | 1976 | 1976 | Rate increased from 0.5% to 1.0% of consideration. | +\$ 1,200,000 |
| | 1978 | 1978 | An excise tax is imposed on the transferrers of residential real property containing 4 or fewer dwelling units at rates ranging from 3% to 97% of gain. | --- |
| | 1978 | 1978 | Excise tax on transferrers of residential real property expired. | --- |
| | 1980 | 1980 | Tax base expanded to include construction loan deeds of trust on mortgages, permanent loan deeds of trust on mortgages and purchase mortgages. | +\$ 1,000,000 |
| | 1989 | 1989 | Rate increased from 1.0% to 1.1% of consideration. | +\$ 4,000,000 |
| | 1989 | 1990 | Established recordation tax on transfers of economic interests at the rate of 2.2%. | +\$ 5,500,000 |
| | 1994 | 1994 | Expand recordation tax base to security interest (June 1994). | +\$ 1,800,000 |
| | 2002 | 2003 | Rate increased from 1.1% to 1.5% 7/ | +\$ 16,722,000 |
| | 2002 | 2003 | 15% of the District's real estate recordation taxes will be deposited in the Housing Production Trust Fund to provide financial assistance for housing available to low and moderate-income families and individuals. | -\$ 2,529,000 |
| | 2004 | 2005 | Rate decreased from 1.5% to 1.1%. | -\$ 53,862,000 |
| | 2006 | 2007 | Rate increased from 1.1% to 1.45% 11/ | +\$ 43,472,000 |
| | 2006 | 2007 | 40% of the revenue generated by increasing the deed recordation tax to 1.45% will be deposited in the Comprehensive Housing Strategy Fund to provide housing assistance to low- and moderate-income households. | \$ --- |
| | 2008 | 2009 | The dedication of revenue to the Comprehensive Housing Strategy Fund was repealed. | \$ --- |
| | 2017 | 2018 | Recordation tax rate on eligible property purchased by an eligible first-time District homebuyer is reduced to 0.725% | -\$ 2,393,000** |
| | 2019 | 2020 | Rate increased to 2.5% on sales of commercial and mixed-use property greater than \$2 million. | +\$ |
| | 2019 | 2020 | Creates a deed recordation tax exemption for non-profits who acquire rental housing but must lease units at certain income levels and comply with additional requirements. | -\$ 1,813,000 |
| ** Includes full year revenue effect of the rate decrease for an economic interest in a cooperative unit for an eligible property purchased by a first-time homebuyer. | | | | |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|---------------------------------|------------------------------|--|--|
| DEED RECORDATION AND TRANSFER-continued: | | | | |
| Transfer | | | | |
| | 1980 | 1980 | A transfer tax is imposed on each transfer of real property at the rate of 1.0% of the consideration paid. | +\$ 12,000,000 |
| | 1989 | 1989 | Rate increased from 1.0% to 1.1% of consideration. | +\$ 3,300,000 |
| | 2000 | 2000 | Clarifies that the transfer tax will be based on the sales price of real property. | --- |
| | 2002 | 2003 | Rate increased from 1.1% to 1.5%. 7/ | +\$ 11,072,000 |
| | 2002 | 2003 | 15% of the District's real estate transfer taxes will be deposited in the Housing Production Trust Fund to provide financial assistance for housing available to low and moderate-income families and individuals. | -\$ 2,471,000 |
| | 2004 | 2005 | Rate decreased from 1.5% to 1.1%. | -\$ 35,663,000 |
| | 2006 | 2007 | Rate increased from 1.1% to 1.45% 11/ | +\$ 26,643,000 |
| | 2006 | 2007 | 40% of the difference between the 1.1% and the 1.45% increase in the District's real estate transfer taxes will be deposited in the Comp. Housing Strategy Fund to provide financial assistance for housing available to low and moderate-income families and individuals. | -\$ 9,558,000 |
| | 2019 | 2020 | Rate increased to 2.5% on sales of commercial and mixed-use property greater than \$2 million. | +\$ 9,300,000 |
| ECONOMIC INTEREST | | | | |
| | 1989 | 1990 | A recordation tax of 2.2% is imposed on transfers of economic interest occurring on or after October 1, 1989 | +\$ 1,525,000 |
| | 2008 | 2009 | Rate increased from 2.2% to 2.9% | +\$ 8,000,000 |
| | 2017 | 2018 | Rate decrease for an economic interest in a cooperative unit for an eligible property purchased by a first-time homebuyer to: (i) 1.825% when consideration allocable to the real property is less than \$400,000; or (ii) 2.175% when consideration allocable to the real property is \$400,000 or greater. | --- |
| | 2019 | 2020 | Rate increased from 2.9% to 5.0% for commercial and mixed-use property greater than \$2 million | +\$ 1,261,000 |
| FINANCIAL INSTITUTIONS | | | | |
| Banks and Building Association Gross Earnings | | | | |
| | 1976 | 1976 | Rate on banks increased from 4% to 6%; rate on building associations increased from 2% to 3%. | +\$ 5,600,000 |
| | 1977 | 1977 | Rate on building associations decreased from 3% to 2%. | -\$ 2,500,000 |
| | 1980 | 1981 | Financial institutions added to corporation franchise base/gross earning tax phased out. 2/ | +\$ 3,569,000 |
| GAME OF SKILL GROSS RECEIPT TAX: | | | | |
| | 2020 | 2021 | Bars and restaurants offer electronic games of skill and taxes gross machine revenue at 10 percent | +\$ 1,210,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|--|--|
| HEALTH EXCHANGE ASSESSMENT: | | | | |
| | 2014 | 2015 | Assess health insurance carriers at a rate just under 1 percent to cover FY 2015 operating expenses. | +\$ 28,751,244 |
| INCOME TAXES: | | | | |
| Individual Income: 3/ | | | | |
| | 1970 | 1970 | New rates and brackets: From % 2 3 4 5 6 \$ 1 2 2 5 over 10 To % 2 3 4 5 6 7 8 9 10 \$ 1 1 1 2 3 4 5 8 over 25 | |
| | 1975 | 1976 | Income tax credit for excess property taxes paid by low income persons. | |
| | 1976 | 1976 | Personal exemptions and child care deduction conformed to federal law. | +\$ 1,500,000 |
| | | | New rates and brackets % 2 3 4 5 6 7 8 9 10 11 \$ 1 1 1 1 1 5 3 4 8 over 25 | +\$ 14,900,000 |
| | 1977 | 1977 | Income tax credit for excess property taxes paid: a) Over 62, blind, disabled-income limit \$20,000-credit limit \$750 b) Under 62-income limit \$7,000-credit limit \$320. | -\$ 3,917,000 |
| | 1978 | 1978 | Income tax credit for excess property taxes paid: a) Over 62, blind, disabled-income limit \$20,000-credit limit \$750 b) Under 62-income limit \$10,000-credit limit \$400. | -\$ 2,309,000 |
| | 1978 | 1979 | Income tax credit for excess property taxes raised to \$750 and income cap raised to \$20,000 for claimants under age 62 who are not blind or disabled. | -\$ 1,000,000 |
| | 1980 | 1980 | Installment dates for payments and declarations of estimated tax changed from July 15 th to June 15 th and from October 15 th to September 15 th . | +\$ 2,500,000 |
| | 1982 | 1982 | Conformity to federal income tax law with certain modifications. | -\$ 6,200,000 |
| | 1982 | 1983 | Conformity to federal law on medical and dental expenses, and casualty losses. | +\$ 3,015,000 |
| | 1987 | 1987 | Require seizure of individual income tax refunds of the University of the District of Columbia adjudicated student loan defaulters. | --- |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| FISCAL YEAR OF ENACTMENT | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ (MILLIONS OF DOLLARS) | | | | | | | | | |
|--------------------------------|--|--|-------|--------------------|-------|--------------------|-------|--------------------|-------|--------------------|-----|
| | | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | |
| INCOME TAXES-continued: | | | | | | | | | | | |
| Individual Income-continued: | | | | | | | | | | | |
| 1987 | 1987 new rates and brackets % 6 8 10 \$000 10 10 over 20 for CY 1987 % 6 8 9.5 for CY 1988 \$000 10 10 over 20 and subsequent years | 2.9 | 17.7 | 19.9 | 23.0 | 26.0 | | | | | |
| 1987 | Increased personal exemption to \$885 for 1987; \$1,025 for 1988; \$1,160 for 1989; \$1,270 for 1990; and \$1,370 for 1991 and subsequent calendar years | -7.6 | -11.9 | -17.7 | -22.5 | -26.8 | | | | | |
| 1987 | Increased standard deduction from \$1,000 to \$2,000. | -10.0 | -10.0 | -10.0 | -10.0 | -10.0 | | | | | |
| 1987 | Retain \$3,000 exclusion for certain retirees. | -5.0 | -5.0 | -5.0 | -5.0 | -5.0 | | | | | |
| 1987 | Established low-income credit. | -2.0 | -1.0 | -1.0 | -1.0 | -1.0 | | | | | |
| 1989 | Repealed Political Contribution Credit | --- | --- | 0.2 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | Required same deduction method used when filing federal return. | --- | --- | 1.5 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | Begin taxation of lottery winnings. | --- | --- | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | | FY 00 | | FY 01 | | FY 02 | | FY 03 | | FY 04 | |
| 1999 | Tax Parity Act of 1999 (estimates assume full enactment) | 21.2 | | 56.2 | | 77.2 | | 99.9 | | 148.7 | |
| | REDUCED TAX RATES AS FOLLOWS: | | | | | | | | | | |
| | Lowest Rate: \$0 - \$10,000 (currently 6.0%) | 5.0% | | 5.0% | | 5.0% | | 4.5% | | 4.0% | |
| | Middle Rate: \$10,001 - \$20,000 (currently 8.0%) | 7.5% \$10-\$30K | | 7.5% \$10-\$30K | | 7.0% \$10-\$40K | | 7.0% \$10-\$40K | | 6.0% \$10-\$40K | |
| | Top Rate 4/: Over \$20,000 (currently 9.5%) | 9.5% | | 9.3% | | 9.0% | | 8.7% | | 8.5% | |
| | Top Bracket | \$20K | | \$30K | | \$30K | | \$40K | | \$40K | |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|---------------------------------|------------------------------|---|--|
| INCOME TAXES-Individual Income continued: | | | | |
| | | 2003 | Tax Parity Act of 1999 Suspended | --- |
| | 2000 | 2001 | Earned Income Tax Credit: Tax Year 2001 – 10% of federal credit Tax Year 2002 – 25% of federal credit | -\$ 18,711,000 |
| | 2004 | 2005 | Top rate decreases from 9.3% to 9.0% | -\$ 24,000,000 |
| | 2005 | 2005 | Long-term care insurance premiums paid after 04/11/05, total deduction amount limited to \$500. | -\$ 146,475 |
| | 2006 | 2006 | Lowest, middle and top rates decrease from 5.0% to 4.5%, 7.5% to 7.0%, and 9.0% to 8.7%, respectively. The middle rate range increased from \$30,000 to \$40,000 and the top rate will begin at \$40,001. | -\$ 53,000,000 |
| | 2006 | 2006 | Expansion of EITC to non-custodial parents | -\$ 3,000,000 |
| | 2006 | 2006 | Raise standard deduction from \$2,000 to \$2,500 and personal exemptions from \$1,370 to \$1,500 and conform with IRS extension of time to file return from August to October. | -\$ 6,900,000 |
| | 2006 | 2006 | Increase EITC match from 25% to 35% of federal credit | -\$ 7,100,000 |
| | 2006 | 2007 | Lowest, middle and top rates decrease from 4.5% to 4.0%, 7.0% to 6.0%, and 8.7% to 8.5%, respectively | -\$ 64,000,000 |
| | 2007 | 2008 | Raise standard deduction from \$2,500 to \$4,000 and personal exemptions from \$1,500 to \$1,675. | -\$ 17,084,000 |
| | 2007 | 2008 | Expansion of first-time homebuyer credit to all D.C. Government employees. | -\$ 700,000 |
| | 2007 | 2008 | Domestic partners may file either a joint return or file separately on the D.C. Individual tax return. | --- |
| | 2009 | 2009 | Increase EITC match from 35% to 40% of federal credit | -\$ 1,870,000 |
| | 2009 | 2010 | Delay implementation of standard deduction indexing through FY2013. | +\$ 2,900,000 |
| | 2009 | 2010 | Delay implementation of personal exemption indexing through FY2013. | +\$ 2,300,000 |
| | 2011 | 2012 | Added a new bracket at 8.95% for D.C. Adjusted Gross Income more than \$350,000. | +\$ 17,300,000 |
| | 2011 | 2012 | Exempt outstanding out of state bonds purchased before January 1, 2012. | -\$ 13,400,000 |
| | 2012 | 2012 | Itemized deductions limited – filers with D.C. AGI over \$200,000 (\$100,000 for married filing separately) would be required to reduce itemized deductions by 5%. Deductions relating to medical and dental expenses, investment interest deductions, and casualty or theft losses are excluded. | +\$ 16,720,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|--------------------------|-----------------------|---|---|
| INCOME TAXES-Individual Income continued: | | | | |
| | 2012 | 2014 | Change eligibility requirements and calculation methodology for the Schedule H credit by: increasing maximum credit to \$1,000; allowing annual cost of living adjustments; increasing the property tax equivalent of rent to 20% of annual rent paid; basing calculation of credit on FAGI of a tax filing unit; allowing one Sch. H filer per year for each tax filing unit, no matter how many share same household; increasing household income, simplifying credit calculation; and eliminating alternative brackets for the elderly, blind, and disabled. | -\$ 10,937,383 |
| | 2013 | 2013 | Raise standard deduction married filing joint filers from \$4,000 to \$4,100 and married filing separate filers from \$2,000 to \$2,050. | -\$ 17,084,000 |
| | 2014 | 2015 | Reduce marginal tax rate on income between \$40,000 and \$60,000 from 8.5% to 7.0%. | -\$ 37,518,000 |
| | 2014 | 2015 | Expand Schedule H Credit for Seniors aged 70+ | -\$ 2,023,000 |
| | 2014 | 2016 | Keep marginal tax rate on incomes above \$350,000 at the current statutory rate of 8.95%. | +\$ 18,773,000 |
| | 2014 | 2016 | Expand Earned Income Tax Credit for childless workers. | -\$ 10,834,000 |
| | 2014 | 2016 | Raise the standard deduction to \$5,200 for singles/married filing separately, \$8,350 for married residents | -\$ 15,652,000 |
| | 2014 | 2016 | Phase Out Personal Exemptions by 2% for each \$2,500 above \$150,000, with complete phase out at \$275,000. | +\$ 4,718,000 |
| | 2015 | 2016 | Reduce marginal tax rate on income between \$40,000 and \$60,000 from 7.0% to 6.75%. | -\$ 7,116,000 |
| | 2015 | 2016 | Added a new bracket at 8.95% marginal tax rate on income above \$1,000,000. Reduce marginal tax rate on income above \$350,000 and less than \$1,000,000 from 8.95% to 8.75%. | -\$ 4,734,000 |
| | 2015 | 2016 | Eliminate exclusions for part-year residents and business and fiduciary income in determining the low-income tax credit | +\$ 457,000 |
| | 2015 | 2016 | Increase statute of limitations on audits | +\$ 2,000,000 |
| | 2015 | 2017 | Reduce marginal tax rate on income between \$40,000 and \$60,000 from 6.75% to 6.5%. | -\$ 7,116,000* |
| | 2016 | 2017 | Raise the standard deduction to \$5,650 for singles/married filing separately, \$10,275 for married residents, and \$7,800 for head of households | -\$ 9,314,000 |
| | 2017 | 2018 | Personal exemption and standard deduction conform with the Internal Revenue Code | +\$ 56,400,000 |
| | 2019 | 2020 | Expand the existing Schedule H property tax credit, available to owners and renters, from a maximum credit of \$1,025 to \$1,200. | -\$ 3,777,000 |
| | 2019 | 2020 | Permanently extends the early learning tax credit but lowers the maximum allowable income a taxpayer can have to be eligible. | -\$ 1,353,000 |

