Revenue

Introduction

This chapter presents the revenue outlook for the District of Columbia's General Fund for the FY 2009 to FY 2013 period. Since revenues are affected by the performance of the D.C. economy, this chapter includes a discussion of the economic outlook for the District of Columbia.

The first part of the chapter includes a description of the revenue-estimating assumptions for both the short run (FY 2009 and FY 2010) and over the longer term (FY 2011 – FY 2013). The chapter then turns to the outlook for the specific sources of revenue that flow to the General Fund. These include various tax and non-tax sources, as well as special purpose non-tax sources, which consist of fees, fines, assessments, and reimbursements dedicated to the District of Columbia agency that collects the revenues. For each General Fund revenue source a description of that revenue source is provided, along with a discussion of factors affecting the revenue being generated by that source.

This chapter also provides information on special funds financed by certain tax revenues. These dedicated tax revenues, which are not available for general budgeting, are transferred to the following funds: Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's Unified Fund, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, the Nursing Facility Quality of Care Fund and the Healthy DC Fund.

The chapter concludes with a description of the procedures used to estimate revenue, followed by a presentation of additional detail on what the District of Columbia taxes and collects, and how much revenue these taxes and non-tax revenues yield.

D.C. Code § 47-318.01(b) requires the Chief Financial Officer to prepare, on a biennial basis a tax expenditure budget that estimates the revenue loss to the District government from each tax expenditure for the current fiscal year and the next two fiscal years. The tax expenditure budget was included in last year's document and therefore is not included in this one.[1]

Summary

The revenue outlook for this year's Budget and Financial Plan is strongly influenced by two factors: (1) the severe national recession that began in December 2007, and (2) D.C.'s real estate markets. How deep the national recession will be and how long it will last are very uncertain, but as of May 2009 it is the longest, and probably the deepest, recession since the 1930s. The revenue forecast assumes the District will be significantly affected by the national recession, with resulting deterioration in local source revenues. The federal government's presence may provide an important element of stability to the District's economy, but many downside risks remain due to national financial market problems and difficulties in sectors such as real estate, hospitality, organizations, and professional and business services.

The FY 2009 estimate of $5.04 billion in total local source revenue net of dedicated taxes and fees[2]

[1] See FY 2009 Proposed Budget and Financial Plan, Volume 1, appendix to the Revenue Chapter.

represents a $286.5 million (5.4%) decline from FY 2008. (See Table 4-1.) The $5.20 billion estimate for FY 2010 is an increase of $157.6 million (3.1%) from FY 2009. Revenue growth declines in 2011 (a 0.3% decrease).

The FY 2009 through FY 2013 revenue estimates are affected by several policy initiatives. The policy initiatives, which add $62.3 million to the unrestricted FY 2009 estimate and $319.9 million to the FY 2010 estimate are spelled out in the Policy Proposals section later in the chapter. Baseline local revenues (i.e. total revenues including dedicated revenues, but excluding the effects of policy proposals) are forecast to decline in FY 2009 by $381.4 million (6.1%) compared to actual FY 2008 revenues, and to decline by an additional $65.6 million (1.1%) in FY 2010

The decline in revenues in FY 2009 follows five years of revenue increase. From FY 2003 to FY 2008 total unrestricted General Fund revenue grew a total of $1,659 million, or 45.2 percent. During this time dedicated General Fund revenue grew much more rapidly than unrestricted revenue. Dedicated General Fund revenue increased by $619 million over the five years, a 143 percent increase.

This chapter discusses only local source revenues. It should be noted, however, that in FY 2009, FY 2010, and FY 2011 the District will receive an estimated total of at least $409 million to help balance the budget from the special stimulus activities of the federal government pursuant to the American Recovery and Reinvestment Act of 2009. In addition, the District expects to receive $188 million in operating grants, and other funds will

Table 4-1

Actual and Estimated General Fund Revenues for FY 2005 –FY 2011: Unrestricted and Dedicated

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.
Unrestricted General Fund Revenue							
Baseline estimate ($M)	4,466.0	4,652.5	5,188.1	5,328.2	4,979.4	4,879.3	4,920.4
Policy initiatives ($M)					62.3	319.9	262.1
Total unrestricted revenue ($M)	4,466.0	4,652.5	5,188.1	5,328.2	5,041.7	5,199.2	5,182.5
Change from prior year ($M)	403.6	186.5	535.6	140.0	(286.5)	157.6	(16.7)
% change from prior year	*9.9*	*4.2*	*11.5*	*2.7*	*(5.4)*	*3.1*	*(0.3)*
Dedicated Revenue							
Baseline estimate ($M)	458.2	586.1	737.7	873.9	841.3	875.9	903.0
Policy initiatives ($M)					(17.5)	(152.1)	(123.5)
Total dedicated revenue ($M)	458.2	586.1	737.7	873.9	823.8	723.8	779.5
Change from prior year ($M)	129.1	127.9	151.6	136.3	(50.1)	(100.0)	55.7
% change from prior year	*39.2*	*27.9*	*25.9*	*18.5*	*(5.7)*	*(12.1)*	*7.7*
Total Revenue							
Baseline estimate ($M)	4,924.1	5,238.6	5,925.8	6,202.1	5,820.8	5,755.2	5,823.5
Revenue initiatives ($M)					44.8	167.8	138.6
Total revenue ($M)	4,924.1	5,238.6	5,925.8	6,202.1	5,865.5	5,923.0	5,962.1
Change from prior year ($M)	532.6	314.4	687.2	276.3	(336.6)	57.6	39.1
% change from prior year	*12.1*	*6.4*	*13.1*	*4.7*	*(5.4)*	*1.0*	*0.7*

Source: OCFO. Unrestricted General Fund revenue consists of tax and non-tax revenue available for appropriation that has not been dedicated for a particular purpose. Dedicated revenues are tax and non-tax receipts (including "O-type" funds) dedicated to the Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's Unified Fund, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, the Nursing Facility Quality of Care Fund, the Healthy DC Fund, and other purposes. The baseline estimate is the revenue estimate transmitted in the June 22, 2009 letter to the Mayor and Council (except for "O-type" revenues which are not included in the revenue estimate letter). For details of each revenue type see Table 4-19. Policy initiatives are detailed in Table 4-19, Exhibit B. The fiscal years shown in this table differ from those shown in latter tables in order to highlight the comparison between the last 4 actual fiscal years and the years 2009 through 2011. To facilitate comparison on a consistent basis, Table 4-1 reflects adjustments to the way some items are classified in FY 2008 and FY 2009 in Table 4-19 .

[2] Revenues after the dedication of revenue for the Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's Unified Fund, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, the Nursing Facility Quality of Care Fund and the Healthy DC Fund. The dedicated revenue number includes "O" type revenues.

be available for capital projects and for D.C. entities not funded by this budget. These funds, which are in addition to the federal grants that the District has normally received each year, offset a portion of the reduction in local source revenues that are estimated to occur in FY 2009 and FY 2010.

The Economic Outlook

The U.S. economy was determined by the National Bureau of Economic Research to have entered a recession in December 2007, the 11th since World War II. May 2009 marked the recession's 17th month making this recession the longest since the 1930s; the two longest to this point were those which began in 1973 and 1981 and which each lasted 16 months.

As this budget was being prepared, the national economy continued to deteriorate. U.S. employment in the quarter ending March 2009 was 4.2 million (3.1%) below March 2008. The 6.1 percent annual rate of contraction of inflation-adjusted GDP that occurred in the first quarter of calendar year 2009 was the third quarter in a row with negative growth and the second in a row with growth less than -6.0 percent. National credit and equity markets continue to experience great difficulties. The stock market ended March 2009 3.4 percent below the end of December 2008 and 38.1 percent below a year earlier. Credit has tightened, investment is down, and unemployment is rising. Nationally, the sales prices of existing houses are declining.

As indicated, the FY 2010 Budget and Financial Plan takes into account the national economic slowdown and its expected adverse impact on the District of Columbia economy and revenues. In the past, when the U.S. economy has slowed the District's economy has also. This happened in the early 1990's and again before the 2001 recession. In both instances D.C. revenues were adversely affected. The bursting of the stock market bubble in 2001 was the most significant reason for the decline in D.C. revenues in FY 2003.

The District of Columbia economy is already experiencing impacts from the national recession. In the quarter ending in March 2009 the number of employed D.C. residents was 13,845 less (-4.5%) than a year earlier; unemployment rose by 59.7 percent and the unemployment rate hit 9.7 percent. In the March quarter the level of wage and salary employment in the District was 8,100 (1.2%) greater than a year earlier. However, job growth has been slowing in recent months. Seasonally adjusted employment in March 2009 was 0.4 percent less than six months earlier. At the end of March 2009 there was 1.1 percent less commercial office space occupied than had been the case a year earlier. The OFHEO house price index for the 4th quarter of 2008 showed the value of single family homes in the District had declined 6.0 percent from a year earlier.

The current revenue forecast assumes D.C. economic conditions will continue to deteriorate: employment and wages edge downward, commercial office vacancies rise, real property transfers slow down, and construction projects are delayed. The stock market is expected to lose more ground in FY 2009, and the average selling price of homes is expected to decline in FY 2009. The estimating assumptions for FY 2009 and FY 2010, respectively, include a gain of 0.4 percent and a loss of 0.4 percent in total jobs, and growth of Personal Income of District residents of 0.8 percent in FY 2009 and 0.9 percent in FY 2010. In the 4th quarter of 2009, the stock market is expected to be 14 percent lower than it was a year earlier. In FY 2010, the average selling price of homes is expected to increase by just 0.7 percent compared to FY 2009.

In the first seven months of FY 2009 collections in several taxes experienced notable slowing compared to the same period of FY 2008. Corporate Income taxes were down 15.3 percent, the Unincorporated Business Income tax was down 34.8 percent, Deed taxes were down 46.5 percent, collections for the non-withholding portion of the Individual Income tax (primarily declarations related to capital gains) were down 95.6 percent, and the General Sales tax was virtually the same as last year. A sign of encouragement can be found in the gain of 3.5 percent that occurred in collections for withholding for the Individual Income tax.

According to the Nelson A. Rockefeller Institute of Government, in the first calendar quarter of 2009 state tax revenue (adjusted for legislative tax changes and inflation) declined by 14.0 percent compared to the same quarter in 2008.[3] In the first quarter of 2009, the District's major state-type taxes (general sales, individual income, and corporate franchise) decreased by an inflation-adjusted 10.5 percent compared to the same

Table 4-2

Actual and Estimated General Fund Taxes (before fund dedication) for FY 2005 –FY 2011: Major Taxes and Other Taxes

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.
Major tax revenue							
Baseline estimate ($M)	3,741.7	4,014.6	4,589.0	4,767.3	4,411.6	4,348.5	4,429.4
Policy initiatives ($M)					(2.0)	48.6	32.0
Total major tax revenue ($M)	3,741.7	4,014.6	4,589.0	4,767.3	4,409.6	4,397.1	4,461.4
Change from prior year ($M)	408.7	272.9	574.4	178.3	(357.7)	(12.5)	64.2
% change from prior year	*12.3*	*7.3*	*14.3*	*3.9*	*(7.5)*	*(0.3)*	*1.5*
All other tax revenue							
Baseline estimate ($M)	507.3	479.5	533.6	529.7	552.8	551.3	552.9
Policy initiatives ($M)					0	16.4	13.5
Total all other taxes ($M)	507.3	479.5	533.6	529.7	552.8	567.7	566.4
Change from prior year ($M)	35.7	(27.8)	54.1	(3.9)	23.0	14.9	(1.3)
% change from prior year	*7.6*	*(5.5)*	*11.3*	*(0.7)*	*4.3*	*2.7*	*(0.2)*
Total tax revenue							
Baseline estimate ($M)	4,249.0	4,494.1	5,122.6	5,297.0	4,964.3	4,899.8	4,982.3
Policy initiatives ($M)					(2.0)	65.0	45.5
Total all taxes ($M)	4,249.0	4,494.1	5,122.6	5,297.0	4,962.3	4,964.8	5,027.8
Change from prior year ($M)	444.5	245.1	628.5	174.4	(334.7)	2.5	62.9
% change from prior year	*11.7*	*5.8*	*14.0*	*3.4*	*(6.3)*	*0.1*	*1.3*

Source: OCFO. Major taxes are: real property taxes, general sales and use tax, individual income tax, corporate and unincorporated business franchise taxes, and deed taxes (deed recordation, deed transfer, and economic interest taxes). The baseline estimate is the revenue estimate transmitted in the June 22, 2009 letter to the Mayor and Council. For details of each tax category see Table 4-19. Policy initiatives are detailed in Table 4-19, Exhibit B. The fiscal years shown in this table differ from those shown in latter tables in order to highlight the comparison between the last 4 fiscal years and the years 2009 through 2011. To facilitate comparison on a consistent basis, Table 4-2 reflects adjustments to the way some items are classified in FY 2008 and FY 2009 in Table 4-19.

quarter in 2008. Total D.C. tax collections (unadjusted for inflation) were also down by 9.4 percent in the first half of FY 2009 compared to the comparable period of FY 2008.

Major Taxes

The unique status of the District of Columbia, which has both local and state government responsibilities, means its revenue system draws from a broad range of tax sources. The different ways these sources are connected to the economy help to explain the pattern of revenue change as the unfolding recession affects both FY 2009 and FY 2010.

In FY 2008, 90.0 percent of all D.C. tax revenues (including all dedicated taxes) were derived from these major taxes: the real property tax, the general sales tax, the individual income tax, business income taxes, and taxes on real estate transactions. As discussed below, based on their relationship to the economy, these taxes fall into three groups:

- the general sales tax and withholding (derived principally from monthly flows of transactions and earnings);
- the real property and deed taxes (derived from the assessed value of real property and real property transactions); and
- business income taxes and the non-withholding part of the individual income tax (derived principally from profits and changes in the value of financial assets).

General sales tax and withholding for individual income tax. These taxes are most directly connected to employment and earnings in the economy. From

[3] Lucy Dadayan and Donald J. Boyd, Personal Income Tax Revenue Declined Sharply in the First Quarter, Nelson A. Rockefeller Institute of Government, May 13, 2009.