*Effective Tax Year 2017

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------------|------------------------------|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------------|--|--|--|--|--|---|------|------|------|------|-----|--|
| INCOME TAXES-Individual Income continued: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2021 | 2022 | Expands the DC Earned Income Tax Credit (EITC) to increase, for filers with a qualifying child, the amount of federal EITC matched by the District from 40 percent to 70 percent for tax years 2022 through 2024, 85 percent for tax year 2025, and 100 percent for tax years after 2025. | -\$ 30,024,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2021 | 2022 | Adds 2 new brackets income: between \$250,000 and \$500,000 at 9.25% and between \$500,000 and \$1,000,000 at 9.75%. Increases marginal tax rate on income above \$1,000,000 to 10.75%. | +\$ 101,089,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Corporation and Unincorporated | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1970 | 1970 | \$25 minimum tax and quarterly declaration payment requirements. | +\$ 2,500,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1972 | 1972 | Rate increased to 7%. | +\$ 3,000,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1974 | 1974 | Rate increased to 8%. | +\$ 3,000,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1976 | 1976 | Professionals added to unincorporated business franchise tax base at 12% rate with new exemption and salary allowance amounts (gross amount before individual income tax impact). | +\$ 8,250,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1976 | 1976 | Permanent corporate and unincorporated business tax rate increase from 8% to 9%. | +\$ 3,675,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1976 | 1976 | Temporary increase for calendar year 1975 from 9% to 12%. | +\$ 11,025,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1976 | 1976 | Require professional corporations to file as unincorporated business. | +\$ 1,250,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1976 | 1976 | 10% surtax imposed; effective rate for fiscal year 1976 returns became 9.9%. | +\$ 6,000,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1977 | 1977 | Only unincorporated businesses with gross incomes in excess of \$12,000 must file a return. | -\$ 40,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1978 | 1978 | 10% surtax continued indefinitely. | +\$ 5,600,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1980 | 1980 | Installment dates for payments and declarations of estimated tax changed from July 15 th to June 15 th and from October 15 th to September 15 th . | +\$ 2,500,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1980 | 1980 | Professionals deleted from unincorporated business franchise tax base. | -\$ 10,410,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1980 | 1981 | Financial institutions added to corporation franchise tax base. | +\$ 3,569,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1983 | 1983 | Minimum tax increased from \$25 to \$100. | +\$ 800,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1984 | 1985 | Rate increased from 9% to 10%, surtax decreased from 10% to 5% for an effective rate of 10.5%. | +\$ 7,000,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1986 | 1986 | Nondeductible expenses incurred to produce, treated as exempt income. | +\$ --- | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1987 | 1987 | <table border="0"> <tr> <td>FY</td> <td>FY</td> <td>FY</td> <td>FY</td> <td>FY</td> <td>FY</td> </tr> <tr> <td>87</td> <td>88</td> <td>89</td> <td>90</td> <td>91</td> <td>92</td> </tr> <tr> <td colspan="6">Surtax decreased from 5% to 2.5%</td> </tr> <tr> <td>0</td> <td>-4.4</td> <td>-4.8</td> <td>-5.3</td> <td>-5.8</td> <td>---</td> </tr> </table> | FY | FY | FY | FY | FY | FY | 87 | 88 | 89 | 90 | 91 | 92 | Surtax decreased from 5% to 2.5% | | | | | | 0 | -4.4 | -4.8 | -5.3 | -5.8 | --- | |
| FY | FY | FY | FY | FY | FY | | | | | | | | | | | | | | | | | | | | | | | |
| 87 | 88 | 89 | 90 | 91 | 92 | | | | | | | | | | | | | | | | | | | | | | | |
| Surtax decreased from 5% to 2.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 | -4.4 | -4.8 | -5.3 | -5.8 | --- | | | | | | | | | | | | | | | | | | | | | | | |
| | 1987 | 1987 | <table border="0"> <tr> <td colspan="6">Established net operating loss.</td> </tr> <tr> <td>-0.5</td> <td>-5.0</td> <td>-5.0</td> <td>-5.0</td> <td>-5.0</td> <td>---</td> </tr> </table> | Established net operating loss. | | | | | | -0.5 | -5.0 | -5.0 | -5.0 | -5.0 | --- | | | | | | | | | | | | | |
| Established net operating loss. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -0.5 | -5.0 | -5.0 | -5.0 | -5.0 | --- | | | | | | | | | | | | | | | | | | | | | | | |
| | 1989 | 1989 | <table border="0"> <tr> <td colspan="6">Surtax increased from 2.5% to 5%.</td> </tr> <tr> <td>0</td> <td>4.3</td> <td>4.7</td> <td>5.1</td> <td>---</td> <td>---</td> </tr> </table> | Surtax increased from 2.5% to 5%. | | | | | | 0 | 4.3 | 4.7 | 5.1 | --- | --- | | | | | | | | | | | | | |
| Surtax increased from 2.5% to 5%. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 | 4.3 | 4.7 | 5.1 | --- | --- | | | | | | | | | | | | | | | | | | | | | | | |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMEN T | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|--|--------------------------------------|---|--|
| INCOME TAXES-continued: Corporation and Unincorporated-continued: | | | | |
| | 1993 | 1993 | Surtax decreased from 5% to 2.5%, effective October 1, 1992. | -\$ 2,950,000 |
| | 1994 | 1994 | Reduce franchise tax rate to 9.5%. | -\$ 6,400,000 |
| | 1994 | 1995 | Allow a deduction for Subpart F income. | -\$ 3,000,000 |
| | 1994 | 1994 | Conform to provisions of Omnibus Budget Reconciliation Act of 1993. | +\$ 100,000 |
| | 1994 | 1994 | Add a 2.5% surtax to finance the Convention Center. | +\$ 3,143,000 |
| | 1999 | 1999 | Surtax (2.5%) financing the Convention Center shifted to general fund. 5/ | +\$ 6,200,000 |
| | 1999 | 2000 | Eliminate carry back of net operating losses (NOLs) and adjust NOL provisions to reflect single entity filing. | --- |
| | 1999 | 2003 | Reduce 9.975% rate to 9.0%. | -\$ 16,700,000 |
| | 1999 | 2004 | Reduce 9.0% rate to 8.5% (rate reduction impact is cumulative). | -\$ 28,700,000 |
| | 2002 | 2003 | Tax Parity Act suspended; rate increased to 9.975%. | +\$ 17,500,000 |
| | 2002 | 2003 | Decoupling from federal bonus depreciation | +\$ 24,000,000 |
| | 2008 | 2008 | Reduced taxable income for certain UB taxpayers. | -\$ 35,000 |
| | 2009 | 2011 | Require combined reporting of income for corporate entities. | +\$ 22,600,000 |
| | 2011 | 2011 | Change apportionment of business income to double weight the sales factor. | +\$ 7,230,000 |
| | 2011 | 2011 | Increase minimum tax to \$250 for firms with gross receipts up to \$1 million, and \$1,000 for firms with gross receipts over \$1 million. | +\$ 12,000,000 |
| | 2014 | 2015 | Use Single Weighted Sales Apportionment Factor. | +\$ 20,000,000 |
| | 2014 | 2015 | Reduce Business Income Tax Rate from 9.975% to 9.4%. | -\$ 20,000,000 |
| | 2014 | 2015 | Exempt entities that trade on their own accounts from unincorporated business franchise tax (passive investment vehicles). | -\$ 4,400,000 |
| | 2015 | 2016 | Reduce Business Income Tax Rate from 9.4% to 9.2%. | -\$ 9,692,000 |
| | 2016 | 2016 | Delay FAS 109 deductions by five years for combined reporting files. | +\$ 3,721,000 |
| | 2015 | 2017 | Reduce Business Income Tax Rate from 9.2% to 9.0%. | -\$ 10,060,000 |
| | 2017 | 2018 | Reduce Business Income Tax Rate from 9.0% to 8.25%. | -\$ 27,990,000 |
| | 2018 | 2019 | Small retailer franchise tax refundable credit | -\$ 14,475,000 |
| | 2019 | 2020 | Reduces the credit as of tax year 2020 for each qualified QHTC employee hired after December 31, 2017, to five percent of wages not exceeding \$3,000 per taxable year and eliminates the carry-forward period for such employee credits. | +\$ 1,606,000 |
| | 2019 | 2020 | The reduced 6% business franchise tax for QHTC is limited to five years, provided that the total amount of credit a QHTC may receive does not exceed \$250,000 in a taxable year | +\$ 3,801,000 |
| | 2020 | 2021 | Repealed and modified several sections of the Qualified High Technology Company (QHTC) incentive | +\$ 27,497,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|---------------------------------|------------------------------|--|--|
| INCOME TAXES-continued: Corporation and Unincorporated-continued: | | | | |
| | 2020 | 2021 | Created a District Low Income Housing Tax Credit based on 25 percent of the federal program and available to offset either franchise or insurance premium tax credits. | +\$ 0 |
| | 2020 | 2021 | Restricted investments qualifying for opportunity zone capital gains deferral for District tax purposes | +\$ 2,000,000 |