Table 4-3

Actual and Estimated General Sales and Individual Income Tax Withholding for FY 2005 –FY 2011

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.
Baseline estimate							
General Sales Tax ($M)	861.1	908.9	960.0	1,015.2	983.9	987.9	1,025.7
Withholding for the Individual Income Tax ($M)	918.7	970.5	974.8	994.9	999.2	998.5	1,017.7
Subtotal ($M)	1,779.8	1,879.4	1,934.8	2,010.1	1,983.2	1,986.4	2,043.5
Policy initiatives ($M)					-	33.5	25.3
Total ($M)	1,779.8	1,879.4	1,934.8	2,010.1	1,983.2	2,019.9	2,068.8
Change from prior year ($M)	171.0	99.6	55.3	75.4	(26.9)	36.7	48.9
% change from prior year	*10.6*	*5.6*	*2.9*	*3.9*	*(1.3)*	*1.9*	*2.4*

Source: OCFO. Revenues for withholding estimated by the Office of Revenue Analysis. The baseline estimate is the revenue estimate transmitted in the June 22, 2009 letter to the Mayor and Council. Policy initiatives are detailed in Table 4-19, Exhibit B. Amounts include dedicated funds. To facilitate comparison on a consistent basis, Table 4-3 reflects adjustments to the way some items are classified in FY 2008 and FY 2009 in Table 4-19.

FY 2006 to FY 2008 the general sales tax and withholding portion of the individual income tax grew by $130.7 million (7.0%), accounting for:

- 37.9 percent of total tax revenue (before fund dedication) in FY 2008; and
- 16.7 percent of total tax growth from FY 2006 to FY 2008.

In FY 2009 and FY 2010 these taxes are expected to increase by $9.8 million. This contrasts sharply with a net decline of $333.1 million in total tax revenue over these two years.

Real property and deed taxes. Rising real estate assessments and the increase in the value of real property transactions were a major source of the District's extraordinary revenue growth through FY 2007, and the real property tax continued to grow in FY 2008 even as deed transactions taxes (deed transfer, deed recordation, and economic interest taxes) declined. For FY 2009 and FY 2010, however, both the real property tax and the deed taxes are a major reason for declining local revenues. From FY 2006 to FY 2008 real property and deed transaction taxes increased by $482 million (31.8%), accounting for:

- 37.7 percent of total tax revenue (before fund dedication) in FY 2008;
- 61.7 percent of total tax revenue growth from FY 2006 to FY 2008.

In FY 2009 and FY 2010 these taxes will decrease by $76.7 million (3.8%). That these taxes are no longer an engine of growth for District revenues represents a major change in the District's revenue pic-

Table 4-4

Actual and Estimated Real Property and Deed Tax Revenues for FY 2005 –FY 2011

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.
Baseline estimate							
Real property tax ($M)	1,060.6	1,153.8	1,448.7	1,673.0	1,803.2	1,781.3	1,743.7
All deed taxes ($M)	347.6	360.4	443.9	323.2	167.0	133.4	131.2
Subtotal ($M)	1,408.2	1,514.2	1,892.6	1,996.2	1,970.2	1,914.8	1,874.8
Policy initiatives ($ M)					(1.0)	4.7	(1.2)
Total ($M)	1,408.2	1,514.2	1,892.6	1,996.2	1,969.2	1,919.5	1,873.7
Change from prior year ($M)	107.5	106.0	378.4	103.5	(27.0)	(49.7)	(45.8)
% change from prior year	*8.3*	*7.5*	*25.0*	*5.5*	*(1.4)*	*(2.5)*	*(2.4)*

Source: OCFO. Revenues for withholding estimated by the Office of Revenue Analysis. The baseline estimate is the revenue estimate transmitted in the June 22, 2009 letter to the Mayor and Council. Policy initiatives are detailed in Table 4-19, Exhibit B. Amounts include dedicated funds. To facilitate comparison on a consistent basis, Table 4-4 reflects adjustments to the way some items are classified in FY 2008 and FY 2009 in Table 4-19.

ture. (It should be noted that an additional decline of $45.8 million (2.4%) in this source of revenues is expected in FY 2011 as well.)

In FY 2007 the assessed market value of all taxable property in the District (before the application of any caps or credits) for taxes collected in those years increased 26.8 percent, and grew by another 14.5 percent for FY 2008. For FY 2009, the assessed market-value of real property (which is based on property values as of January 1, 2008) is an estimated 12.0 percent higher than the prior year, and assessed values for FY 2010 (which are based on property values as of January 1, 2009) are expected to fall by 1.3 percent. Deed tax collections are expected to continue to fall through FY 2011 due to the falling total value of sales of residential and commercial property.

Business income and non-withholding part of the individual income tax. [4]

These taxes are connected to the most volatile parts of the national and District economies— the stock market, credit markets, and corporate and unincorporated business profits. These taxes provided a more than proportionate share of the revenue growth in the FY 2006 to FY 2008 period, and in turn are another contributor to the slowdown in revenues in Fiscal Years 2009 and 2010. From FY 2006 to FY 2008 business income and the non-withholding part of the individual income tax increased by $140.1 million (22.6%), accounting for:

- 14.4 percent of total tax revenue (before fund dedication) in FY 2008; and
- 17.9 percent of total tax revenue growth from FY 2006 to FY 2008.

In FY 2009 and FY 2010 these taxes are expected to decrease by $301.4 million (39.6%). The decline in these taxes is the driving force for the absolute decline in revenue during the two fiscal years.

The capital gains portion of the individual income tax received in a fiscal year depends on changes in the stock market occurring at the end of the calendar year which falls in the first quarter of a fiscal year. Thus, FY 2009 revenues reflect the fact that in December 2008 the U.S. stock market (as measured by the Standard & Poor's 500 Index) was 39.1 percent below a year earlier. The 2010 revenue forecast assumes that the stock index will decline another 14.0 percent by the end of December 2009.

Risks

As indicated, how much the economy will slow and for how long is unknown. The May 2009 Blue Chip Economic Indicators report, which summarizes the forecasts of 50 private sector economists for the period through 2010, expects real GDP to again contract in the current quarter that ends in June with the growth rate

Table 4-5

Actual and Estimated Business Income Taxes and Non-withholding for the Individual Income Tax for FY 2005 –FY 2011

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.
Baseline estimate							
Non-withholding for individual income tax ($M)	241.3	263.1	339.0	347.9	113.1	70.9	85.6
Corporate income tax ($M)	195.5	215.3	255.5	286.2	237.3	252.1	282.4
Unincorporated business income tax ($M)	116.9	142.6	167.0	126.9	107.8	124.4	143.0
Subtotal ($M)	553.7	620.9	761.6	761.0	458.2	447.4	511.1
Policy initiatives ($M)					(1.0)	12.1	9.5
Total ($M)	553.7	620.9	761.6	761.0	457.2	459.5	520.6
Change from prior year ($M)	130.3	67.2	140.6	(0.6)	(303.7)	2.3	61.1
% change from prior year	*30.8*	*12.1*	*22.6*	*(0.1)*	*(39.9)*	*0.5*	*13.3*

Source: OCFO. Non-withholding for the individual income tax, estimated by ORA, consists of declarations, payments with returns, refunds, and fiduciary returns. The baseline estimate is the revenue estimate transmitted in the June 22, 2009 letter to the Mayor and Council. Policy initiatives are detailed in Table 4-19, Exhibit B. To facilitate comparison on a consistent basis, Table 4-5 reflects adjustments to the way some items are classified in FY 2008 and FY 2009 in Table 4-19.

[4] The non-withholding part of the individual income tax consists of declarations, payments with returns, refunds, and fiduciary returns.

scaling up over the next year. The level of economic activity, which peaked in the second quarter of 2008, is not expected to be reached again until some time in CY 2011. "The year-over-year contraction in real GDP this year is now expected to equal the decline registered in 1982 that was the largest in the post World War II era." [5] The high degree of uncertainty in the economy is reflected in the unusually large variation in the opinions among the economists surveyed by the Blue Chip Indicators.

A national downturn more severe than is now currently anticipated is a major risk to the District's current revenue forecast. A more severe recession, with its consequent impact on the District tax bases, could adversely affect revenues derived from resident wages, tourism, construction, and real property transactions and, if accompanied by a further fall in the stock market and corporate profits, smaller payments and unusually large refunds for individual income and business income taxes. Another risk is that further deterioration in the economy and in credit markets could adversely affect residential or commercial real property values more than has already been assumed. Because real property tax collections in one fiscal year reflect economic conditions two years earlier, most of the additional decreases in property values, should they occur, will be reflected in FY 2011 or FY 2012 revenues rather than in FY 2009 or FY 2010.

One of the stabilizing factors in the District's economy is the presence of the federal government. Possible changes to the pattern of federal expenditures are, however, also a significant source of uncertainty—either positive or negative—for the District's tax base. In FY 2007 federal spending in D.C. for wages, benefits, procurement, and grants to the District government was $43.5 billion. Federal employment accounts for about 27 percent of all D.C. jobs and almost 1/3 of all wages and salaries, and many more people are employed as a result of contracting (procurement awards in D.C. totaled $14.7 billion in FY 2007). Security concerns arising out of 9/11 and the Iraq war have resulted in large increases in government spending that benefited the Washington D.C. area. Federal economic stimulus activities in FY 2009 and FY 2010 may prove to have a similar effect on the District's economy, although it is not known at the present time how they will affect the size of the federal presence in the District. Furthermore, efforts to reduce federal spending over the next few years in areas unrelated to economic stimulus could dampen growth in the District of Columbia.

Table 4-6

Selected U.S. Economic Indicators, CY 2007Q4 – 2009Q1

(Percent change from same calendar year quarter of previous year unless noted)

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1
GDP						
Real	2.3	2.5	2.1	0.7	-0.8	-2.6
Nominal	4.9	4.7	4.1	3.3	1.2	-0.5
Employment (wage and salary)	**0.9**	**0.5**	**-0.1**	**-0.4**	**-1.5**	**-3.1**
Income						
Wages	4.9	3.6	3.5	3.2	1.6	-0.3
Total Personal Income	5.6	4.3	5.0	3.8	2.2	0.9
Inflation (CPI)	**4.0**	**4.1**	**4.4**	**5.3**	**1.6**	**0.0**
S & P 500 (Level)	**1494**	**1353**	**1372**	**1252**	**910**	**793**
Change from Prior Quarter	0.2	-9.5	1.4	-8.7	-27.3	-12.8
Change from Prior Year	7.5	-5.1	-8.3	-16.0	-39.1	-41.4
Interest Rate (10-yr. Treasuries)	**4.3**	**3.6**	**3.9**	**3.8**	**3.2**	**2.7**

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Yahoo financial.

[5] Blue Chip Economic Indicators, Aspen Publishers, May 10, 2009.

Economic Assumptions for the FY 2010-2013 Revenue Estimates and Financial Plan

The U.S. Economy

As indicated earlier, a number of recent indicators show that the national economy is in the midst of a severe recession. According to the U.S. Bureau of Economic Analysis, U.S. Real Gross Domestic Product in the quarter ending March 31, 2009, was 2.6 percent less than the same quarter a year earlier. Nominal Gross Domestic Product was 0.5 percent lower than a year earlier. (See Table 4-6.) In the quarter ending March 31, 2009, national employment was down 3.1 percent, and wage and salary earnings were down 0.3 percent from the prior year.

For guidance, the survey of the economic factors affecting the District's revenue base uses forecasts of the U.S. economy prepared by the Congressional Budget Office (CBO) and the Blue Chip Economic Indicators, along with those of two forecasting services, Global Insight and economy.com, that also make forecasts of the District's economy.

Highlights of the forecasts for the United States economy are:

- *Slower GDP growth*. In real terms, economic growth is forecast by Blue Chip Economic Indicators to decline 2.9 percent in FY 2009, the greatest fiscal year decline since the negative 2.7 percent change in 1982. Blue Chip forecasts a modest 0.8 percent increase in FY 2010. Growth rates in nominal GDP for the U.S. are expected by Blue Chip Economic Indicators to be -0.8 percent in FY 2009 and 2.3 percent in FY 2010.
- *Slower growth in wages and salaries*. According to the CBO, wage and salary growth will be 0.4 percent in FY 2009 and 1.5 percent in FY 2010, compared to 3.8 percent in FY 2008.
- *Inflation will fall in FY 2009*. According to the Congressional Budget Office, the Consumer Price Index (CPI), is expected to increase 0.5 percent in FY 2009, and rise by 1.4 percent in FY 2010.
- *Interest rates remain low*. The interest rate on 10-year Treasury securities is expected to be below FY 2008's average rate (4.0 percent). According to the Blue Chip Economic Indicators, the rate will be 3.0 percent for FY 2009 and 3.4 percent in FY 2010.
- *Stock market decline*. Neither the Blue Chip Economic Indicators nor CBO provide a stock market forecast. The stock market declined by 39.1 percent in the last quarter of CY 2008 compared to a year earlier. Global Insight expects the stock market to decline another 14.0 percent by the end of CY 2009. The Financial Plan adopts the Global Insight estimate of the stock market.
- *Falling corporate profits*. CBO forecasts that the economic profits of corporations will fall by 9.7 and 1.6 percent in Fiscal Years 2009 and FY 2010, respectively, following a 5.3 percent decline in FY 2008. The revenue impact would tend to lag the period when profits are earned, and CBO forecasts reductions in federal corporate income tax receipts in Fiscal Years 2009, 2010, and 2011.

The District of Columbia Economy

As already noted, the outlook for the District of Columbia assumes that the District will be adversely affected by the national economic recession and the turbulence in U.S. financial markets. The forecast assumes that the District will experience a recession and that measures such as jobs and personal income will be affected by what happens nationally. The forecast also assumes that there will be no sharp cutback in government spending that affects the D.C. area, and that the contraction already being experienced in the real estate markets will continue into FY 2010.

The economic assumptions underlying the revenue outlook are provided in Table 4-7. For the most part, these are based on forecasts made in January by Global Insight and economy.com.[6] These assumptions include:

- *Slower growth in D.C.'s nominal Gross Domestic Product.*[7] Growth rates in FY 2009 and FY 2010 are projected to be 0.3 percent in FY 2009 and zero in FY 2010, a sharp decline from the 6.1 percent growth for FY 2008. Real GDP is expected to

[6] Relatively severe recession scenarios were used. ORA's methodology for preparing the economic forecast is explained in ORA's draft briefing note.

[7] D.C.'s Gross Domestic Product, formerly called Gross State Product, is the value added in production by the labor and property located in the District and is a measure of the gross output of all industries in D.C.

[8] Personal income is a measure of before-tax income received by all persons in a state. It is the total of net earnings by place of residence, rental income, personal dividend income, personal interest income, and transfer payments. Wages and salaries are the biggest component of personal income. Health and other employee benefits are also a significant component.

Table 4-7

Estimated Key Variables for the D.C. Economy for the Forecast Period, FY 2007 –FY 2013

	FY 2007 Actual	FY 2008 Actual	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.	FY 2012 Est.	FY 2013 Est.
Gross State Product (nominal; billions of $)	92.21	97.81	98.13	98.17	102.09	107.69	112.64
	5.9%	*6.1%*	*0.3%*	*0.0%*	*4.0%*	*5.5%*	*4.6%*
Personal Income (billions of $)	36.14	38.14	38.44	38.77	39.91	41.42	43.27
	6.9%	*5.5%*	*0.8%*	*0.9%*	*3.0%*	*3.8%*	*4.5%*
Wages and Salaries of DC Residents (billions of $)	19.4	20.3	20.2	20.3	21.0	21.8	22.7
	7.3%	*5.0%*	*-0.8%*	*0.5%*	*3.6%*	*4.0%*	*4.3%*
Population (thousands)	587.5	591.3	594.1	596.3	597.6	598.9	601.2
	0.4%	*0.6%*	*0.5%*	*0.4%*	*0.2%*	*0.2%*	*0.4%*
Households (thousands)	255.1	256.6	257.8	258.7	259.2	259.6	260.6
	0.4%	*0.6%*	*0.5%*	*0.3%*	*0.2%*	*0.2%*	*0.4%*
At-place Employment (thousands)	691.7	702.5	705.5	702.5	710.1	720.2	727.7
	0.8%	*1.6%*	*0.4%*	*-0.4%*	*1.1%*	*1.4%*	*1.0%*
Civilian Labor Force (thousands)	325.8	332.0	329.9	329.7	333.4	334.9	336.2
	1.8%	*1.9%*	*-0.6%*	*0.0%*	*1.1%*	*0.4%*	*0.4%*
Resident Employment (thousands)	307.8	310.7	297.2	296.3	304.0	309.3	313.8
	2.2%	*1.0%*	*-4.4%*	*-0.3%*	*2.6%*	*1.8%*	*1.4%*
Unemployment Rate (percent)	5.5	6.4	9.9	10.1	8.8	7.6	6.7
Housing Starts	1,895	613	282	317	378	833	1,377
Housing Stock (thousands)	283.7	285.8	287.8	289.1	290.2	292.7	295.2
Sale of Housing Units	9,800	7,581	7,296	7,989	8,871	9,364	9,547
	-9.3%	*-22.6%*	*-3.8%*	*9.5%*	*11.0%*	*5.6%*	*2.0%*
Average Housing Price ($)	612,000	612,300	569,400	573,200	580,000	590,000	604,900
	6.5%	0.0%	-7.0%	0.7%	1.2%	1.7%	2.5%
Washington Area CPI (% change from prior year)	2.5	5.1	0.4	1.0	2.2	2.2	2.2
Interest Rate on 10-year Treasury Notes (%)	4.7	3.9	2.9	2.8	3.6	5.7	6.5
Change in S&P Index of Common Stock (%)*	7.5	-39.1	-14.0	15.2	19.3	10.7	7.2

* Change in S and P 500 Stock Index is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. For example, the value in FY 2008 is the % change from CY 2007.4 to CY 2008.4.

Sources: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (May 2009) and Economy.com (May 2009); on forecasts of the national economy prepared by the Congressional Budget Office (January 2009) and Blue Chip Economic Indicators (May 2009); on Bureau of Labor Statistics labor market information from April 2009; on Bureau of Economic Analysis estimates of D.C. personal income (December 2008); on Census Bureau estimates of D.C. population (December 2008); on D.C. housing sales data (April 2009) from the Metropolitan Regional Informational Systems (MRIS), accessed through the Greater Capital Area Association of Realtors (GCAAR); and on D.C. Office of Planning information on housing construction activity (which included occupied units that have been or are being rehabilitated; Winter 2008). The actual housing information in this table is based on Global Insight data that includes non-brokered sales.

decline by 1.0 percent in FY 2009 and another 0.5 percent in FY 2010.

- *Decline in jobs located in D.C.* The number of jobs in the District in FY 2009 is expected to show a net increase of 3,000 (0.4 percent) in FY 2009, then decrease by 3,000 (0.4 percent) in FY 2010. The gain in FY 2008 was 10,800 jobs (1.6 percent).
- *Slower growth of personal income.*[8] The growth rate in FY 2009 is expected to slow to 0.8 percent in FY 2009, and to 0.9 percent in FY 2010. This contrasts sharply with the 5.5 percent increase in FY 2008. Increases in the number of households residing in D.C. will continue to contribute to the District's personal income levels.

[9] In the table, the number of sales and average price of residential real estate is measured by the average selling price of single family and condominium units as reported by Global Insight.

- *Lower inflation by 2009.* The Financial Plan assumes that the increase in the D.C. Consumer Price Index will fall to 0.4 percent in FY 2009, rising to 1.0 percent in FY 2010. The rate in FY 2008 was 5.1 percent.
- *Declining home sales and prices.* The number of housing sales (the combined total of single family and condominium units) and average selling price are projected to continue to decline through FY 2009, and then begin to increase in FY 2010 when the market stabilizes.[9]
- *Commercial office space.* Sales levels and total value of sales in the commercial real estate market are also expected in FY 2009 and FY 2010 to be below the level of FY 2008.
- *Households and resident employment rise.* In FY 2009, the D.C. labor force is expected to decline by 0.6 percent and, combined with a rise in the unemployment rate, result in a 4.4 percent reduction in employed residents. The Financial Plan assumes estimated households in FY 2009 of 257,800, up 1,200 (0.5 percent) from FY 2008,

Table 4-8

Percent Change in Wage and Salary Employment in D.C., the Washington Metropolitan Area, and the U.S., CY 2007Q4 – 2009Q1

(Percent change from same calendar year quarter of previous year unless noted)

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1
Total Employment						
DC	1.2	0.9	1.8	2.4	1.3	1.2
US	0.9	0.5	-0.1	-0.4	-1.6	-3.1
Metro Area	0.8	0.6	0.8	0.8	0.0	-0.3
Private Sector						
DC	1.5	0.6	1.8	2.4	1.6	1.3
US	0.8	0.3	-0.3	-0.8	-2.0	-3.8
Metro Area	0.6	0.1	0.4	0.3	-0.4	-0.7

Source: Bureau of Labor Statistics.

Table 4-9

D.C. Wage and Salary Employment by Sector in the Quarter Ending March 31, 2009

		Change from one year ago	
Sector	**Level**	**Amount**	**Percent**
Government		**+2,000**	**+0.9**
Federal Government	193,867	+2,600	+1.4
Local Government	39,000	-600	-1.5
Private Sector		**+6,133**	**+1.3**
Professional and Business	151,000	-933	-0.6
Information and Financial	47,000	-2,533	-5.1
Education and Health	107,933	+7,367	+7.3
Trade and Hospitality	80,633	+2,567	+3.3
Organizations and Other Services	64,567	+933	+1.5
All Other	17,733	-1,267	-6.7
Total	**701,733**	**+8,133**	**+1.2**

Note: Percent changes calculated from un-rounded numbers; detail may not add to totals due to rounding.

Source: Bureau of Labor Statistics.

and 258,700 in FY 2010 (up another 900 or 0.3 percent). The unemployment rate is expected to rise to 9.9 percent in FY 2009 and to 10.1 percent in FY 2010.

Employment

As already noted the forecast for wage and salary jobs located in D.C. is for a decrease of 0.4 percent in FY 2009 and an increase of 0.4 percent in FY 2010. Employment in the District continued to grow through the first quarter of CY 2009. (See Table 4-8.) Of the 8,133 net annual increase in employment that occurred in that quarter, education and health services, and the federal government accounted for the largest gains. (See Table 4-9.)

Trade and hospitality are important sources of employment and tax revenue. In the quarter ending March 31, 2009, these sectors added 2,567 jobs, a 3.3 percent gain. (See Table 4-9.) In that quarter, which included the Presidential Inauguration, revenues earned from guests by hotels were up 12.0 percent from a year earlier. (See Table 4-10.)

Wages and Salaries

Wages and salaries earned in the District of Columbia are expected to grow by 2.3 percent in FY 2009 and by 0.5 percent during FY 2010, down from the 4.9 percent increase in FY 2008. (See Table 4-11.)

D.C. Real Estate Markets

As noted earlier, the assessed value of real estate has slowed during FY 2009 and is expected to decline in FY 2010. Assessments for these years, which incorporate changes in value and new construction that have already occurred, are now substantially complete. The value of residential and commercial sales in both FY

Table 4-10

Hospitality Sector Indicators for the Quarter Ending March 31, 2009

		Change from one year ago	
	Level	Amount	Percent
Hotel Occupancy Rate (percent)	67.8	-0.2	-0.3%
Hotel Room Rate ($)	$226.81	$22.01	10.7%
Amount Spent for Hotel Stays (millions of $)	$364.1	$39.0	12.0%

Note: Percent changes calculated from un-rounded numbers.

Source: Smith Travel Research.

Table 4-11

Growth in Wages and Salaries in D.C., the Washington Metropolitan Area, and the U.S., FY 2006 – FY 2008

(Percent change from the prior year)

	FY 2006	FY 2007	FY 2008
Wages and Salaries			
DC			
Earned in DC	5.3	5.6	4.9
Earned by DC Residents	8.2	7.3	5.0
US	6.0	5.9	3.8
Washington Metropolitan Area	5.9	5.6	4.2

Sources: Bureau of Economic Analysis, Personal Income by State. Washington Metropolitan Area estimated by Economy.com.

Table 4-12
D.C. Residential Real Estate Transactions, FY 2006 – FY 2008

	FY 2006	FY 2007	FY 2008
Level			
Sales	8,227	8,020	6,277
Value of Transactions (millions of $)	$4,459.8	$4,277.1	$3,433.9
Percent Change from Prior Year			
Sales	-16.0%	-2.5%	-21.7%
Value of Transactions	-10.5%	-4.1%	-19.7%

Note: Data include both single family and condominium units.

Source: Metropolitan Regional Information System (MRIS) accessed through the Greater Capital Area Association of Realtors.

2009 and FY 2010 are also expected to be lower than the FY 2008 level.

Residential Markets

In FY 2009 the number of housing sales is expected to decrease about 3.8 percent, following a 22.6 percent decline in FY 2008, continuing a decline in the number of sales that began in FY 2005. Indeed, the level of sales forecast for FY 2009 is about 56.0 percent of the peak level reached in FY 2004. The number of sales is expected to begin a series of pickups in FY 2010 and each of the following years. The revenue forecast assumes that the average price of units sold is expected to decline by 7.0 percent in FY 2009 and increase by 0.7 percent in FY 2010. (See Table 4-7) When it becomes evident that the recession is ending, anticipated gains in D.C. employment and wages, together with the strength of federal government activity and public confidence about safety and other city services, should continue to make the D.C. location attractive for households that prefer not to be committed to a long daily commute.

In the quarter ending March 31, 2009, the average selling price in the single family residential market was

Table 4-13
Single Family and Condominium Home Sales for the Quarter Ending March 31, 2009

		Change from one year ago	
Sector	**Level**	**Amount**	**Percent**
Single Family			
Units Sold	790	55	7.5%
Average Price	$532,850	-$141,913	-21.0%
Median Price*	$367,500	-$163,500	-30.8%
Total Value of Transactions (millions of $)	**$421.0**	**-$75.0**	**-15.1%**
Condominium			
Units Sold	575	-86	-13.0%
Average Price	$457,000	+$68,431	+17.6%
Median Price*	$360,000	+5,250	+1.5%
Total Value of Transactions (millions of $)	**$262.8**	**+$5.9**	**+2.3%**

Note: *Median price is for calendar year 2009 through March 31, 2009.

Source: MRIS, accessed through the Greater Capital Area Association of Realtors.

Table 4-14

D.C. Area Office Vacancy Rates, CY 2007Q1, 2008Q1, 2009Q1

	D.C.	No. Virginia	Suburban MD	Metro Area
March 31, 2007	7.6%	9.8%	10.2%	9.2%
March 31, 2008	6.5%	11.3%	11.0%	9.7%
March 31, 2009	8.3%	12.9%	12.8%	11.4%

Note: Data are for the end of the quarter.

Source: Delta Associates (includes sublet space).

down 21.0 percent from the same quarter of 2008. Average selling prices of condominium units, however, increased by 17.6 percent. (See Table 4-13.)

The price conditions in the residential market reflects high inventory (in the fourth quarter of CY 2008 the ratio of inventory to sales contracts was 6.5, about 50 percent more than the FY 2007 ratio of 4.15) and the effects of foreclosure activity. There is considerable unsold inventory in the condominium market and a significant number of units are still under construction. In the first quarter of 2009 the ratio of active listings to contracts was 7.51, compared to 3.88 in FY 2007. Delta Associates reports that as of March 31, 2009, there were 1,578 condominiums and 4,864 apartment units under construction in the District of Columbia, and 1,626 additional new condominiums and 4,383 additional apartment units that could be built by some time in CY 2011.

Commercial Real Estate Markets

In the quarter ending March 31, 2009, the inventory of commercial office space was up by 1.01 million square feet (0.8 percent) from the prior year, and the vacancy rate (including space for sublet) rose to 8.3 percent (low compared to the rest of the nation) from the 6.5 percent level of March 31, 2008. (See Table 4-15.)