| | 2020 | 2021 | Delay for 5 years a deduction qualified publicly traded corporations could use for reported earnings impacts from the 2011 implementation of mandatory combined reporting | +\$ 7,443,000 |
| INHERITANCE AND ESTATE | | | | |
| | 1972 | 1972 | Rates increased to a range of 1% - 23%, Class B merged with Class C and exemption lowered. | -\$ 2,800,000 |
| | 1987 | 1987 | Inheritance Tax abolished for decedents dying on or after April 1, 1987. | -\$ 15,000,000 |
| | 2002 | 2002 | D.C. Estate Tax is decoupled from the Federal Estate Tax, threshold increases from \$600,000 to \$675,000, on Jan. 1, 2002. | --- |
| | 2003 | 2003 | Filing threshold increases from \$675,000 to \$1,000,000, effective Jan. 1, 2003. | --- |
| | 2014 | 2016 | If certain revenue triggers are met, threshold increases from \$1 million to \$2 million. | -\$ 6,194,000 |
| | 2017 | 2018 | Estate tax exclusion threshold conforms with the Internal Revenue Code | -\$ 6,500,000 |
| | 2018 | 2019 | Estate tax exclusion threshold decoupled from federal law and threshold set to \$5.6 million in tax year 2018; threshold indexed annually thereafter | +\$ 6,460,000 |
| | 2020 | 2021 | Reduced the exclusion threshold from \$5.682 million to \$4 million for estates of decedents after January 1, 2021 | +\$ 1,784,000 |
| INSURANCE PREMIUMS | | | | |
| | 1977 | 1977 | Payments dates changed. If liability is over \$2,000, at least 25% of tax must be paid in each of 3 installments during the year taxable income is received. Remainder is due by March 1 st following close of calendar year. | --- |
| | 1992 | 1993 | Tax rate increased from 2% to 2.25%, effective October 1, 1992. | +\$ 4,000,000 |
| | 1999 | 1999 | Tax rate decreased from 2.25% to 1.7%, effective January 1, 1999. | -\$ 6,000,000 |
| | 2006 | 2006 | Cost of any health-care insurance premium, paid by an employer for a non-employee domestic partner registered with the Vital Records Division of D.C. Department of Health, is excluded from the calculation of the employee domestic partner's District gross income. | --- |
| | 2009 | 2009 | Insurance premiums tax on health insurers increased from 1.7% to 2.0%. | +\$ 1,983,000 |
| | 2009 | 2009 | Insurance premiums tax applied to HMOs for the first time at a rate of 2.0%. 75% of the revenue was dedicated to the Healthy D.C. Fund and the other 25% was allocated to the general fund. | +\$ 9,893,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|---------------------------------------|---------------------------------|------------------------------|---|--|
| INSURANCE PREMIUMS -continued: | | | | |
| | 2009 | 2009 | Insurance premiums tax on CareFirst increased from 1.7% to 2.0%. All the revenue is dedicated to Healthy D.C. Fund. | +\$ 1,129,000 |
| | 2010 | 2011 | Insurance premiums tax rate of 2.0% is now applied to all types of insurance, including life and property insurance. Previously, the 2.0% percent rate had only applied to health insurers and HMOs. | +\$ 4,747,000 |
| | 2014 | 2015 | Insurance premiums tax rate of 1.7% is now applied to all non-accident and health insurance. The tax rate for accident and health insurers and HMOs is still at 2.0%. | --- |
| MOTOR VEHICLES: | | | | |
| Motor Vehicle Excise: | | | | |
| | 1970 | 1970 | Rate increased from 3% to 4%. | +\$ 1,700,000 |
| | 1973 | 1973 | Rate increased from 4% to 5%. | +\$ 1,900,000 |
| | 1976 | 1976 | Rate increased from 5% to 6%. | +\$ 1,800,000 |
| | | | New rates and weight classes instituted 4% 2,799 lbs. or less 5% 2,800 – 3,499 lbs. 6% 3,500 – 3,999 lbs. 7% 4,000 lbs. or over | +\$ 550,000 |
| | 1983 | 1983 | New rates and weight classes instituted (June 1983). 6% 3,499 or less. 7% 3,500 lbs. or over | +\$ 2,000,000 |
| | 1990 | 1990 | Exempted taxicabs from motor vehicle excise tax and required new residents to pay excise tax on motor vehicles transferred into the District. | +\$ 700,000 |
| | 1999 | 1999 | Repeal requirement that new residents pay second excise tax on vehicles transferred into the District. 6/ | -\$ 12,000,000 |
| | 2005 | 2005 | New rates and weight classes instituted (June 2005). 6% 3,499 lbs. or less. 7% 3,500 lbs. – 4,999 lbs. 8% 5,000 lbs. or more | +\$ 2,000,000 |
| | 2020 | 2021 | New rates based on weight and miles per gallon ("mpg"): Unladen Weight 3,499 or less 3,500-4,999 >5,000 20MPG or Less 8.1% 9.1% 10.1% 21MPG - 25MPG 4.4% 5.4% 6.4% 26MPG - 30MPG 3.1% 4.1% 5.1% 31MPG - 39MPG 2.2% 3.2% 4.2% 40MPG or More 1.0% 2.0% 3.0% | --- |
| Motor Vehicle Fuel: | | | | |
| | 1972 | 1972 | Rate increased from 1¢/gallon to 8¢/gallon. | +\$ 2,400,000 |
| | 1976 | 1976 | Rate increased from 8¢/gallon to 10¢/gallon. | +\$ 4,825,000 |
| | 1980 | 1980 | Rate increased from 10¢/gallon to 11¢/gallon. | +\$ 1,512,000 |
| | 1980 | 1981 | Rate increased from 11¢/gallon to 13¢/gallon (June 1981). | +\$ 3,024,000 |
| | 1980 | 1982 | The gasoline excise tax rate becomes indexed to the consumer price index for all urban consumers (CPI-U). | --- |
| | 1982 | 1982 | Rate increased from 13¢/gallon to 14¢/gallon after indexing (June 1982). | +\$ 1,600,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|--|--|
| MOTOR VEHICLES-continued: | | | | |
| | 1983 | 1983 | Rate increased from 14¢/gallon to 14.8¢/gallon. | +\$ 1,300,000 |
| | 1984 | 1984 | Rate increased from 14.8¢/gallon to 15.5¢/gallon. | +\$ 1,100,000 |
| | 1985 | 1985 | Rate set at 15.5¢/gallon (June 1985), indexing repealed. | -\$ 1,700,000 |
| | 1989 | 1989 | Rate increased from 15.5¢/gallon to 18¢/gallon (June 1989). | +\$ 4,000,000 |
| | 1992 | 1993 | Rate increased from 18¢/gallon to 20¢/gallon (October 1992). | +\$ 3,300,000 |
| | 1994 | 1994 | Temporary rate increase (4 months) from 20¢/gallon to 22.5¢/gallon (June 1994). | +\$ 1,300,000 |
| | 2009 | 2010 | Rate increased from 20¢/gallon to 23.5¢/gallon (October 2009). | +\$ 3,500,000 |
| | 2013 | 2014 | Replace the 23.5 cent per gallon excise tax on motor fuel with an ad valorem tax of 8.0% of the wholesale price. Proposed floor of \$2.94 for the computed average wholesale price allows D.C. to collect at least the projected revenue of current motor fuel excise tax. | - |
| | 2020 | 2021 | Created a motor vehicle fuel surcharge of 5.3 cents per gallon in FY 2021 and 10.3 cents per gallon in FY 2022, growing by inflation thereafter and dedicated to local infrastructure projects through the Capital Improvements | +\$ 5,558,000 |
| Motor Vehicle Registration: | | | | |
| | 1970 | 1970 | Rate increased: Less than 3,500 lbs. from \$22.50 to \$30.00 More than 3,499 lbs. from \$32.50 to \$50.00 Rate on other vehicles increased by 1/3. | +\$ 3,300,000 |
| | 1976 | 1976 | New rates and weight classes instituted \$50 2,800 lbs. or less \$57 2,801 – 3,499 lbs. \$83 3,500 – 3,999 lbs. \$96 4,000 lbs. and over Rates on other vehicles increased by 1/3. | +\$ 3,850,000 |
| | 1977 | 1977 | New rates instituted \$35 2,800 lbs. or less \$42 2,801 – 3,499 lbs. \$68 3,500 – 3,999 lbs. \$76 4,000 lbs. and over | -\$ 3,900,000 |
| | 1983 | 1983 | New rates and weight classes instituted \$45 3,499 lbs. or less \$78 3,500 lbs. and over | +\$ 1,400,000 |
| | 1991 | 1991 | New rates instituted \$55 3,499 lbs. or less \$88 3,500 lbs. and over | +\$ 3,000,000 |
| | 2003 | 2003 | New rates instituted \$72 3,499 lbs. or less \$115 3,500 lbs. and over | +\$ 10,900,000 |
| | 2004 | 2005 | New rates and weight classes instituted \$72 for 3,499 lbs. or less \$115 for 3,500 – 4,999 lbs. \$155 for 5,000 lbs. and over \$36 for clean fuel or electric vehicle | +\$ 2,800,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|----------------------------------|---------------------------------|------------------------------|--|--|
| MOTOR VEHICLES-continued: | | | | |
| Motor Vehicle Registration: | | | | |
| | 2022 | 2023 | New rates and weight classes instituted Passenger: \$175 for 3,500 – 4,999 lbs. \$250 for 5,000 lbs. and over Commercial: \$175 for 3,500 – 4,999 lbs. \$200 for 5,000 – 6,999 lbs. \$500 for 7,000 – 9,999 lbs. \$700 for >10,000 lbs. \$700 plus \$50 for >= 10000 + each 1000 lbs. Trailer: \$150 for 1,500 – 3, 499 lbs. \$275 for 3,500 – 4,999 lbs. \$500 for 5,000 – 6,999 lbs. \$700 for 7,000 – 9,999 lbs. \$850 for >= 10,000 lbs. \$850 plus \$75 for >= 10000 + each 1000 lbs. | --- |
| PROPERTY TAXES: | | | | |
| Personal Property | | | | |
| | 1970 | 1970 | Rate increased 10¢/\$100 assessed value \$2.40/\$100 | +\$ 700,000 |
| | 1973 | 1973 | Phase-out of tax applicable to business inventories FY 1973 2/3 rate applies FY 1974 1/3 rate applies FY 1975 phase-out completed | -\$ 2,600,000 -\$ 5,300,000 -\$ 8,500,000 |
| | 1976 | 1977 | Rate increased 42¢/\$100 of assessed value to \$2.82/\$100. | +\$ 2,300,000 |
| | 1977 | 1977 | Payment due with return-July 31 st . | --- |
| | 1980 | 1980 | Rate increased 28¢/\$100 of assessed value to \$3.10/\$100. | +\$ 2,200,000 |