The District remains a top commercial office market in the nation as a result of a strong office tenant base comprised of the federal government, the legal sector and large associations. This tenant base has been a source of growth since 2001 for commercial office space demand and commercial real estate investment. However the amount of leased commercial office space in the District of Columbia actually decreased by 0.8 percent from the first quarter of CY 2008 to the first quarter of CY 2009, and problems in the credit markets have resulted in a sharp decrease of property sales. In its March 31, 2009 report on the D.C. office market, Delta Associates noted that primarily due to new construction already underway, by March 2011 the percentage of space that is vacant will rise to about 12.9 percent, slightly above the then average level for the metropolitan area as a whole (about 12.5 percent).

As reflected in Deed Taxes, the amount of proper-

Table 4-15

Commercial Office Space in the District of Columbia, 2007Q1, 2008Q1, 2009Q1

(Million square feet unless otherwise indicated)

	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2009
Inventory	**119.72**	**123.75**	**124.76**
Vacancy Rate (no sublet)	6.7	5.8	7.3
Vacancy Rate (with sublet)	7.6	6.5	8.3
Under Construction	**6.19**	**8.69**	**8.80**
Net Increase in Leased Space from Prior Year	**+3.86**	**+4.91**	**-0.93**

Note: Data are for the end of the quarter.

Source: Delta Associates.

Table 4-16

Value of Real Property Transferred or Transfer of Economic Interest in Real Property, CY 2007Q4 – 2009Q1

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1
Value of Property sold or interest transferred sales (billions of $)						
Deed Transfer	2.37	2.08	1.54	2.04	1.43	0.75
Economic Interest	1.73	0.34	0.16	0.26	0.28	0.00
Total	**4.09**	**2.43**	**1.70**	**2.30**	**1.71**	**0.76**
Percent Change from same quarter of Prior Year						
Deed Transfer	-15.4	1.2	-57.8	-39.7	-39.6	-63.8
Economic Interest	770.1	-81.8	-69.3	-22.9	-83.7	-99.7
Total	**36.6**	**-38.6**	**-59.2**	**-38.2**	**-58.2**	**-68.9**

Sources: Office of the Chief Financial Officer. Calculated by ORA from Deed Transfer Tax and Economic Interest Tax Collections.

ty transferred, either by outright transfer of the deed or by transfer of economic interest has been somewhat volatile from quarter to quarter. In the first quarter of CY 2009, however, the total value of property subject either to taxes on outright transfer or on transfer of economic interest was $0.76 billion, a 68.9 percent drop from the same quarter of 2008. (See Table 4-16.)

Population and D.C. Labor Market

For the quarter ending March 31, 2009, the District's labor force declined by 1,897 persons compared to the same quarter of 2008. (See Table 4-17.) The number of employed residents fell by 13,845 (4.5%) compared to the prior year, as the unemployment rate rose to 9.7 percent, and the number of unemployed residents increased by 11,947 (59.7%) to a level of 31,955. The number of unemployed in this quarter was comparable to the levels reached in the downturn of the 1990's.

The U.S. Bureau of the Census shows, in a report dated December 2008, that the District's population grew steadily over the past four years. The population in July 2008 was estimated to be 591,833, an increase of 3,965 (0.7 percent) from 2007 and 19,774 (3.5 percent) from the 2000 Census count of 572,059.

The FY 2010 Budget and Financial Plan anticipates that housing construction and renovation, together with improvements in city services and amenities, will continue to attract more households to the District even as the economy slows down.

Longer Term (Fiscal Years 2011-2013)

In looking further ahead to FY 2011 to FY 2013, the expectation for the Budget and Financial Plan is that the period of severe recession will have passed, both nationally and in the District of Columbia. Gross

Table 4-17

Labor Force, Resident Employment, and Unemployment in Quarter Ending March 31, 2009

		Change from one year ago	
	Level	**Amount**	**Percent**
Labor Force	328,387	-1,897	-0.6
Resident Employment	296,432	-13,845	-4.5
Resident Unemployment	31,955	+11,947	59.7
Unemployment Rate	9.7	+3.7	--

Source: Bureau of Labor Statistics.

Table 4-18

D.C. Tax Revenue (including revenue initiatives and before earmarking) and D.C. Personal Income, FY 2005 to FY 2013 (estimated)

(Percent change from prior year)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.
Tax Revenue	11.7	5.8	14.0	3.4	-6.3	0.0	1.3	4.0	3.9
D.C. Personal Income	9.5	8.2	6.9	5.5	0.8	0.9	3.0	3.8	4.5

Source: OCFO/OTR, U.S. Bureau of Economic Analysis, OCFO/ORA
Forecasts of Tax Revenue and DC Personal Income are from ORA's June 2009 Revenue Estimate

State Product growth is expected to average about 4.7 percent per year, Personal Income 3.7 percent per year, and close to 8,400 additional jobs will be added each year. Inflation is expected to drift upward (CPI increases by about 2.2 percent each year), interest rates rise modestly (to a 6.5 percent rate for 10-year Treasury securities), and the stock market grows at a steady pace (a gain of about 15.0 percent per year over the 3-year period).

In the years 2011 through 2013, 2,588 new housing starts are anticipated, and 1,900 households will be added. In the FY 2011 to FY 2013 period it is also anticipated that the residential housing market will show signs of recovery, although not returning to the surging prices and sales of the FY 2003 to FY 2005 period.

For the years FY 2011 through FY 2013 tax revenues (before earmarking) are expected to grow at a rate somewhat below that of D.C. Personal Income, primarily because the recovery of real property taxes occurs only with a lag and the increase in the value of real property sales will not reach levels achieved prior to the recession.

Revenues

The chapter now turns its focus to District of Columbia revenues. Table 4-19 reports estimated revenue by revenue source for the period FY 2009 to FY 2013, along with actual FY 2008 revenues. Tables 4-36 and 4-37, at the end of this chapter, provide information on year-to-year percentage and absolute changes in revenue.

Figure 4-1 shows the actual FY 2008 distribution of local revenues net of dedicated taxes by the source of the revenue.

Specific Revenue Sources

Property Taxes

Real Property Tax

Real Property in the District

The District divides all taxable properties into three separate tax classes depending on the use of the real property. The three real property classes in the District are residential (Class 1), commercial (Class 2) and vacant/abandoned (Class 3). The District taxes real property based on 100 percent of assessed value and taxes each class with a different tax rate. The District's total real property tax base had an assessed value of $143.0 billion in 2008. Taxable residential value, 38.6 percent of all property value in the District, amounted to $81.4 billion in 2008, an increase of 11.3 percent from 2007. Taxable nonresidential value (commercial and vacant/abandoned), 29.2 percent of all property value, amounted to $61.6 billion, an increase of 19.0 percent from 2007. The District of Columbia differs from most other major cities around the country because of the exceptionally large proportion of real property that is exempt from paying the District's real property tax, roughly 57 percent of the city's land area. In 2008, the value of all real property (taxable and non taxable) in the District in 2008 was $210.8 billion, up 15.5 percent from $182.6 billion in 2007. The value of all exempt property, 32 percent of all property value, had a total value of $67.9 billion. Tax-exempt properties primarily include those owned by the federal government, as well as properties owned by foreign governments, non-profit organizations, educational institutions, and the District government.

Figure 4-1

FY 2008 Distribution of General Fund Local Revenue

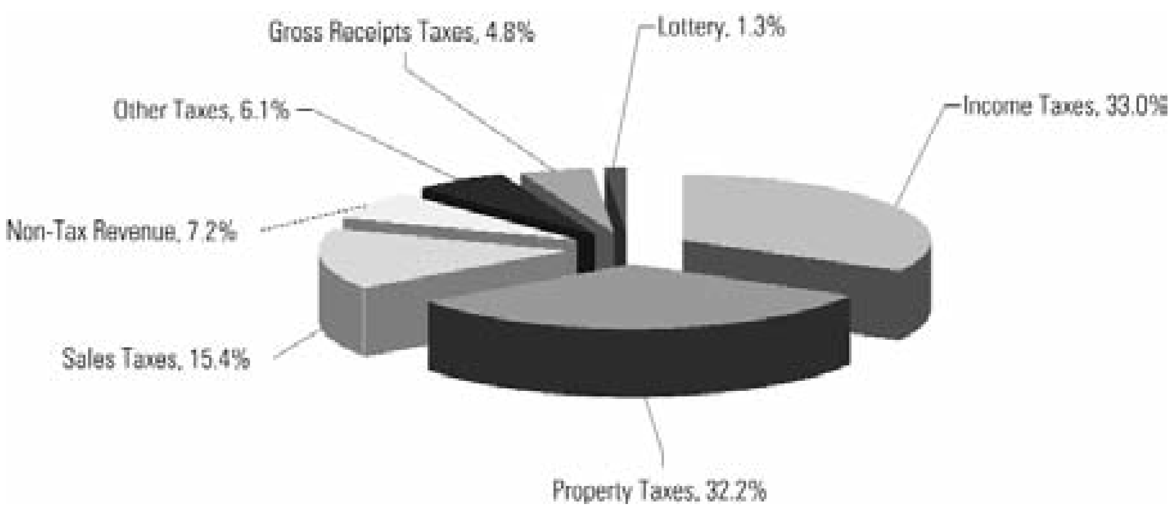


Table 4-19

Operating Revenue by Source, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY2013 Projected
Property Taxes						
Real Property (gross)	1,672,969	1,803,171	1,781,331	1,743,688	1,743,688	1,824,944
Transfer to TIF/CBF	*(6,654)*	*(29,963)*	*(42,860)*	*(48,496)*	*(52,105)*	*(56,053)*
Real Property (net)	1,666,315	1,773,208	1,738,471	1,695,192	1,691,583	1,768,891
Personal Property (gross)	59,690	57,422	56,216	56,834	57,488	58,166
Transfer to Neighborhood Investment Fund	*(10,000)*	*(10,000)*	*(10,000)*	*(10,000)*	*(10,000)*	*(10,000)*
Personal Property (net)	49,690	47,422	46,216	46,834	47,488	48,166
Public Space	27,697	30,467	31,381	32,322	33,292	34,291
Transfer to DDOT	*(27,697)*	*(30,467)*	*(31,381)*	*(32,322)*	*(33,292)*	*(34,291)*
Total Property Taxes (net of dedicated taxes)	**1,716,005**	**1,820,630**	**1,784,687**	**1,742,027**	**1,739,071**	**1,817,057**
Sales and Excise Taxes						
General Sales (gross)	1,015,182	983,948	987,895	1,025,734	1,070,661	1,123,137
Transfer to Convention Center	*(91,493)*	*(91,950)*	*(93,054)*	*(97,055)*	*(101,229)*	*(105,581*
Transfer to TIF/CBF	*(23,450)*	*(27,440)*	*(26,203)*	*(41,648)*	*(32,395)*	*(34,377)*
Transfer to DDOT	*(37,420)*	*(26,112)*	*(27,389)*	*(30,378)*	*(31,393)*	*(32,433)*
Transfer to Ballpark Fund	*(12,364)*	*(8,900)*	*(9,212)*	*(9,663)*	*(10,204)*	*(10,766)*
Transfer to School Modernization Fund	*(100,000)*	*(106,000)*	*(112,360)*	*(119,102)*	*(130,279)*	*(138,308)*
General Sales (net)	750,455	723,545	719,677	727,888	765,162	801,671
Alcohol	5,190	5,157	5,126	5,096	5,069	5,043
Cigarette	23,900	47,586	45,411	44,275	43,168	42,380
Motor Vehicle	40,160	40,160	40,963	42,192	43,458	44,762
Motor Fuel Tax	(23,199)	(19,719)	(20,173)	(20,637)	(21,111)	(21,597)
Transfer to Highway Trust Fund	*(23,199)*	*(19,719)*	*(20,173)*	*(20,637)*	*(21,111)*	*(21,597)*
Total Sales Taxes (net of dedicated taxes)	**819,705**	**816,448**	**811,178**	**819,452**	**856,856**	**893,855**
Income Taxes						
Individual Income	1,342,799	1,112,357	1,069,361	1,103,373	1,166,113	1,215,836
Corporate Franchise	286,204	237,264	252,121	282,428	309,104	326,220
U. B. Franchise	126,891	107,822	124,395	143,020	159,873	173,257
Total Income Taxes	**1,755,894**	**1,457,444**	**1,445,877**	**1,528,821**	**1,635,090**	**1,715,313**
Gross Receipts Taxes						
Public Utility (gross)	153,543	153,627	153,696	153,751	153,796	153,832
Transfer to Ballpark Fund	*(9,228)*	*(10,600)*	*(10,605)*	*(10,609)*	*(10,612)*	*(10,614)*
Public Utility (net)	144,315	143,027	143,091	143,142	143,184	143,217
Toll Telecommunication (gross)	65,741	63,283	63,360	63,418	63,463	63,496
Transfer to Ballpark Fund	*(2,559)*	*(2,658)*	*(2,661)*	*(2,664)*	*(2,665)*	*(2,667)*
Toll Telecommunication (net)	63,182	60,625	60,699	60,755	60,797	60,830
Insurance Premiums (gross)	52,636	64,050	74,767	74,767	74,767	74,767
Transfer to Healthy DC Fund	*(5,964)*	*(7,593)*	*(17,486)*	*(17,486)*	*(17,486)*	*(17,486)*
Insurance Premiums (net)	46,672	56,457	57,281	57,281	57,281	57,281