| | 1987 | 1987 | Created a retroactive personal property tax credit to all telecommunication providers. | --- |
| | 1992 | 1992 | Rate increased 30¢/\$100 of assessed value to \$3.40/\$100 (July 1992). | +\$ 6,400,000 |
| | 1999 | 2000 | Provide \$50,000 taxable value threshold (revenue impact is full year for FY 2001). | -\$ 6,000,000 |
| | 1999 | 2000 | Accelerated depreciation for computer equipment (revenue impact is full year for FY 2001). | -\$ 9,000,000 |
| | 2004 | 2005 | 15% of the District's annual personal property tax (not to exceed \$10,000,000 per year) will be deposited in The Neighborhood Investment Fund. | -\$ 9,547,000 |
| | 2008 | 2008 | Exemption amount increased from \$50,000 to \$225,000. | -\$ 11,07,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|----------------------------------|---------------------------------|------------------------------|--|--|
| PROPERTY TAXES-continued: | | | | |
| Personal Property | | | | |
| | 2009 | 2009 | 17.4% (increased from 15%) of the District's annual personal property tax (not to exceed \$10,000,000 per year) will be deposited in The Neighborhood Investment Fund. | --- |
| | 2012 | 2012 | Statutory transfer to The Neighborhood Investment Fund suspended in FY 2012. | +\$ 10,000,000 |
| | 2020 | 2021 | The definition of personal property will include computer software incorporated into a machine or other equipment for tax year beginning July 1, 2021. | +\$ 935,000 |
| | 2020 | 2021 | Repeals the personal property tax exemption for Qualified High-Tech Companies. | +\$ 662,000 |
| Real Property | | | | |
| | 1970 | 1970 | Rate increased 10¢/\$100 of assessed value to \$3.10/\$100. | +\$ 3,600,000 |
| | 1972 | 1972 | Rate increased 10¢/\$100 of assessed value to \$3.20/\$100. | +\$ 3,900,000 |
| | 1973 | 1973 | Rate increased 12¢/\$100 of assessed value to \$3.32/\$100. | +\$ 4,700,000 |
| | 1975 | 1975 | Assessment level increased to 100% of estimated market value; rate dropped to \$1.83/\$100. | --- |
| | 1976 | 1976 | First half real estate payment advances to September 15 th from September 30 th . | --- |
| | 1977 | 1978 | Single-family homes, condominiums and cooperatives assessed value reduced by \$6,000. | -\$ 11,650,000 |
| | 1977 | 1978 | Single-family homes, condominiums and cooperatives must be owner-occupied in order to receive \$6,000 Homestead Exemption. | -\$ 8,500,000 |
| | 1978 | 1979 | Increased owner-occupied single-family homes, condos and cooperatives Homestead Exemption to \$9,000. | -\$ 3,000,000 |
| | 1979 | 1979 | Three classifications of real property established for determining the applicable property tax rate. | --- |
| | 1980 | 1980 | Class 3 rate increased 30¢/\$100 of assessed value to \$2.13/\$100. | +\$ 15,800,000 |
| | 1982 | 1982 | A quinquennial (every 5 years) filing permitted for the \$9,000 Homeowner's Exemption. | --- |
| | 1984 | 1984 | Class 3 rate decreased 10¢/\$100 of assessed value to \$2.03/\$100. | -\$ 11,200,000 |
| | 1984 | 1984 | Public space rental formula changed from a fractional assessment basis (65%) to a method based upon the property's full assessed value. | +\$ 900,000 |
| | 1985 | 1985 | Four classifications of real property established for determining the applicable property tax rate. | -\$ 3,400,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|---|---------------------------------|------------------------------|--|--|
| PROPERTY TAXES: Real Property continued: | | | | |
| | 1986 | 1987 | Established a July Nuisance Tax Sale in addition to the annual January Real Property Tax Sale. | --- |
| | 1986 | 1987 | Retired Senior citizens, 65 or older, receive 50% reduction on real property taxes (01/87). | -\$ 6,400,000 |
| | 1987 | 1987 | Increased owner-occupied single-family homes, condominiums, and cooperatives Homestead Exemption to \$15,000 (01/87). | -\$ 6,500,000 |
| | 1988 | 1989 | Increased owner-occupied single-family homes, condominiums, and cooperatives Homestead Exemption to \$22,000 (06/88). | -\$ 7,600,000 |
| | 1990 | 1990 | Increased owner-occupied single-family homes, condominiums, and cooperatives Homestead Exemption to \$30,000 (06/90). | -\$ 7,100,000 |
| | 1990 | 1990 | Class 1 rate decreased from \$1.06 to \$0.96. | -\$ 14,100,000 |
| | 1990 | 1990 | Established Class 5 for unimproved vacant land at rate of \$3.29. | +\$ 5,800,000 |
| | 1992 | 1992 | Expand eligibility for senior citizen property tax relief and cap eligibility at \$100,000 income (07/92). | +\$ 2,500,000 |
| | 1993 | 1994 | Increase Class 5 rate from \$3.29 to \$5.00. | +\$ 5,100,000 |
| | 1995 | 1995 | Calculated rates go into effect for the 1 st half of year. Class 1 rate = \$0.96 Class 2 rate = \$1.62 Class 3 rate = \$1.81 Class 4 rate = \$2.31 Class 5 rate = \$5.35 | +\$ 40,100,000 |
| | 1996 | 1996 | Eliminated July Nuisance Tax Sale. | --- |
| | 1997 | 1997 | Replace January Real Property Sale with a July Real Property Tax Sale. | --- |
| | 1997 | 1999 | The District began 3-year phase-in of a triennial assessment system. Properties were divided into three triennial groups for assessment purposes. One tri-group is reassessed each year. Tri-group I in Fiscal Year 1999, tri-group II in Fiscal Year 2000, and tri-group III in Fiscal Year 2001. | --- |
| | 1999 | 2000 | Reduce Class 2 rate as follows: FY 2000 – from \$1.54 to \$1.34 FY 2001 – from \$1.34 to \$1.15 FY 2002 – from \$1.15 to \$0.96 (combined with Class 1 as Residential) | -\$ 13,100,000 -\$ 25,600,000 -\$ 38,100,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|---|---------------------------------|------------------------------|--|--|
| PROPERTY TAXES- Real Property continued: | | | | |
| | 1999 | 2000 | Reduce Class 4 rate as follows: FY 2000 – from \$2.15 to \$2.05 FY 2001 – from \$2.05 to \$1.95 FY 2002 – from \$1.95 to \$1.85 (reclassified as Class 2-non-residential) | -\$ 16,800,000 -\$ 33,500,000 -\$ 50,300,000 |
| | 1999 | 2000 | Reduce Class 5 rate as follows: FY 2000 – from \$5.00 to \$2.05 FY 2001 – from \$2.05 to \$1.95 FY 2002 – from \$1.95 to \$1.85 (reclassified as Class 2-non-residential) | -\$ 4,100,000 -\$ 4,300,000 -\$ 4,400,000 |
| | 2000 | 2000 | Purchaser of tax sale property does not receive deed until Court judgment forecloses right of redemption. | --- |
| | 2002 | 2003 | Return to annual assessment and instituting a 25% cap on annual tax growth of residential properties. One triennial group shifts into annual assessment each year through FY 2004, beginning with tri-group I, tri-group II in FY 2003, and tri-group III in FY 2004. By FY 2004, all property in the District will once again be reassessed on an annual basis. | +\$ 55,000,000 |
| | 2002 | 2003 | Created a new Class 3 for abandoned and vacant property, rate increased from \$1.85 to \$5.00 | +\$ 15,900,000 |
| | 2003 | 2004 | Homestead exemption increased from \$30,000 to \$38,000. | -\$ 6,653,000 |
| | 2003 | 2004 | Cap on Real Property value decreased from 25% to 12%. | -\$ 20,932,000 |
| | 2005 | 2006 | Reduce Class 1 rate from \$0.96 to \$0.92 | -\$ 17,553,000 |
| | 2005 | 2006 | Homestead exemption increased from \$38,000 to \$60,000. | -\$ 16,542,000 |
| | 2006 | 2006 | Cap on Real Property value decreased from 12% to 10%. | -\$ 3,300,000 |
| | 2006 | 2006 | Low income property tax deferred | -\$ 2,000,000 |
| | 2006 | 2007 | Reduce Class 1 rate from \$0.92 to \$0.88 | -\$ 17,100,000 |
| | 2008 | 2008 | Homestead exemption increased from \$60,000 to \$64,000. | -\$ 4,000,000 |
| | 2008 | 2008 | Reduce Class 1 rate from \$0.88 to \$0.85 | -\$ 17,500,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|---|---------------------------------|------------------------------|---|--|
| PROPERTY TAXES- Real Property continued: | | | | |
| | 2008 | 2009 | Class 2 properties will be subject to a split tax rate structure. Tax rate for the 1 st \$3 million in assessed value would be taxed at \$1.65 per \$100 and excess of \$3 million in assessed value would be taxed at \$1.85 per \$100. | -\$ 20,200,000 |
| | 2008 | 2009 | Increased Class 3 rate from \$5.00 to \$10.00. | +\$ 8,000,000 |
| | 2009 | 2009 | Homestead exemption increased from \$64,000 to \$67,500. | -\$ 4,000,000 |
| | 2009 | 2010 | Delayed homestead deduction indexing through FY2013 | +\$ 4,000,000 |
| | 2009 | 2010 | Reclassified Class 3 properties to only include improved blighted property | -\$ 12,756,000 |
| | 2010 | 2011 | Reclassified Class 3 properties to only include improved vacant property | --- |
| | 2010 | 2011 | Created a new Class 4 for improved blighted property, rate \$10.00 | +\$ 3,182,918 |
| | 2013 | 2013 | Homestead exemption increased from \$67,500 to \$69,100. | -\$ 1,217,431 |
| | 2014 | 2014 | Homestead exemption increased from \$69,100 to \$70,200 | -\$ 844,688 |
| | 2014 | 2015 | Interest-free real property tax deferral for seniors over 75 and with AGI less than \$60,000 and interest and dividend income less than \$12,500, if they have owned a house in the District for 25 years or more. | -\$ 2,795,000 |
| | 2015 | 2015 | Homestead exemption increased from \$70,200 to \$71,400 | -\$ 964,073 |
| | 2015 | 2016 | Homestead exemption increased from \$71,400 to \$71,700 | -\$ 247,376 |
| | 2016 | 2017 | Homestead exemption increased from \$71,700 to \$72,450 | -\$ 595,827 |
| | 2017 | 2018 | Homestead exemption increased from \$72,450 to \$73,350 | -\$ 753,600 |
| | 2018 | 2019 | Class 2 (commercial) property tax rates changed: Tax rate for the 1 st \$5 million in assessed value would be taxed at \$1.65 per \$100; at \$1.77 per \$100 between \$5 million and \$10 million; and in excess of \$10 million in assessed value would be taxed at \$1.89 per \$100 of assessed value. | +\$ 40,411,000 |
| | 2018 | 2019 | 5% homestead cap annually on taxable assessed value on real properties owned and occupied by senior citizens and person with disabilities. | -\$ 796,000 |
| | 2019 | 2020 | Created a real property tax exemption for non-profits who own rental housing but must lease units at certain income levels and comply with additional requirements. | -\$ 918,000 |
| | 2020 | 2021 | Limited property tax abatements for urban farming from \$282,000 to \$150,000 | +\$ 132,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--------------------------------|---------------------------------|------------------------------|--|--|
| TOLL TELECOMMUNICATIONS | | | | |
| | 1989 | 1989 | Effective March 3, 1989, toll telecommunications gross charges subjected to a tax of 6.7%. This replaced the gross receipts tax on all telecommunication service providers and also provided partial sales and personal property tax exemptions. | +\$ 20,000,000 |
| | 1991 | 1991 | Toll telecommunication gross charges tax rate increased by temporary legislation from 6.7% to 9.7%. | +\$ 2,500,000 |
| | 1992 | 1992 | Gross charges rate of 9.7% made permanent (April 1992). | +\$ 10,000,000 |
| | 1994 | 1994 | Gross charges tax rate increased to 10% (June 1994). | +\$ 2,700,000 |
| | 1996 | 1997 | Toll telecommunications tax base expanded to include commercial mobile cellular service. | +\$ 4,800,000 |
| | 1998 | 1999 | Toll telecommunications tax base for commercial mobile cellular service changed. | -\$ 500,000 |
| | 1998 | 1999 | Tax base narrowed to exclude gross receipts tax collected from consumers. | -\$ 5,000,000 |
| | 2002 | 2003 | Rate increased from 10% to 11%. | +\$ 4,900,000 |
| | 2004 | 2005 | Rate decrease from 11% to 10% for residential. Non-residential will remain at 11% with 1% going to finance the construction of the baseball stadium. | -\$ 9,000,000 |
| SALES AND USE TAX | | | | |
| | 1970 | 1970 | Rate of 5.0% imposed on all restaurant meals and sales of alcoholic beverages. | +\$ 3,400,000 |
| | 1970 | 1970 | Rate of 2.0% applies to: Groceries-with a sales tax credit for resident's earnings below \$6,000; Laundry and dry cleaning; Non-prescription drugs. | +\$ 1,300,000 +\$ 1,000,000 +\$ 350,000 |
| | 1970 | 1970 | Rate of 4.0% applies to: Admissions to theaters and public events; Repair of tangible personal property; Duplicating, addressing and mailing services. | +\$ 700,000 +\$ 2,200,000 +\$ 800,000 |
| | 1972 | 1972 | Rentals of linens added to base at 2.0% | +\$ 125,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|---|--|
| SALES AND USE TAX-continued | | | | |
| | 1973 | 1973 | General rate increased from 4.0% to 5.0%. | +\$ 13,000,000 |
| | 1973 | 1973 | Transient accommodations, sale of alcoholic beverages and restaurant meals increased from 5.0% to 6.0%. | +\$ 2,800,000 |
| | 1976 | 1976 | Groceries, non-prescription drugs and laundry and dry cleaning exempted. | -\$ 6,800,000 |
| | 1976 | 1976 | Rental of linens increased from 2.0% to 5.0%. | +\$ 300,000 |
| | 1976 | 1976 | Motor vehicle parking subject to tax at 8.0% | +\$ 3,300,000 |
| | 1976 | 1976 | Transient accommodations, restaurant meals increased from 6.0% to 8.0% | +\$ 9,400,000 |
| | 1976 | 1976 | Motor vehicle parking increased from 8.0% to 12.0%. | +\$ 1,600,000 |
| | 1980 | 1980 | General rate increased from 5.0% to 6.0%. Sales of motor fuel subjected to general sales tax rate of 6.0%. Transient accommodations increased from 8.0% to 10.0%. | +\$ 29,000,000 |
| | 1980 | 1980 | Candy, confectionery, chewing gum and soft drink sales are taxable at 8.0%. Rental or leasing of rental vehicles and utility trailers subject to 8.0% use tax. | +\$ 2,500,000 |
| | 1981 | 1981 | Sales tax on motor fuel sales repealed, effective December 1, 1980. | -\$ 13,000,000 |
| | 1982 | 1982 | Repeal the 8.0% tax on candy, confectionery, chewing gum and soft drinks. | -\$ 2,500,000 |
| | 1984 | 1985 | Sales tax rate on items sold in vending machines increased from 2.0% to 6.0%. | +\$ 1,000,000 |
| | 1987 | 1987 | Exempt certain food items to maintain conformity to federal food stamp laws. | --- |
| | 1987 | 1987 | Examine District of Columbia sales exemption status organization exempt under Internal Revenue Code 501C (4). | --- |
| | 1989 | 1989 | Established tax on real property services at the rate of 6.0%. | +\$ 10,000,000 |
| | 1989 | 1989 | Established tax on data processing and information services at 6.0%. | +\$ 25,000,000 |
| | 1989 | 1989 | Established Vendor credit of 1.0% of sales. | -\$ 1,600,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|--|--|
| SALES AND USE TAX-continued | | | | |
| | 1989 | 1989 | Restaurant meals and sales of alcoholic beverages increased from 8.0% to 9.0%. | +\$ 11,000,000 |
| | 1989 | 1989 | Transient accommodations increased from 10.0% to 11.0%. | +\$ 7,000,000 |
| | 1990 | 1990 | Clarified tax on services not to apply to services provided to affiliated companies. | -\$ 1,000,000 |
| | 1991 | 1991 | Sales tax on residential utility services repealed by temporary legislation (estimated revenue effect is for three months). | -\$ 3,900,000 |
| | 1992 | 1992 | Increased sales tax rate on sale of off premises consumption of alcoholic beverages from 6.0% to 8.0% (June 1992). | +\$ 2,900,000 |
| | 1992 | 1992 | Expand 6.0% sales tax base to include laundering services (July 1992). | +\$ 3,000,000 |
| | 1992 | 1992 | Make repeal of sales tax on residential utilities services permanent (April 1992). | -\$ 15,700,000 |
| | 1993 | 1993 | Expand 6.0% sales tax base to include the following: Snack foods; Selected telecommunications services; All publications and newspapers. | +\$ 2,700,000 +\$ 7,600,000 +\$ 2,700,000 |
| | 1994 | 1994 | Temporarily increase general sales tax rate to 7.0% (June 1994). | +\$ 10,800,000 |
| | 1994 | 1994 | Expand sales tax base to courier services (June 1994). | +\$ 2,000,000 |
| | 1994 | 1994 | Expand sales tax base to employment services (June 1994). | +\$ 2,500,000 |
| | 1994 | 1995 | Permanently reduce general sales tax rate to 5.75% (October 1994). | -\$ 9,200,000 |
| | 1994 | 1995 | Restaurant meals and alcohol for on premise consumption increased from 9.0% to 10.0% with the 1.0% increase to finance the Convention Center (October 1994). | +\$ 12,400,000 |
| | 1994 | 1995 | Transient accommodations increased from 11.0% to 13.0% with 2.5% to increase funding for new Convention Center. | +\$ 10,960,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|--|--|
| SALES AND USE TAX-continued | | | | |
| | 1999 | 1999 | Transient accommodations tax increased from 13.0% to 14.5% to increase funding for new Convention Center. However, general fund tax portion of hotel sales tax reduced from 10.2% to 10.05% (October 1999). 8/ | -\$ 4,000,000 |
| | 1999 | 2000 | Sales tax on Internet access eliminated. | --- |
| | 2001 | 2001 | Repeal the sales tax on snack foods. | -\$ 3,300,000 |
| | 2001 | 2001 | Eliminates the 1.0% sales tax credit allowed to vendors for timely filing their returns. | --- |
| | 2001 | 2001 | Sales tax holiday (10 days: August 3 rd to August 12 th). | -\$ 908,000 |
| | 2002 | 2003 | Increased retail alcoholic beverage tax rate from 8.0% to 9.0%. | +\$ 1,350,000 |
| | 2004 | 2005 | Implemented permanent sales tax holiday in August and November. | -\$ 500,000 |
| | 2005 | 2005 | Implemented 10% charge on all tickets sold and all merchandise sold at baseball games and transferred to the Ballpark Fund. | -\$ 8,562,000 |
| | 2006 | 2006 | 50% Commercial lot parking rate dedicated to DDOT and 50% to Capital Fund. | -\$ 30,000,000 |
| | 2006 | 2006 | Increase tax on tobacco products used for smoking, chewing or as snuff, made in whole or in part with tobacco, except for cigarettes, premium cigars, or pipe leaf tobacco products from 5.75% to 12%. | +\$ 12,000 |
| | 2009 | 2010 | Eliminate sales tax holidays | +\$ 1,283,000 |
| | 2009 | 2010 | Increased general sales tax rate from 5.75% to 6.0% until FY2013. | +\$ 20,528,000 |
| | 2010 | 2011 | Impose a 6% sales tax on the sale of medical marijuana and transfer collected revenue in the Healthy DC and Health Care Expansion Fund. | --- |