Table 4-19 *(continued)*

Operating Revenue by Source, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY2013 Projected
Healthcare Provider Tax	13,771	11,000	11,000	11,000	11,000	11,000
Transfer to Nursing Facility Quality of Care Fund	*(13,771)*	*(11,000)*	*(11,000)*	*(11,000)*	*(11,000)*	*(11,000)*
Baseball Gross Receipts Tax	24,989	20,748	20,603	20,932	21,414	21,649
Transfer to Ballpark Fund	*(24,989)*	*(20,748)*	*(20,603)*	*(20,932)*	*(21,414)*	*(21,649)*
Total Gross Receipts Taxes (net of dedicated taxes)	**254,169**	**260,109**	**261,070**	**261,178**	**261,262**	**261,328**
Other Taxes						
Estate	66,899	70,000	60,000	60,000	60,000	60,000
Deed Recordation (gross)	155,974	89,014	71,746	72,456	84,795	94,877
Transfer to HPTF	*(23,853)*	*(13,352)*	*(10,762)*	*(10,868)*	*(12,719)*	*(14,232)*
Transfer to Comp. Housing Strategy Fund	*(13,819)*	-	-	-	-	-
Deed Recordation (net)	118,302	75,662	60,984	61,587	72,076	80,646
Deed Transfer (gross)	112,434	60,040	47,588	48,156	55,702	60,380
Transfer to HPTF	*(16,736)*	*(9,006)*	*(7,138)*	*(7,223)*	*(8,355)*	*(9,057)*
Transfer to Comp. Housing Strategy Fund	*(9,460)*	-	-	-	-	-
Deed Transfer (net)	86,238	51,034	40,449	40,932	47,346	51,323
Economic Interests	54,815	17,955	14,091	10,545	10,545	10,545
Total Other Taxes (net of dedicated taxes)	**326,254**	**214,651**	**175,524**	**173,065**	**189,967**	**202,514**
Tax Revenue Net of Dedicated Taxes	**4,872,027**	**4,569,282**	**4,478,337**	**4,524,542**	**4,682,247**	**4,890,067**
Non-Tax Revenue						
Licenses & Permits	84,921	60,892	60,034	63,043	60,043	63,053
Fines & Forfeits	98,932	129,582	133,211	130,041	129,885	127,540
Charges for Services	43,493	48,050	45,901	48,300	45,925	48,775
Miscellaneous	158,510	101,316	96,032	88,737	91,711	93,462
Total Non-Tax Revenue	**385,856**	**339,841**	**335,178**	**330,122**	**327,564**	**332,830**
Lottery/Interfund Transfer	**70,300**	**70,300**	**65,775**	**65,775**	**65,775**	**65,775**
Total Revenue Net of Dedicated Taxes	**5,328,183**	**4,979,423**	**4,879,290**	**4,920,439**	**5,075,586**	**5,288,672**
plus Total Dedicated Tax Revenue (see Exhibit C)	424,959	395,042	421,505	457,761	472,967	495,821
plus Splus Special Purpose (O-Type) Fund Revenue	448,972	446,294	454,380	445,288	454,805	452,650
Total Revenue	**6,202,114**	**5,820,759**	**5,755,176**	**5,823,487**	**6,003,358**	**6,237,144**

Table 4-19 *(continued)*

EXHIBIT A: General Fund Components

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Revenue Net of Dedicated Taxes	**5,328,183**	**4,979,423**	**4,879,290**	**4,920,439**	**5,075,586**	**5,288,672**
School Modernization Fund	**100,000**	**-**	**-**	**-**	**-**	**-**
Local Fund Revenue	**5,428,183**	**4,979,423**	**4,879,290**	**4,920,439**	**5,075,586**	**5,288,672**
Dedicated Taxes	**180,163**	**217,157**	**421,505**	**457,761**	**472,967**	**495,821**
Nursing Facility Quality of Care Fund	13,771	11,000	11,000	11,000	11,000	11,000
Housing Production Trust Fund	40,589	22,358	17,900	18,092	21,074	23,289
Comprehensive Housing Task Force Fund	23,279	-	-	-	-	-
Neighborhood Investment Fund	10,000	10,000	10,000	10,000	10,000	10,000
School Modernization Fund	-	106,000	112,360	119,102	130,279	138,308
Ballpark Fund	49,140	42,906	43,081	43,867	44,895	45,696
Healthy DC Fund	5,964	7,593	17,486	17,486	17,486	17,486
DDOT	37,420	17,300	27,389	30,378	31,393	32,433
Convention Center	-	-	93,054	97,055	101,229	105,581
Tax Increment Financing	-	-	69,063	90,144	84,500	90,431
Highway Trust Fund	-	-	20,173	20,637	21,111	21,597
Special Purpose (O-Type) Fund Revenue	**448,972**	**446,294**	**454,380**	**445,288**	**454,805**	**452,650**
General Fund Revenue	**6,057,318**	**5,642,874**	**5,755,176**	**5,823,487**	**6,003,358**	**6,237,144**

Table 4-19 *(continued)*

EXHIBIT B: Policy Proposals Impacting General Fund Revenue

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Local Fund Revenue	**5,428,183**	**4,979,423**	**4,879,290**	**4,920,439**	**5,075,586**	**5,288,672**
***plus* Local Fund Revenue Proposals:**		**62,294**	**319,946**	**262,137**	**294,535**	**282,406**
Establish a DC One Card Replacement Fee (BSA Title I.A)			10	10	10	10
Revise the Schedule of Fees Collected by the Office of the Surveyor (BSA Title II.D)			(204)	(204)	(204)	(204)
Transfer Half of NOI Fines to BBL Fund (BSA Title II.E)			(200)	(200)	(200)	(200)
Establish a DCRA BBL Expedited Service Fee (BSA Title II.E)			417	417	417	417
Establish an Elevator Licensing Fee (BSA Title II.P)			208	104	104	104
Elimination of 50% Discount on Most Parking Citations for Fleet Adjudication Program Participants			120	120	120	120
Elimination of Adjudication Option for Fleet Reconciliation Program Participants (BSA Title VI.A)			162	162	162	162
Raise Taxi and Limo License Fees (BSA Title VI.F)			382	382	382	382
Incorporate Acts Passed Subject to Appropriation (BSA Title VII.A):						
Southwest Waterfront			-	(4,000)	(4,000)	(4,000)
National Public Radio			(192)	(211)	(242)	(2,405)
O Street			-	-	-	-
Georgia Commons			(100)	(328)	(328)	(328)

(continued)

Table 4-19 *(continued)*

EXHIBIT B: Policy Proposals Impacting General Fund Revenue

($ thousands)

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Incorporate Acts Passed Subject to Appropriation (BSA Title VII.A) (Cont)					
Urban Institute		(200)	(625)	(925)	(1,500)
Tregaron Conservancy Tax Exemption		(134)	(27)	(27)	(28)
St. Martin Apartments Tax Exemption		(35)	(418)	(383)	-
Gateway Market Center and Residences Tax Exemption		(254)	(47)	(52)	(54)
Asbury United Methodist Church Tax Relief		(15)	-	-	-
Eckington One Residential Economic Development		-	-	(75)	(91)
Ft. Chaplin Park South Congregation of Jehovah's Witnesses Tax Relief		(19)	-	-	-
NoMA Residential Development Tax Abatement		(417)	(1,935)	(4,263)	(5,000)
Randall School Development Project Tax Abatement		(425)	(437)	(451)	(464)
So Others Might Eat Tax Exemption	(412)	-	-	-	-
Eliminate Sales Tax Holidays (BSA Title VII.B)		1,283	1,358	1,436	1,510
Transfer School Paygo from Dedicated Tax to Local (BSA Title VII.E)		112,360	119,102	130,279	138,308
Set Floor on Taxable Assessments (BSA Title VII.F)		5,200	5,000	4,900	5,200
Close Delaware Holding Company Loophole (BSA Title VII.G)		10,000	11,200	12,300	12,900
Apply Economic Interest Taxes to Sale of Co-op Units (BSA Title VII.H)		5,100	5,200	6,000	6,600
Tax Compliance Initiative (BSA Title VII.J)		20,000	-	-	-
Revenue Effect of Stimulus Tax Relief (BSA Title VII.K)					
Increase the EITC		(1,800)	(1,700)	-	-
Unemployment Insurance Benefits Exclusion	(1,000)	(4,100)	-	-	-
Building Bridges Across the River Tax Exemption BSA Title VII.M)		(34)	(11)	(11)	(11)
14W and YMCA Anthony Bowen Project Tax Exemption and Tax Relief (BSA Title VII.R)		(938)	(1,231)	(701)	(766)
View 14 Economic Development (BSA Title VII.S)		(1,206)	(1,244)	(433)	(473)
God of a Second Chance Ministry Real Property Tax Relief (BSA Title VII.V)		(19)	-	-	
Mandate Combined Reporting for TY 2011 (BSA Title VII.W)		-	-	22,600	19,400
Delay Implementation of Homestead Deduction Indexing through FY 2013 (BSA Title VII.X)		4,000	4,100	4,100	4,100
Delay Implementation of Standard Deduction Indexing through FY 2013 (BSA Title VII.X)		2,300	3,600	4,900	5,160
Delay Implementation of Personal Exemption Indexing through FY 2013 (BSA Title VII.X)		2,900	4,600	6,400	6,760
Increase Retail Sales Tax Rate to 6% with certain exemptions (BSA Title VII.X)		20,528	21,321	22,253	-
Increase Gasoline Excise Tax to $0.235/gallon (BSA Title VII.X)		3,500	3,600	3,700	3,700
Increase Cigarette Excise Tax to $2.50/pack (BSA Title VII.X)		9,700	9,457	9,221	9,052
Increase Little Cigar Excise Tax to $2.50/pack (BSA Titles VII.X and Y)		515	472	487	501
Revenue from Community Health Care Financing Fund (BSA Titles VIII.A, C and D)	18,300	14,840	4,000	-	-
Tobacco Trapping Event Revenue	23,000	-	-	-	-
Use Portion of Parking Tax Revenue as Local (BSA Title VIII.A)	2,167	-	-	-	-

(Continued on next page)

Table 4-19 *(continued)*

EXHIBIT B: Policy Proposals Impacting General Fund Revenue

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Use Motor Vehicle Theft Prevention Commission Fund Revenue as Local (BSA title VIII.A)		250				
Use Community Benefit Fund Revenue as Local (BSA Titles VIII.A, C and D)		13,271	13,271	12,883	13,001	14,095
Use Portion of NIF Revenue as Local (BSA Titles VIII.C and D)			7,412	3,200	3,200	3,200
Use Portion of Baseball Fund Revenue as Local (BSA Titles VIII.C and D)			11,000	14,000	10,000	15,000
Use Portion of Healthy DC Fund Revenue as Local (BSA Title VIII.C)			3,850	-	-	-
Use Portion of Nursing Quality of Care Fund Revenue as Local (BSA Title VIII.C)			600	-	-	-
Use Portion of TIF Revenue as Local			9,800	-	-	-
Increase DC Employee Parking Fees (BSA Titles I.AA and VIII.C and D)			2,260	2,260	2,260	2,260
Convert Certified Unbudgeted O-type Revenue to Local (BSA Title VIII.C)			6,422	-	-	-
Transfer Office of Cable TV Revenues to Local (BSA Title VIII.C)			942	-	-	-
Transfer DDOT Unified Fund Revenues to Local (BSA Title VIII.C)			3,842	-	-	-
Reclassify Class III properties as Class I or Class II except for blighted properties			(12,756)	(12,214)	(11,823)	(11,431)
Transfer Tax on Retail Service Stations			2,700	-	-	-
Convert E911 Fee to Local			6,950	-	-	-
Retail service station transfer tax			2,700	-	-	-
Transfer Additional Certified Revenue from DDOT TCO Issued Parking Tickets and Moving Violations to Local			2,000	2,000	2,000	2,000
Allen Chapel AME Senior Residential Rental Project Tax Exemption and Tax Relief		(474)	-	-	-	-
CEMI-Ridgecrest - Walter Washington Community Center Tax Exemption and Tax Relief		(133)	-	-	-	-
Increase Parking Meter Rates		5,500	-	-	-	-
Hire New ABRA Inspectors			120	120	120	120
Enhanced Parking Control Initiative (New Parking Control Officers)			16,731	16,731	16,731	16,731
Enhanced Parking Control Initiative (Sweeper Cam Program)			7,128	7,128	7,128	7,128
SWEEP Inspector Initiative			3,059	3,059	3,059	3,059
Additional Hack Inspectors Initiative			192	192	192	192
Expand Automated Enforcement of Traffic Violations			20,000	20,000	20,000	20,000
Transfer from Other Funds (Convention Center)			613	613	613	613
Transfer Certain DISB O-type Revenues to Local Fund		1,825	10,579	10,579	10,579	10,579
Local Fund Revenue with Policy Proposals	**5,428,183**	**5,041,717**	**5,199,236**	**5,182,576**	**5,370,121**	**5,571,078**

Table 4-19 *(continued)*

EXHIBIT B: Policy Proposals Impacting General Fund Revenue (cont)

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Dedicated Taxes	**180,163**	**217,157**	**421,505**	**457,761**	**472,967**	**495,821**
plus Dedicated Tax Proposals:	**0**	**(2,167)**	**(158,293)**	**(149,185)**	**(156,480)**	**(170,603)**
Transfer School Paygo from Dedicated Tax to Local (BSA Title VII.E)		-	(112,360)	(119,102)	(130,279)	(138,308)
Use Portion of Parking Tax Revenue as Local (BSA Title VIII.A)		(2,167)	-	-	-	-
Use Community Benefit Fund Revenue as Local (BSA Titles VIII.A, C and D)			(13,271)	(12,883)	(13,001)	(14,095)
Use Portion of NIF Revenue as Local (BSA Titles VIII.C and D)		-	(7,412)	(3,200)	(3,200)	(3,200)
Use Portion of Baseball Fund Revenue as Local (BSA Titles VIII.C and D)		-	(11,000)	(14,000)	(10,000)	(15,000)
Use Portion of Healthy DC Fund Revenue as Local (BSA Title VIII.C)		-	(3,850)	-	-	-
Use Portion of Nursing Quality of Care Fund Revenue as Local (BSA Title VIII.C)			(600)	-	-	-
Use Portion of TIF Revenue as Local		-	(9,800)	-	-	
Dedicated Taxes with Policy Proposals	**180,163**	**214,990**	**263,213**	**308,576**	**316,487**	**325,218**
Special Purpose (O-Type) Fund Revenue	**448,972**	**446,294**	**454,380**	**445,288**	**454,805**	**452,650**
***plus* Special Purpose Fund Revenue Proposals:**	**0**	**(2,075)**	**6,196**	**25,732**	**25,734**	**25,736**
Extend Current UI Administrative Assessment Rate to FY 2014 (BSA Title I.B)			4,150	5,530	5,530	5,530
DDOE Environmental Fine Increases (BSA Title I.Y)			33	33	33	33
Modify DCRA Administrative Fees for Abatement of Housing Code Violations (BSA Title II.A)			342	342	342	342
Institute DCRA Fee to Recover Costs of Zoning Compliance Letters (BSA Title II.C)			16	16	16	16
Revise Schedule of Fees Collected by the Office of the Surveyor (BSA Title II.D)			541	541	541	541
Increase DCRA BBL Fees and Fines (BSA Title II.E)			1,296	1,296	1,296	1,296
Transfer Half of NOI Fines to BBL Fund (BSA Title II.E)			200	200	200	200
Establish Filming Permit Fees for Movie and Television Productions (BSA Title II.H)			52	53	54	56
Establish Sports Facilities Account (BSA Title II.I)			5,085	5,085	5,085	5,085
Increase Parking Meter Rates and Repeal the Saturday Moratorium (BSA Title VI.C)			9,000	9,000	9,000	9,000
Use Motor Vehicle Theft Prevention Commission Fund Revenue as Local (BSA title VIII.A)		(250)				
Convert Certified Unbudgeted O-type Revenue to Local (BSA Title VIII.C)			(6,422)	-	-	-
Transfer Office of Cable TV Revenues to Local (BSA Title VIII.C)			(942)	-	-	-
Transfer DDOT Unified Fund Revenues to Local (BSA Title VIII.C)			(3,842)	-	-	-
Convert E911 Fee to Local			(6,950)	-	-	-