| | 2011 | 2012 | Soft drinks (non-alcoholic beverages not containing milk, or milk substitutes, non-carbonated fruit or vegetable juice, coffee, cocoa or tea) are no longer exempt from sales tax and revenues are dedicated to DC Healthy Schools Fund. | +\$ 4,266,000 |
| | 2010 | 2012 | Repeal of DDOT Unified Fund and allocation of all parking tax revenue to support the District's contributions to the Metro system. | --- |
| | 2011 | 2012 | Increased retail alcoholic beverage tax from 9% to 10%. Revenue raised will fund the Reimbursable Detail Subsidy Program in the Alcoholic Beverage Regulation Administration (ABRA). | +\$ 460,000 |
| | 2011 | 2012 | Sales tax expanded to include armored car services, private investigation services, and security services. | +\$ 4,870,000 |
| | 2011 | 2012 | Increased parking tax from 12% to 18%. | +\$ 18,239,000 |
| | 2011 | 2013 | Retain 6.0% sales tax rate after FY 2012. | +\$ 15,890,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|---|--|
| SALES AND USE TAX-continued | | | | |
| | 2012 | 2013 | All licensed street or mobile vendors to collect sales taxes and make a minimum sales tax payment of \$375 per quarter. Vendors that collect more than \$375 per quarter in sales taxes would be required to remit the full amount collected. | +\$ 1,158,000 |
| | 2013 | 2013 | Authorizes Class A licensees to sell alcohol on Sundays and dedicates the revenues to ABRA's Reimbursable Detail Subsidy Program. | +\$ 710,000 |
| | 2013 | 2014 | Reduce general sales tax rate to 5.75%. | -\$ 19,830,000 |
| | 2013 | 2014 | Increased funding for Alcoholic Beverage Regulation Administration (ABRA) from 460,000 annually to 1.170m | -\$ 710,000 |
| | 2014 | 2015 | Sales tax base expanded to include some currently untaxed services, such as bottled water delivery, carpet and upholstery cleaning services, fitness and recreational sports centers, and other personal care services such as tanning, car washes, bowling centers and billiard parlors. | +\$ 9,200,000 |
| | 2014 | 2015 | All tobacco products, except premium cigars and e-cigarettes will be taxed similarly to cigarettes. | +\$ 7,000,000 |
| | 2014 | 2015 | Excise tax on other tobacco products changed to a calculated rate based on wholesale sales that will be equaled to the tax rate on a package of 20 cigarettes. The tax rate of other tobacco products is changed from \$0.75 per ounce to 70% of the average wholesale price of a package of 20 cigarettes. | --- |
| | 2014 | 2016 | Adds a use tax line on the individual income tax form so residents can pay sales taxes on items they purchased remotely if the vendor did not charge a sales tax on the transaction. | +\$ 1,000,000 |
| | 2015 | 2016 | The tax rate of other tobacco products is changed from 70% of the average wholesale price of a package of 20 cigarettes to 67% of wholesale sales of other tobacco products. | --- |
| | 2015 | 2016* | Changed the definition of other tobacco products to include vapor products like e-cigarettes. | +\$ 382,000 |
| | 2015 | 2016 | Expand the general sales tax rates to include certain services | +\$ 16,200,000* |
| | 2016 | 2017 | The tax rate of other tobacco products is changed from 67% of the average wholesale price of a package of 20 cigarettes to 65% of wholesale sales of other tobacco products. | --- |
| | 2017 | 2018 | The tax rate of other tobacco products is changed from 65% of the average wholesale price of a package of 20 cigarettes to 60% of wholesale sales of other tobacco products. | --- |
| | 2017 | 2018 | Transient accommodations tax increased from 14.5% to 14.8%. 0.3% is dedicated to destination D.C. | +\$ 6,128,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|--|---------------------------------|------------------------------|---|--|
| SALES AND USE TAX-continued | | | | |
| | 2018 | 2019 | Increase general sales tax rate to 6.0%; increase the tax rate on alcohol purchases at stores to 10.25%; and a 9.25% tax on the gross receipts from the sale of or charges for rental or leasing of rental vehicles and utility trailers. | +\$ 26,403,000 |
| | 2018 | 2019 | Transient accommodations tax increased from 14.8% to 14.95%. | +\$ 3,374,000 |
| | 2019 | 2020 | Exempts sales of diapers and incontinence products from the retail sales tax | -\$ 4,506,000 |
| | 2019 | 2020 | Amends the definition of soft drinks and increases the tax on sales of soft drinks to 8 percent. | +\$ 3,219,000 |
| | 2019 | 2020 | Repeals the sales tax exemption for Qualified High-Tech Companies. | +\$ 10,458,000 |
| | 2020 | 2021 | Reduced the tax rate for spirituous or malt liquors, beers, and wine sold for off-premises consumption from 10.25% to 10% sold by certain alcoholic beverage licensees. | -\$ --- |
| | 2022 | 2023 | Transient accommodations tax increased from 14.95% to 15.95%. | --- |
| HOTEL OCCUPANCY TAX | | | | |
| | 1978 | 1978 | Hotel occupancy tax of \$0.80 per room per day enacted. | +\$ 3,000,000 |
| | 1982 | 1983 | Rate increased to \$1.00 per room per day. | +\$ 938,000 |
| | 1989 | 1989 | Rate increased from \$1.00 to \$1.50 per room per day. | +\$ 3,000,000 |
| | 1999 | 1999 | Repeal of hotel occupancy tax (October 1, 1998). | -\$ 5,400,000 |
| FOR-HIRE VEHICLES GROSS RECEIPT TAX | | | | |
| | 2014 | 2015 | A company that uses digital dispatch for private or public vehicles-for-hire other than taxicabs is taxed 1% of all gross receipts for trips that physically originate in the District | --- |
| | 2018 | 2019 | Increase gross receipt tax rate from 1% to 6% | +\$ 23,018,000 |
| SPECIAL PROGRAMS | | | | |
| | 1985 | 1985 | District of Columbia Rental Housing Act of 1985. 9/ | --- |
| | 1987 | 1987 | Tax Amnesty Program (July 1, 1987 – September 30, 1987). 10/ | +\$ 10,000,000 |
| | 1994 | 1994 | One-year public fee implementation. | +\$ 10,900,000 |
| | 1994 | 1995 | Arena Fee, to finance a downtown sports arena. | +\$ 9,100,000 |
| | 1999 | 2000 | Arena Fee rates changed as follows: | +\$ 3,000,000 |
| | | | ORIGINAL RATES | REVISED RATES |
| | | | D.C. Gross | Arena Fee |
| | | | D.C. Gross | Arena Fee |
| | | | \$0 - \$200K | \$25 |
| | | | \$200K - \$500K | \$50 |
| | | | \$500K - \$1M | \$100 |
| | | | \$1M - \$3M | \$825 |
| | | | \$3M - \$10M | \$2,500 |
| | | | \$10M - \$15M | \$5,000 |
| | | | \$15M and over | \$8,400 |
| | | | \$2M-\$3M | \$1,000 |
| | | | \$3M - \$10M | \$3,300 |
| | | | \$10M - \$15M | \$6,500 |
| | | | Over \$15M | \$11,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|---|--|
| SPECIAL PROGRAMS -continued | | | | |
| | 2001 | 2001 | Arena Fee terminated in Fiscal Year 2001. | -\$ 12,000,000 |
| | 2002 | 2003 | The Housing Production Trust Fund established 15% of Deed Recordation and Deed Transfer Taxes will be deposited to provide financial assistance for housing available to low and moderate-income families and individuals | +\$ 5,000,000 |
| | 2004 | 2005 | Healthcare Provider Fee. | +\$ 5,500,000 |
| | 2004 | 2005 | The Neighborhood Investment Fund established 15% of the District's personal property tax (not to exceed \$10,000,000). | +\$ 9,547,000 |
| | 2005 | 2005 | Ballpark Bonds-1% of Toll Telecommunication and Public Utility Taxes for non-residential will be used to finance the construction of the D.C. baseball stadium. | +\$ 14,000,000 |
| | | | D.C. Gross Receipts | Ballpark Fee Rate |
| | | | \$ 5 - \$ 8M | \$ 5,500 |
| | | | \$ 8 - \$12M | \$10,800 |
| | | | \$12 - \$16M | \$14,000 |
| | | | \$16M and over | \$16,500 |
| | 2007 | 2008 | The Verizon Center Sales Tax Revenue Bond Approval Act of 2007: in order to service a loan to renovate the Verizon Center, merchandise and tickets for events at the Verizon Center will be subject to a tax of 10% (compared to the prior rate of 5.75%). The revenue collected from the increased rate, will be placed into a separate fund and used to make principal and interest payments on the loan. | --- |
| | 2009 | 2010 | Enacted a 5¢ plastic bag fee on all non-recyclable plastic carryout bags, effective October 1, 2009. | +\$ 3,679,000 |
| | 2010 | 2010 | Hospital and medical services corporation (HMSC) allowed to make a \$5,000,000 annual payment in lieu of community reinvestment and transferred to the Healthy DC and Health Care Expansion Fund. The total agreement is for \$25 million; the final contribution is in FY 2014. | --- |
| | 2010 | 2011 | Revenues from the sale of medical marijuana will be transferred to the Healthy DC and Health Care Expansion Fund. | --- |
| | 2010 | 2011 | \$1,500 assessment per licensed bed that is dedicated to the Hospital Fund to finance Medicaid services. | +\$ 6,257,000 |
| | 2010 | 2011 | \$2,000 assessment per licensed bed that is dedicated to the Hospital Fund to finance Medicaid services. | +\$ 2,098,000 |
| | 2011 | 2012 | \$2,529 assessment per licensed bed in FY 2011, and a \$3,788 assessment per licensed bed for FY 2012-FY 2014, will be used to fund Medicaid services. | +\$ 7,170,000 |

**HISTORY OF MAJOR CHANGES IN THE DISTRICT OF COLUMBIA TAX STRUCTURE
FISCAL YEAR 1970 – FISCAL YEAR 2023**

| | FISCAL YEAR OF ENACTMENT | FISCAL YEAR EFFECTIVE | CHANGE | FULL YEAR REVENUE EFFECT AT TIME OF CHANGE 1/ |
|------------------------------------|---------------------------------|------------------------------|--|--|
| SPECIAL PROGRAMS -continued | | | | |
| | 2010 | 2011 | Each intermediate care facility for Individuals with Intellectual and Developmental Disabilities (ICF-IDD) in D.C. will pay assessment of 5.5% of gross revenue in quarterly installments and this will be transferred to the Stevie Sellows Quality Improvement Fund. | --- |
| | 2015 | 2016 | 0.52% fee on hospital's inpatient net patient revenue in FY 2016 and is dedicated to the Hospital Fund. | +\$ 10,400,000 |
| | 2015 | 2016 | 0.16% fee on hospital's outpatient gross patient revenue in FY 2016 and is dedicated to the Hospital Provider Fee Fund. | +\$ 6,000,000 |
| | 2016 | 2017 | A uniform fee of 0.57% is charged on hospital's inpatient net patient revenue in FY 2017 and is dedicated to the Hospital Fund. | +\$ 10,400,000 |
| | 2016 | 2017 | A uniform fee of 0.142% is charged on hospital's outpatient gross patient revenue in FY 2017 and is dedicated to the Hospital Provider Fee Fund. | +\$ 6,700,000 |
| | 2017 | 2018 | A uniform fee of 0.448% is charged on hospital's inpatient net patient revenue in FY 2018 and is dedicated to the Hospital Fund. | +\$ 8,800,000 |
| | 2017 | 2018 | A uniform fee of 0.142% is charged on hospital's outpatient gross patient revenue in FY 2018 and is dedicated to the Hospital Provider Fee Fund. | +\$ 6,128,000 |
| | 2018 | 2019 | A uniform fee is charged on hospital's inpatient net patient revenue in FY 2019 and is dedicated to the Hospital Fund. | +\$ 8,501,000 |
| | 2018 | 2019 | A uniform fee is charged on hospital's outpatient gross patient revenue in FY 2019 and is dedicated to the Hospital Provider Fee Fund. | +\$ 7,658,000 |
| | 2020 | 2021 | The rate paid by all intermediate-care facilities for the intellectually disabled is increased from 5.5 percent to 6.0 percent | +\$ 462,000 |
| SPORTS WAGERING | | | | |
| | 2019 | 2020 | A 10 percent tax on privately operated sports wagering revenues, or total funds wagered less amounts paid to players. Also licensing fees would be collected from operators, management services providers, suppliers, occupational staff, and lottery retail locations. | +\$ -- |

1/ The revenue effect of each law change is mutually exclusive.