(Continued on next page)

Table 4-19 *(continued)*

EXHIBIT B: Policy Proposals Impacting General Fund Revenue (cont)

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Transfer Additional Certified Revenue from DDOT TCO Issued Parking Tickets and Moving Violations to Local			(2,000)	(2,000)	(2,000)	(2,000)
Expand Automated Enforcement of Traffic Violations			15,600	15,600	15,600	15,600
Dept. of Mental Health Billing Initiatives			616	616	616	616
Transfer Certain DISB O-type Revenues to Local Fund		(1,825)	(10,579)	(10,579)	(10,579)	(10,579)
Special Purpose Fund Revenue with Policy Proposals	**448,972**	**444,219**	**460,576**	**471,020**	**480,539**	**478,386**
General Fund Revenue with Policy Proposals	**6,057,318**	**5,700,926**	**5,923,025**	**5,962,172**	**6,167,147**	**6,374,682**

Table 4-19 *(continued)*

EXHIBIT C: Dedicated Tax Revenues

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Convention Center						
Sales Tax	*91,493*	*91,950*	*93,054*	*97,055*	*101,229*	*105,581*
Tax Increment Financing						
Real Property Tax	*6,654*	*29,963*	*42,860*	*48,496*	*52,105*	*56,053*
Sales Tax	*23,450*	*27,440*	*26,203*	*41,648*	*32,395*	*34,377*
Ballpark Fund						
Sales Tax	*12,364*	*8,900*	*9,212*	*9,663*	*10,204*	*10,766*
Public Utility Tax	*9,228*	*10,600*	*10,605*	*10,609*	*10,612*	*10,614*
Toll Telecommunications Tax	*2,559*	*2,658*	*2,661*	*2,664*	*2,665*	*2,667*
Baseball Gross Receipts Tax	*24,989*	*20,748*	*20,603*	*20,932*	*21,414*	*21,649*
Highway Trust Fund						
Motor Fuel Tax	*23,199*	*19,719*	*20,173*	*20,637*	*21,111*	*21,597*
DDOT Unified Fund and Highway Trust Fund						
Parking Tax	*37,420*	*26,112*	*27,389*	*30,378*	*31,393*	*32,433*
School Modernization Fund						
Sales Tax	*100,000*	*106,000*	*112,360*	*119,102*	*130,279*	*138,308*
Housing Production Trust Fund						
Deed Tax	*40,589*	*22,358*	*17,900*	*18,092*	*21,074*	*23,289*
Comprehensive Housing Task Force Fund						
Deed Tax	*23,279*	-	-	-	-	-
Neighborhood Investment Fund						
Personal Property Tax	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*
Nursing Facility Quality of Care Fund						
Healthcare Provider Tax	*13,771*	*11,000*	*11,000*	*11,000*	*11,000*	*11,000*
Healthy DC Fund						
Insurance Premiums	*5,964*	*7,593*	*17,486*	*17,486*	*17,486*	*17,486*
Total Dedicated Tax Revenue	**424,959**	**395,042**	**421,505**	**457,761**	**472,967**	**495,821**
Policy Proposals Affecting Dedicated Tax Revenue	**0**	**(2,167)**	**(158,293)**	**(149,185)**	**(156,480)**	**(170,603)**
Transfer School Paygo from Dedicated Tax to Local		-	(112,360)	(119,102)	(130,279)	(138,308)
Use Community Benefit Fund Revenue as Local			(13,271)	(12,883)	(13,001)	(14,095)
Use Portion of Parking Tax Revenue as Local		(2,167)	-	-	-	-
Use Portion of NIF Revenue as Local		-	(7,412)	(3,200)	(3,200)	(3,200)
Use Portion of Healthy DC Fund Revenue as Local		-	(3,850)	-	-	-
Use Portion of TIF Revenue as Local		-	(9,800)	-	-	-
Use Portion of Baseball Fund Revenue as Local		-	(11,000)	(14,000)	(10,000)	(15,000)
Use Portion of Nursing Quality of Care Fund Revenue as Local	-		(600)	-	-	-
Total Dedicated Tax Revenue with Policy Proposals	**424,959**	**392,875**	**263,213**	**308,576**	**316,487**	**325,218**

Table 4-19 *(continued)*

EXHIBIT D: Summary of General Fund and Non-General Fund Revenue Sources with Policy Proposals

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Revenue Net of Dedicated Taxes	**5,328,183**	**4,979,423**	**4,879,290**	**4,920,439**	**5,075,586**	**5,288,672**
plus Local Fund Revenue Policy Proposals		62,294	319,946	262,137	294,535	282,406
plus Total Dedicated Tax Revenue with Policy Proposals	424,959	392,875	263,213	308,576	316,487	325,218
plus Special Purpose (O-Type) Revenue with Policy Proposals	448,972	444,219	460,576	471,020	480,539	478,386
Total Revenue with Policy Proposals	**6,202,114**	**5,878,811**	**5,923,025**	**5,962,172**	**6,167,147**	**6,374,682**

Table 4-19 *(continued)*

EXHIBIT E: Gross Tax Revenue Before Policy Proposals

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Tax Revenue Net of Dedicated Taxes	**4,872,027**	**4,569,282**	**4,478,337**	**4,524,542**	**4,682,247**	**4,890,067**
plus Dedicated Tax Revenue (see Exhibit C)	424,959	395,042	421,505	457,761	472,967	495,821
Gross Tax Revenue (Before Transfer of Dedicated Taxes)	**5,296,986**	**4,964,325**	**4,899,842**	**4,982,303**	**5,155,214**	**5,385,888**

Tax Rates

As mentioned above, the District's real property tax system divides taxable properties into three separate tax classes, and each class is taxed at a different rate. (See table 4-20) For FYs 2008 and 2009, the tax rate for Class 1 properties (both owner-occupied and non owner-occupied residential properties), was $0.85 per $100 of assessed value. For FY 2008, the tax rate for Class 2 properties was $1.85 per $100 of assessed value. However, via the "Commercial Real Property Tax Relief Act of 2008" all Class 2 properties are subject to a split tax rate beginning in FY 2009. Under this arrangement, the tax rate for the first $3 million in assessed value for every Class 2 property is $1.65 per $100 of assessed value and the tax rate for the assessed valued greater than $3 million for every Class 2 property is to remain $1.85 per $100 of assessed value. In FY 2010 if projected growth in real property tax revenue from all Class 2 properties exceeds $1.312 billion, this potential excess revenue is to be used to finance a further tax rate reduction for the first $3 million in assessed value for Class 2 properties. The Class 2 tax rate for the assessed valued greater than $3 million is to remain $1.85 per $100 of assessed value. Furthermore, beginning in 2011 the legislation limits the growth in total Class 2 revenue to 10 percent annually. If the growth in projected revenue exceeds this threshold, this potential excess revenue is to be used to finance an additional tax rate reduction for the first $3 million in assessed value for Class 2 properties so as to limit total growth in total Class 2 revenue to 10 percent annually.

In an effort to encourage the development of vacant and abandoned properties around the city the "Real Property Tax Revision Amendment Act of 2002" established a Class 3 for such properties. These properties were taxed at a rate of $5.00 per $100 of assessed value. The significantly higher Class 3 tax rate (relative to the tax rates for the other two classes of property) was intended to decrease the number of such properties by penalizing the owners of vacant and abandoned properties with a punitively high tax rate. However, in response to the growing number of complaints from residents about the seeming proliferation of vacant properties in numerous neighborhoods in 2007 and 2008, elected officials enacted the "Nuisance Properties Abatement Reform and Real Property Classification Amendment Act of 2008" which increased the tax rate on Class 3 properties to an even higher rate of $10 per $100 of assessed value effective beginning in FY 2009. There remains several exemptions from this higher tax rate for both residential and commercial properties that might potentially be affected, such as for buildings that are under construction, for sale, or have been damaged by flood or fire.

Revenue

Real property tax revenue in any given year is based on market conditions and property assessments made by OTR two years prior. For example, FY 2010 real property tax revenue is based on assessment notices that were mailed to property owners in early 2009 but reflect actual market conditions in 2008. After property owners receive their property assessment notices, owners are afforded the opportunity to formally contest their assessment value via the appeals process if they chose to before their tax payment is due in FY 2010.

A phenomenal number of property sales, at ever increasing sale prices, took place between the years 2002 and 2004. The two years of 2005 and 2006 was a period when the city's property market dynamics began to moderate, and 2007 and 2008 were years when the city's overall property market dynamics began to dramatically weaken, as indicated by the declining number of annual property sales. The general cause for this relatively sudden and dramatic

Table 4-20

Real Property Tax Classes and Rates for FY 2010

Real Property Tax Class	Tax Rate
Class 1 (Residential)	$0.85 per $100 of assessed value
Class 2 (Commercial)	a) $1.65 per $100 of assessed value for the first $3 million in assessed value, and
	b) $1.85 per $100 of assessed value for assessed value in excess of $3 million
Class 3 (Vacant/Abandoned)	$10.00 per $100 of assessed value

weakening was the national subprime mortgage crisis (that began in earnest August 2007), the current national economic recession (that began December 2007), and the financial/banking crisis (that began in earnest September 2008). On the residential side, 2006 was the first time in recent years in which the number of sales of both single-family homes and condominiums declined relative to the preceding year. And while the number of sales of both single-family homes and condominiums also declined further in 2007 and 2008, it is important to not interpret these statistics as an indication of a significant waning of overall desire of potential home buyers to purchase homes in the District. This is evidenced by the facts that the average annual sale price of single-family homes increased by 4.5 percent in 2006 and 6.1 percent in 2007 before declining slightly by 1.9 percent in 2008. And while the average annual sale price of condominiums decreased by 3.8 percent in 2006 and 0.5 percent in 2007, the average annual sale price of condominiums increased by 2.3 percent in 2008. Taken altogether, these statistics suggest that the fundamental demand to live and purchase residential property in the city has not disappeared. Instead, perhaps, the pervasive dismal economic environment and lack of economic certainty has caused many to reevaluate and/or postpone their plans to purchase residential property in the city. However, it is important to note that among the few sales that took place since 2005 there has not been a dramatic deterioration in the value of residential property in the city as indicated by the absence of a continued and significant annual decline in average residential sale prices for years 2006 to 2008.

On the commercial side of the market, the number of square feet of quality commercial office space sold increased 20.1 percent annually on average between 2002 and 2005. However, the number of square feet sold decreased by 14.9 percent in 2006, 24.1 percent in 2007, and an additional 43.1 percent in 2008. However, the average price of quality commercial office buildings increased 14.2 percent annually between 2002 and 2005. The average sale price for commercial office buildings increased by 1.8 percent in 2006, 4.9 percent in 2007, and by 25.8 percent in 2008. Again, these statistics suggest that the fundamental desire among large investors to own large office buildings in the city has not disappeared. Notwithstanding the strong underlying fundamentals of the local real estate market over the next few years, which include slight growth in the total number of new jobs, population, and households over the next few years, as well as a growing list of entertainment/retail outlets and other attractive amenities throughout the city, it appears that the pervasive dismal economic environment and more specifically the lack of debt financing and overall financial crisis is preventing new commercial developments and office building sales from taking place. And as indicated from the few sales that took place in 2007 and 2008 at increasing average sale prices these large assets are maintaining their market value.

The average annual real property tax revenue growth between FYs 1999 and 2008 was 12.1 percent. Real property tax revenue is expected to grow 7.8 percent in FY 2009. But the dramatic weakening in the city's overall property market dynamics is expected to significantly impact real property tax revenue for FY 2010. The real property tax revenue is expected to decline 1.2 percent (the first decrease since 1999) in FY 2010, and this is the direct result of the dearth of residential and commercial property sales and general lack of growth in the average sale price of residential homes in 2008. The annual growth rate in real property tax revenue is expected to continue to decline by 2.1 percent in 2011 and to show no growth in 2012. The real property tax revenue is expected to grow 4.7 percent in FY 2013. It is expected that the dismal economic environment caused by the current national economic recession and the financial/banking crisis will preclude growth in real property tax revenue in FYs 2010 to 2012, But, it is expected that the financial crisis will be mostly resolved and that national economic growth will resume in late 2010 and 2011. These conditions are expected to lead to a plethora of property sales in the city which will serve as the basis for growth in real property tax revenue in FY 2013.

Many real property tax relief initiatives have been implemented since 2002 that have abated the overall growth in total real property tax revenue. Notwithstanding the lack of growth in the city's real property market over the next few years, the growing importance of real property tax revenue as the major revenue source to the Local Fund is not without significance. In FY 2008 real property tax revenue was the largest single source of revenue (approximately 31.3 percent) to the Local Revenue Fund. FY 2007 marked the first time since the early 1990s—the last time the local real estate market was extremely robust—that revenue from the real property tax surpassed total individual income tax revenue as the major source of tax revenue to the District government. While real property tax revenue as a share of total Local Fund revenue was 20.8 percent in FY 2002, the share is expected to remain high (33.3 percent) at least through 2013. These results stem from the fact that the city's entire 2007 property tax base has almost tripled in value since 1997, presumably due to the aforementioned strong fundamentals and other favorable market dynamics that have been in play up to 2006 and which is expected to resume in 2010. Actual FY 2008 and projected FY 2009 to FY 2013 revenues from the real property tax are shown in table 4-21.

General Obligation Bond - Debt Service

Each year the District dedicates a percentage of its real property tax collections to pay off the principal and interest on its General Obligation Bonds. For FY 2009, the percentage of real property tax collections dedicated to the repayment of principal and interest on the District's General Obligation Bonds is 28 percent.

Personal Property Tax

The District's personal property tax is levied on the depreciated value of all tangible personal property used in a trade or business, including computers, vehicles, plant and equipment. Inventories held for sale are excluded from the tax base. The strength of the District's economy in recent years has resulted in greater investment in personal property used for commercial purposes.

In January 2008, elected officials enacted the "Small Business Commercial Property Tax Relief Act of 2007" in efforts to provide small businesses in the city with more comprehensive tax relief beyond the scope of the real property tax. More specifically, this legislation increased the tangible personal property tax exemption amount from $50,000 to $225,000 beginning in FY 2008. In FY 2007, gross total personal property tax collections totaled $67.4 million, a 2.9 percent increase over FY 2006 collections of $65.5 million. In FY 2008, gross total personal property tax collections totaled $59.7 million (see table 4-21), this 11.4 percent decrease over FY 2007 collections is likely and primarily due to the higher exemption level. Based on national and regional economic indicators that suggest a decrease in the level of business activity and subsequent decrease in the total level of new business investment, gross collections are expected to decline to $57.4 million in FY 2009 and to $56.2 million in FY 2010. But, annual growth in collections is expected to resume in FY 2011 but at about 1.1 percent per annum for FYs 2011 to 2013.

In 2004 District legislation created a Neighborhood Investment Fund (NIF) and a Neighborhood Investment Program that dedicates a maximum of $10 million annually from personal property tax revenue to pay for a variety of community revitalization projects, including commercial, residential, and civic uses for twelve priority neighbor-

Table 4-21

Property Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY2013 Projected
Real Property (gross)	1,672,969	1,803,171	1,781,331	1,743,688	1,743,688	1,824,944
Transfer to TIF/CBF	*(6,654)*	*(29,963)*	*(42,860)*	*(48,496)*	*(52,105)*	*(56,053)*
Real Property (net)	1,666,315	1,773,208	1,738,471	1,695,192	1,691,583	1,768,891
Personal Property (gross)	59,690	57,422	56,216	56,834	57,488	58,166
Transfer to Neighborhood Investment Fund	*(10,000)*	*(10,000)*	*(10,000)*	*(10,000)*	*(10,000)*	*(10,000)*
Personal Property (net)	49,690	47,422	46,216	46,834	47,488	48,166
Public Space	27,697	30,467	31,381	32,322	33,292	34,291
Transfer to DDOT	*(27,697)*	*(30,467)*	*(31,381)*	*(32,322)*	*(33,292)*	*(34,291)*
Total Property Taxes	**1,716,005**	**1,820,630**	**1,784,687**	**1,742,027**	**1,739,071**	**1,817,057**

hoods. In FY 2008, approximately $10.0 million of personal property tax revenue was diverted to the NIF, and it is estimated that the same amount will go to the NIF in FYs 2009 through 2013. (See table 4-21.)

Public Space Rental

There are three categories of public space rentals: sidewalks/surfaces, vaults and fuel tanks. Public space rental of sidewalks/surfaces includes enclosed cafes, unenclosed cafes, and merchandise display areas (including used car lots). Vaults are underground areas that extend wider than an owner's property to spaces beneath the surface of public real property. For public space rental purposes, fuel oil tanks are areas used for tanks that hold heating fuel.

In FY 2008, revenue from public space rentals amounted to $27.7 million (see table 4-21), a 14.1 percent decrease from FY 2007.

The "District Department of Transportation Unified Fund Amendment Act of 2007" requires that all revenue from the public space rentals be deposited annually into the District Department of Transportation Unified Fund. Therefore, the revenue will no longer be available to the General Fund. It is planned to be used for local road construction and maintenance and related debt servicing.

Sales and Excise Taxes

General Sales and Use Tax

Revenue from the District's sales and use tax is collected using a five-tier structure. Sales of tangible personal property and certain specified services are taxed at 5.75 percent. Sales of alcoholic beverages for consumption outside the premises are taxed at 9 percent. Sales of food and drink for immediate consumption, the rental or leasing of motor vehicles and sales of prepaid phone cards are taxed at 10 percent (with one percent supporting the Convention Center Authority). Parking and storing of vehicles are taxed at 12 percent. Transient accommodations are taxed at 14.5 percent (with 4.45 percent supporting the Convention Center Authority).

The multiplicity of rates is intended to accomplish several goals, including revenue generation from visitors to the District and supporting the hospitality industry via the Convention Center transfer. The multiplicity of rates, with special exemptions provided in each category, complicates the administration of sales tax for the Office of Tax and Revenue and adds to compliance costs for businesses such as hotels and food stores, where transactions may involve several tax categories.

Revenue collected under the sales and use tax in FY 2008 was $1,015.2 million (see Table 4-22), gross of the Convention Center transfer of $91.5 million, a TIF transfer of $23.5 million, a Ballpark Fund transfer of $12.4 million, a transfer to DDOT of $37.4 million, and a transfer to the School Modernization Fund of $100 million. In FY 2007 net sales and use tax collections were 13.8 percent of total local fund revenue net of dedicated taxes. This

Table 4-22

Estimated Sales Tax Base and Payments by Tax Type, FY 2008

($ millions)

	Retail	Liquor	Restaurant	Parking	Hotel	Transfer	Total
Base	8,012.5	273.2	2,882.9	311.7	1,408.2		
Rate	5.75%	9.0%	10.0%	12.0%	14.5%		
Collections	460.7	24.6	288.3	37.4	204.2		1,015.2
Convention Center Transfer			28.8		62.7		91.5
TIF Transfer						23.5	23.5
Ballpark Transfer						12.4	12.4
Parking Tax Transfer				37.4			37.4
School Modernization Fund Transfer						100.0	100.0
Local Fund	**460.7**	**24.6**	**259.5**	**0.0**	**141.5**	**(135.9)**	**750.4**

Table 4-23

General Sales and Use Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY2013 Projected
General Sales and Use	1,015,182	983,948	987,895	1,025,734	1,070,661	1,123,137
Convention Center Transfer	*(91,493)*	*(91,950)*	*(93,054)*	*(97,055)*	*(101,229)*	*(105,581)*
Transfer to TIF/CBF	*(23,450)*	*(27,440)*	*(26,203)*	*(41,648)*	*(32,395)*	*(34,377)*
Transfer to DDOT Unified Fund (parking tax)	*(37,420)*	*(26,112)*	*(27,389)*	*(30,378)*	*(31,393)*	*(32,433)*
Transfer to Ballpark Fund	*(12,364)*	*(8,900)*	*(9,212)*	*(9,663)*	*(10,204)*	*(10,766)*
Transfer to School Modernization Fund	*(100,000)*	*(106,000)*	*(112,360)*	*(119,102)*	*(130,279)*	*(138,308)*
General Sales and Use (net)	**750,455**	**723,545**	**719,677**	**727,888**	**765,162**	**801,671**

amount can be compared to sales and use taxes comprising 14.1 percent of total local fund revenue net of dedicated taxes in FY 2008. 14.5 percent is the projected percentage for FY 2009. However the percentage of gross sales tax revenue to the total local fund revenue net of dedicated taxes was 19.1 percent in FY 2008 and is estimated to be 19.8 percent in FY 2009. These ratios show that the amount contributed to the general fund by the sales and use tax is not growing as quickly as the growth in sales and use taxes.

The national economy has been in a recession since December 2007. The turnaround is expected to occur in FY 2011. As a result of the general economy, we expect a slowing of the growth rate of tourism spending in the District. Sales and use tax revenues in FY 2010 are estimated to be $719.7 million (see Table 4-23), net of the Convention Center Transfer of $93.1 million, a TIF/CBF transfer of $26.2 million, a DDOT Unified Fund (parking tax) transfer of $27.4 million, a Ballpark Fund transfer of $9.2 million, and the School Modernization Fund transfer of $112.4 million. Sales tax revenue net of dedicated taxes is projected to grow at an annual average rate of 3.7 percent for FY 2010 through FY 2013.

Convention Center Transfer

The convention center transfer in FY 2009 is estimated to be 0.5 percent higher than the transfer in FY 2008. During the period FY 2010 to FY 2013, the convention center transfer is expected to grow at an annual average rate of 4.3 percent.

Sales Tax TIF/CBF Transfer

The District utilizes an economic development tool called Tax Increment Financing (TIF) to assist in financing economic development projects. TIF allows the incremental future revenue stream from a development project to be pledged to pay back bonds issued to help finance the development. The Community Benefit Fund (CBF) is a nonlapsing dedicated tax revenue fund into which incremental property tax revenues and sales tax revenues of the D.C. Ballpark TIF Area are deposited. The Ballpark Omnibus Financing and Revenue Act of 2004 specifies how the District may spend funds in the Community Benefit Fund or allocate them to back bonds. No bonds have been issued to date. In FY 2007, $14.2 million in sales tax revenue was transferred to the TIF/CBF program. In FY 2008, $23.5

Table 4-24

Sales Tax Revenue for the Convention Center Fund, Fiscal Years 2008-2013

($ thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013
Restaurant Sales Tax	28,829	28,973	29,321	30,581	31,896	33,268
Hotel Sales Tax	62,664	62,977	63,733	66,474	69,333	72,313
Total	**91,493**	**91,950**	**93,054**	**97,055**	**101,229**	**105,581**

million in sales tax revenue was transferred to the TIF /CBF program. In FY 2009, the transfer is expected to be $27.4 million. In FY 2010 and FY 2011 the estimated transfers are $26.2 million and $41.6 million respectively. The transfer is projected to decrease in FY 2012 to $32.4 million and to increase to $34.4 million in FY 2013.

Parking Tax Transfer

As part of the FY 2006 budget, the parking tax revenue stream was transferred out of the general fund to the District Department of Transportation (DDOT). With the exception of parking taxes that are from the sale or charge for the service of parking motor vehicles that shall reasonably relate to the performance of baseball games or professional baseball related events and exhibitions at the ball park, parking taxes up to a maximum of $30 million per fiscal year are transferred to DDOT's Unified Fund. Any revenues in excess of $30 million are to be deposited into the Highway Trust Fund. In FY 2008, total parking tax revenue was $37.4 million. From this amount, $30.0 million was dedicated to DDOT's Unified Fund and $7.4 million was directed to the Highway Trust Fund. In FY 2009, parking tax revenue is estimated to increase to $38.8 million. This revenue is estimated to be transferred as follows: $12.7 million will remain in the local fund as "undedicated" revenue, $5.9 million will be dedicated to debt service, $11.4 million will be dedicated to DDOT's Unified Fund, and $8.8 million will go to the Highway Trust Fund. Parking tax revenue is estimated to increase to $39.6 million in FY 2010. This revenue is estimated to be allocated as follows: $12.2 million will remain as "undedicated" local revenue, $4.8 million will be dedicated to debt service, $13.0 million will be dedicated to DDOT's Unified Fund, and $9.6 million will go to the Highway Trust Fund.

Transfer to Ballpark Fund

Stadium related sales tax streams are dedicated to the Ballpark Fund to pay the debt service on the baseball stadium revenue bonds. These revenue streams include taxes on tickets sold, taxes on parking at the stadium, taxes on stadium concessions and taxes on food and beverages sold in the stadium. In FY 2008, $12.4 million was transferred to the Ballpark Fund. In FY 2009, $8.9 million is estimated to be transferred to the Ballpark Fund. The transfer is projected to be $9.2 million in FY 2010 and grow to $10.8 million in FY 2013, an average growth rate of 5.3 percent. For more information on this revenue transfer, see the separate section on the Ballpark Fund that appears later in this chapter.

Transfer to School Modernization Fund

In FY 2006, the District enacted the "School Modernization Financing Act of 2006" which established the Public School Capital Improvement Fund for the purpose of funding capital improvements throughout the District of Columbia school system. In FY 2008 $100 million of sales tax revenue was transferred to this fund. In fiscal years 2009-2013, $106.0 million, $112.4 million, $119.1 million, $130.3 million, and $138.3 million, respectively, will be transferred to the fund. Beginning in FY 2012, the amount of funds transferred to the Public School Capital Improvement Fund will be indexed based on the RSMeans Construction Cost Index for Washington, DC.

Transfer to the Verizon Center

Effective March 2008, in order to service a loan to renovate the Verizon Center at Gallery Place, merchandise and tickets for events at the Verizon Center will be subject to a tax of 10 percent (compared to the prior rate of 5.75 percent). The revenue collected from the increased rate (10 percent less 5.75 percent

Table 4-25

Selective Sales and Excise Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY2013 Projected
Alcoholic Beverages	5,190	5,157	5,126	5,096	5,069	5,043
Cigarette	23,900	47,586	45,411	44,275	43,168	42,380
Motor Vehicle Excise	40,160	40,160	40,963	42,192	43,458	44,762
Total Selective Sales and Excise	**69,250**	**92,903**	**91,501**	**91,564**	**91,694**	**92,184**

or 4.25 percent) will be placed into a separate fund and used to make principal and interest payments on the loan. The amount of the Verizon Center transfer is included in the TIF transfer amount.

Selective Sales and Use Taxes

In addition to the multi-rate general sales and use tax, the District imposes excise taxes on alcoholic beverages, cigarettes, motor vehicles, and motor fuel. The motor fuel tax is deposited directly to a special account (the Highway Trust Fund) to match federal funds for the construction, repair and management of eligible District roadways. As a result, motor fuel tax revenue is not considered part of the General Fund for budgetary purposes.