2/ The revenue effect of adding financial institutions to the corporation franchise tax base resulted in a revenue loss of \$7.2 million annually by Fiscal Year 1985. The increase shown results from the mechanisms of phasing in the change.
Income tax change effective on a calendar year basis.

3/ Top rate may be reduced as low as 8.0%, depending upon revenue and economic performance.

4/ Revenue impact represents increase in general fund (local) revenues.

5/ Estimate provided by Department of Public Works.

6/ For owner-occupied, property sold under \$250,000, the rate will remain at 1.1%.

7/ Revenue effect reflects loss to general fund (local) revenues.

8/ Department of Finance and Revenue require Tax Standing Evaluation Reports.

9/ Amnesty from penalties and interest for all taxes except real property tax and unemployment compensation.

10/ Effective October 1, 1987, penalties and interest for all taxes except real property and unemployment compensation increase.

11/ For owner-occupied, property sold with a value of less than \$400,000, rate will remain at 1.1%.

PART V -- FILING AND PAYMENT DATES, FY 2023

**FILING AND PAYMENT DATES 1/
FY 2023**

| Tax Type | Filing and Payment Dates |
|--|---|
| Alcoholic Beverage Tax | The tax is due before the 15th day of each month on the preceding month's sales. |
| Cigarette Tax | Payment is made by the purchase of stamps that are affixed to the packages of cigarettes. Such stamps shall be affixed to each original package of such cigarettes within 72 hours after the receipt of such cigarettes and prior to the sale of such cigarettes unless such cigarettes are exempt from taxation. |
| Tobacco Products Excise Tax | The return and tax due are due no later than the 21 st calendar day after the end of each calendar quarter. A return is required even if no tax is due for the reporting period. |
| Estate Tax | <p>Returns and tax are due 10 months after the date of death and must include a copy of the federal estate tax return, if any. A return is not required to be filed if the gross estate does not exceed \$4.26 million.</p> <p>A penalty of 5% per month, but not more than 25% in the aggregate, of the tax due is imposed for the failure to timely file the return or pay the tax. Interest is assessed on any tax not paid by the due date at the rate of 10% compounded daily per statute (without regard to any extension).</p> |
| Corporate and Unincorporated Business Franchise Taxes | Corporate returns for fiscal filers are due and payment of the tax must be made on or before the 15th day of the fourth month following the close of the taxable year, and April 15th using a calendar year. However, due to the COVID-19 Pandemic, corporate returns for calendar year filers was extended to May 17th. Unincorporated business franchise tax returns filed by fiscal year are due and payment of tax must be made on or before the 15th day of the fourth month following the close of the tax year 2020 while a return filed by calendar year is due by April 15th (which was extended to May 17th for calendar year filers). A penalty of 5%, but not more than 25% in the aggregate, is imposed for failure to timely file returns, and a 20% penalty on the portion of an underpayment of taxes if attributable to negligence. Interest is imposed for any tax not paid when due at the rate of 10% compounded daily per statute until the tax is paid. |

1/ Effective October 29, 2018, the Office of Tax and Revenue (OTR) requires individuals and businesses to file and pay their District of Columbia tax returns electronically via OTR's tax portal, MyTax.DC.gov for the following tax typed: alcoholic beverage, cigarettes, other tobacco, gross receipts, ballpark fee, personal property, Department of Health Care Finance, and motor vehicle fuel. Other tax types filed online include estate tax, sales and use tax, and withholding.

FILING AND PAYMENT DATES--Continued

| Tax Type | Filing and Payment Dates |
|------------------------------|--|
| Individual Income Tax | <p>Calendar year returns are due on or before April 15 of the succeeding year while fiscal year returns are due on or before the 15th day of the fourth month following the close of the fiscal year. The filing deadline might change if April 15 falls on a weekend or holiday. Due to the COVID-19 pandemic calendar year returns are due on or before May 17 for tax year 2020.</p> <p>The penalty for failure to file a return on time is 5% of the tax due, but not more than 25% in the aggregate. Interest at the rate of 10% compounded daily per statute is charged from the due date of the return to the date the tax is paid.</p> <p>Individuals who reside in the District and who are not subject to a withholding tax on their gross income must pay estimated taxes on a quarterly basis if they expect to have a tax liability of more than \$100 for the tax year. Estimated payments for a tax year are due on April 15th, June 15th, September 15th of that year, and January 15th of the next year.</p> <p>The penalty for failure to file a declaration of estimated tax on time is 5% per month of the estimated tax, but not more than 25% in the aggregate. Interest is charged for failing to pay any installment when due at the rate of 10% compounded daily per statute.</p> <p>Employers must withhold District individual income taxes from employees who are subject to the tax. If such withholding is less than \$50 per month, the employer must remit the tax by the last day of the month following the close of the tax year; if withholding is \$50 or more per month, it must be remitted by the 20th day of the following month.</p> <p>The penalty for failure to file the withholding tax return or to pay the tax when due is 5% of the tax withheld during the reporting period, but not more than 25% in the aggregate. Interest is charged for late payment at the rate of 10% compounded daily per statute from the due date of the return to the date the tax is paid.</p> |

FILING AND PAYMENT DATES—Continued

| Tax Type | Filing and Payment Dates |
|---------------------------------------|--|
| Insurance Premiums Tax | If tax liability is less than \$1,000, the tax must be paid before March 1 of the succeeding calendar year. If tax liability is \$1,000 or more, at least 50% of tax must be paid by June 1 of the calendar year in which the taxable income is received. The remainder is due on or before March 1 following the close of the calendar year. A penalty of 8% per month of the tax due is charged for failure to timely pay the insurance premium tax. The filing deadline might change if the due date falls on a weekend or holiday. |
| Motor Vehicle Excise Tax | The tax is levied at the time that the certificate of title is issued. |
| Motor Vehicle Fuel Tax | Reports and tax are due by the 25th day of each month on the preceding month's sales or dispositions. |
| Motor Vehicle Registration Fee | Under the staggered motor vehicle registration system, motorists will pay their registration fees upon assumption of ownership of the vehicle or by an assigned day of the year. |
| Personal Property Tax | The return, accompanied by the tax payment, is due on or before July 31 of each year on the tangible personal property remaining cost (current value) as of July 1. A penalty of 5% per month, but not more than 25% total, is charged for failure to timely file a return. Interest at the rate of 10% compounded daily per statute is charged until the tax is paid. |
| Real Property Tax | <p>The assessment year begins on October 1 and ends on September 31. Property owners receive notices of proposed assessments on or before the following March 1 and for TY 2022 have until April 15 to appeal such assessments before the Assessment Division. If the assessor and the property owner, or party of interest, do not resolve a disputed value, the property owner may proceed to the Real Property Tax Appeals Commission (RPTAC). RPTAC will not accept an appeal unless there has first been an appeal to the Office of Tax and Revenue's Assessment Division.</p> <p>The tax may be paid in full or in two equal installments. One-half the tax is payable on or before March 31 and the other half tax is due on or before September 15. There shall be added to the real property tax or installment a penalty of 10% of the unpaid amount due to late payment of real estate tax bills, plus interest on the unpaid amount at the rate of 1.5% per month (18% a year) or portion of a month until the real property tax or installment is paid.</p> |

FILING AND PAYMENT DATES--Continued

| Tax Type | Filing and Payment Dates |
|-----------------------------------|---|
| Public Utility Tax | Returns are due by the 20th day of each month on the preceding month's gross receipts. A penalty of 5% per month, but not more than 25% in the aggregate, is charged for failure to file a return or pay taxes on time. There is a 20% penalty on the portion of an underpayment of taxes if attributable to negligence. Interest is charged at the rate of 10% compounded daily per statute until the tax is paid. |
| Deed Recordation Tax | The deed recordation tax is due when the deed is recorded. Each deed must be accompanied by a tax return before it can be recorded. A \$250.00 penalty is due for all Deeds of Title that are submitted for recording later than (30) thirty calendar days from its execution date. However, if a request for an exemption from real property tax is denied, a charge of whatever tax owed at time for recording plus the necessary interest of 10% per year compounded daily, is due. |
| Deed Transfer Tax | The transfer tax is due when the deed is recorded, and each deed must be accompanied by a transfer tax return. |
| Economic Interest Transfer | The economic interest transfer tax is triggered by two elements. These elements 1) more than 50% of the controlling interest of the property owner is transferred; or 2) 80% of the assets of the property owner consist of real property located in D.C. The transfer tax is due at the time of recordation. |
| Sales and Use Taxes | <p>Monthly returns and taxes are due by the 20th day of each month following the reporting period. If the due date falls on Saturday, Sunday or a legal holiday, the return is due on the next business day. To avoid a delinquency notice, a return must be filed even if no sales were made or no sales or use tax is due. Due to the COVID-19 Pandemic, OTR will automatically waive interest and late payment penalties of sales and use taxes for all businesses (except hotels and motels) for periods ending on February 29, 2020 and March 31, 2020 provided that payment of all taxes due for these periods are paid in full by July 20, 2020.</p> <p>An annual return is due on or before October 20th. Quarterly returns are due on or before the 20th day of the month after the quarter.</p> <p>A penalty of 5% per month, but not more than 25% in the aggregate, is charged for failure to file sales and use tax returns or to pay sales and use taxes on time. Interest is charged at the rate of 10% per year, compounded daily, until the tax is paid.</p> |

FILING AND PAYMENT DATES—Continued

| Tax Type | Filing and Payment Dates |
|------------------------------------|---|
| Toll Telecommunications Tax | <p>Returns and tax are due by the 20th day of each month on the preceding month's charges.</p> <p>A penalty of 5% per month, but not more than 25% in the aggregate, is charged for failure to file tax returns or to pay toll telecommunications taxes on time. Interest is charged at the rate of 10% compounded per statute until the tax is paid.</p> |

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