Alcoholic Beverage Tax

The alcoholic beverage tax is levied on wholesale sales of beer, wine, and liquor in the District. The tax rates vary by type of product. Beer is taxed at $2.79 per 31 gallon barrel; light wine (14 percent alcohol or less) is taxed at $0.30 per gallon; heavy wine (over 14 percent alcohol) is taxed at $0.40 per gallon; champagne and sparkling wines are taxed at $0.45 per gallon; and spirits are taxed at $1.50 per gallon.

After a peak in the first quarter of FY 2004, revenue collected from the alcoholic beverage tax has declined at a moderate pace. There has been no change in the tax rate since 1990. This suggests the change in revenue is directly linked to consumption patterns. If individuals are consuming as much alcohol as before, they are buying less from District retailers. Alcohol tax collections are projected to be $5.2 million in FY 2009 and $5.1 million in FY 2010. (See Table 4-25.) Alcohol tax collections are expected to decrease slightly throughout the FY 2011 through FY 2013 projection period because alcohol purchased in the District is expected to continue to decrease moderately.

Cigarette Tax

The cigarette tax is levied on the sale or possession of all cigarettes in the District with the exception of sales to or by the United States or the District government or their instrumentalities (e.g., the military and Congress). Cigarette consumption had been declining in recent years. An increase in wholesale prices (as a result of the settlement between tobacco companies and states and the District of Columbia), an increase in taxes on cigarettes, anti-smoking efforts, and a greater awareness of health risks are likely factors contributing to this decline. Collections in the last two quarters of FY 2008 were stronger than expected. Perhaps the substantial increase in cigarette tax in neighboring Maryland from $1.00 to $2.00 per pack of twenty cigarettes contributed to the revenue increase. In January 2009, after six years since the last increase, the District increased its tax on cigarettes from $1.00 from $2.00 per pack of twenty cigarettes. We expect increased revenue resulting from the increase in the tax rate, but we expect some slowing of the increase due to fewer cross-border purchases from Maryland and the 158 percent increase in the federal tax on cigarettes effective April 1, 2009. The federal tax was $0.39 and is now $1.01 per pack. Virginia, which borders both the District and Maryland and has a much lower tax on cigarettes, will likely see their cigarette tax collections increase in 2009. Revenue collected from the cigarette tax in FY 2008 was approximately $23.9 million. Revenues are estimated to be $47.6 million in FY 2009. We estimate an annual average decrease of 2.3 percent in collections between FY 2010 and FY 2013. (See Table 4-25.)

Motor Vehicle Excise Tax

The motor vehicle excise tax is imposed on the issuance of every original and subsequent certificate of title on motor vehicles and trailers. The tax is 6 percent of fair market value for vehicles 3,499 pounds or less, 7 percent of fair market value for vehicles 3,500 pounds to 4,999 pounds, and 8 percent for vehicles weighing more than 5,000 pounds. The 8 percent rate was introduced in April 2005. Collections from motor vehicle excise taxes totaled $40.2 million in FY 2008. Collections are projected to increase by an annual average growth rate of 3.0 percent between FY 2010 and FY 2013. (See Table 4-25.) The growth rate expected is due to a combination of continued growth in the numbers of cars sold (new and used), the price of cars sold, and the percentage of cars sold that are in the heavier category. Based on the economy and slow lending by financial institutions stated in news reports, the estimates may be optimistic.

Income Taxes

The individual income tax, the corporate franchise tax, and the unincorporated business franchise tax are significant sources of District revenue. In FY 2008,

Table 4-26

Income Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Individual Income	1,342,799	1,112,357	1,069,361	1,103,373	1,166,113	1,215,836
Corporate Franchise	286,204	237,264	252,121	282,428	309,104	326,220
U.B. Franchise	126,891	107,822	124,395	143,020	159,873	173,257
Total Income Taxes	**1,755,894**	**1,457,444**	**1,445,877**	**1,528,821**	**1,635,090**	**1,715,313**

these taxes accounted for 33.0 percent of local source revenue. Actual FY 2008 revenue from these sources is shown in Table 4-26. This table also shows projected revenue from each of these taxes for the period FY 2009 through FY 2013.

Individual Income Tax

Base and Rate

The individual income tax base consists of the income of individuals who maintain a permanent residence in the District at any time during the tax year and individuals who maintain a residence for a total of 183 or more days during the tax year. The District's tax base also includes the income of individuals who were members of the armed forces and listed the District as their home of record for either a part of or the full taxable year, as well as the spouse of an exempt military person or of any other exempt person such as a nonresident presidential appointee or an elected official. Those individuals that are exempt from income tax in the District (and as such whose income is not included in the tax base) include elected officials of the federal government, presidential appointees subject to confirmation by the U.S. Senate, United States Supreme Court justices who are not domiciled in the District, employees of legislative staffs who are residents of the state of their elected official, and, of great importance, all persons who are employed in the District but live outside of the District.

Table 4-27

Income Tax Rates, Fiscal Years 2008-2013

Net Taxable Incone	FY 2008 to FY 2013
$0 - $10,000	4.0%
$10,001 - $40,000	6.0%
Greater than $40,000	8.5%

The individual income tax accounted for 25.2 percent of total local source revenue in FY 2008. Table 4-27 reports the tax rates and brackets scheduled to be applied to net taxable income (NTI) across the planning period. The current tax rate is 4 percent for NTI up to $10,000. For NTI between $10,001 and $40,000, the marginal tax rate is 6 percent, while a marginal rate of 8.5 percent is applicable for NTI greater than $40,000. Because marginal tax rates increase as income rises, Table 4-27 suggests that the District has a progressive tax system.

Effective January 2009 the standard deduction and personal exemption amounts were adjusted for inflation. As a result of this adjustment the standard deduction increased from $4,000 ($2,000 for married filing separate) to $4,200 ($2,100 for married filing separate), while the personal exemption increased from $1,675 to $1,750.

FY 2008

In FY 2008, individual income tax revenue grew by 2.2 percent, which is less than half of the 6.3 percent and 6.5 percent growth rates that were experienced in FY 2006 and FY 2007 respectively. The earnings of District residents increased by 4.9 percent in FY 2008, which is lower than the 5.2 percent growth rate experienced in FY 2007, and the 6.2 percent growth rate in FY 2006. The wages and salaries of the District's residents increased by 5.0 percent in FY 2008, a rate that was lower than FY 2007 growth of 7.3 percent and FY 2006 growth of 8.2 percent. The withholding component of the individual income tax, which is tied directly to wages and salaries, grew by 2.1 percent in FY 2008; this was higher than the

0.4 percent growth that was experienced in FY 2007, but lower than the 5.6 percent growth rate in FY 2006.

The declarations component (also called estimated payments) of total revenue from individual income declined by 0.2 percent in FY 2008; this was significantly smaller than the approximately 20 percent growth in FY 2007 and the 10 percent growth in FY 2006. The behavior of the declarations component is tied to the performance of the stock market, so that the decline in FY 2008 was assisted by a weakened stock market. Relative to FY 2006 and FY 2007, the stock market experienced a decline of 5.8 percent in FY 2008. This was a significant change from the performance in FY 2006 and FY 2007 where growth rates of 6.8 percent and 14.1 percent respectively were experienced.

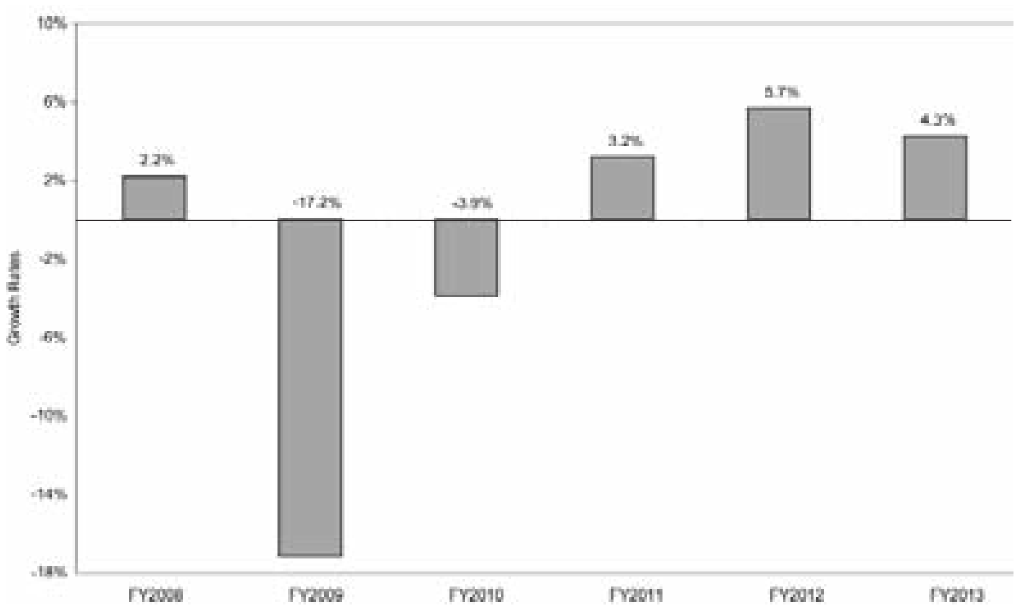
FY 2009-FY 2013

In FY 2009 the District anticipates $1,112.4 million in individual income tax revenue; which is a 17.2 percent decline from FY 2008. In FY 2010 it is anticipated that individual income tax revenue would be even lower with a decline of 3.9 percent resulting in revenue of $1,069.4 million. In FY 2011 it is projected that revenue would be $1.103.4 million, which represents growth of 3.2 percent over FY 2010. Growth is expected to continue in FY 2012 and FY 2013 with revenue amounts of $1,166.1 million and $1,215.8 million respectively. The growth in FY 2012 is expected to be 5.7 percent, followed by slower growth of 4.3 percent in FY 2013.

As uncertainty about the regional and national economies persists, the District anticipates that revenue from the individual income tax would be affected. Based on forecasts from Global Insight and Economy.com, it is expected that there would be a significant downturn in the stock market in FY 2009; the stock market is expected to experience a double digit decline of 38.5 percent in FY 2009. In FY 2010 it is anticipated that there would be a decline of 2.4 percent before rebounding in FY 2011. Because of the uncertainty in the stock market, the behavior of individual income tax revenue continues to be a source of volatility in the city's revenue. Based on employment data from the Bureau of Labor Statistics (BLS), resident employment is expected to experience a decline of 4.4 percent in FY 2009. The decline in resident employment is expected to continue in FY 2010; however, this drop in employment would be lower (0.3 percent) than the FY 2009 decline. It is expected that in FY 2011 and FY 2012 resident employment would grow at 2.6 percent and 1.8 percent respectively before slowing in FY 2013 with an

Figure 4-2

Individual Income Tax Revenue Growth Rate for FY 2008 and Estimated Growth Rates for FY 2009 to FY 2013)



expected growth rate of 1.4 percent. In addition, there is the expectation that the wages and salaries of District residents would decline in FY 2009 (by 0.8 percent) but rebound in FY 2010 with growth of 0.5 percent. In FY 2011 through FY 2013, wages earned by District residents are expected to grow by 3.6 percent, 4.0 percent and 4.3 percent respectively. The performance of the wages and salaries of the District's residents influences the behavior of the withholding component of the individual income tax.

Corporate Franchise and Unincorporated Business Franchise Taxes

The District's franchise tax is imposed on all corporations and unincorporated businesses having nexus in the District of Columbia. The tax liability is determined by multiplying the rate of 9.975 percent (9.5 percent rate plus a surtax of 5 percent of the base rate) by the net taxable business income that is apportioned to the District of Columbia. Business income is apportioned to the District of Columbia based on a three-factor formula—sales, payroll, and property—with each factor weighted equally. When this apportionment formula does not fairly represent the extent of the taxpayer's business activities in the District, that taxpayer may petition for (or the Office of Tax and Revenue may require) consideration of a different formula.

Corporate Franchise

Corporate franchise tax revenue as a share of total local fund revenues has declined as a percentage of total revenues. Corporations have increasingly used tax planning techniques to lower their taxable income. As a result, many corporations, regardless of the amount of their gross profits, have only a minimum tax liability. This situation exists nationwide. Some state taxing authorities have attempted to disallow specific types of deductions through the courts (for example: Geoffrey, Inc. v. South Carolina Tax Commission).

Corporate franchise tax and unincorporated business revenue is a small share of total revenues both because a large number of business taxpayers pay the minimum tax liability and because the minimum tax liability is $100. The minimum amount has been unchanged since 1983. If the minimum tax had grown with inflation since 1983, the minimum tax amount would be about $200. Growth rates of net incomes and taxes from them since 1983 are not reflected in minimum tax payments. Over the years, other categories of tax collections have therefore shown more growth when compared to the growth of corporate franchise tax collections. In 2006 approximately 64 percent of the District's corporate franchise taxpayers paid the minimum tax. Approximately 45 percent of unincorporated business taxpayers paid the minimum tax.

The District estimates approximately $237.3 million of corporate franchise tax revenue in FY 2009 (see Table 4-26), a 17.1 percent decrease over the $286.2 million revenue amount in FY 2008. We project growth of 6.3 percent in FY 2010, and an annual average of 9.0 percent for FY 2011 to FY 2013.

Unincorporated Business Franchise

Income from unincorporated businesses with annual gross receipts of $12,000 or less is excluded from the tax base. Also excluded from the tax base is income from nonresident-owned unincorporated businesses that provide professional services (e.g. law firms). For taxable unincorporated businesses, owners are allowed a 30 percent salary allowance along with a $5,000 exemption. When 80 percent or more of the entity's income is derived from personal services, the unincorporated business income is taxed under the individual income tax if owners are District residents.

The District estimates approximately $107.8 million in unincorporated business franchise tax revenue in FY 2009 (see Table 4-26), a 15.0 percent decrease over FY 2008 revenue of $126.9 million. We project recovery in FY 2010 with a strong growth rate in FY 2010 (15.4 percent) and an average annual growth rate of approximately 11.7 percent between FY 2011 and FY 2013.

Real estate investors are a large component of unincorporated business taxpayers. Collections from this revenue source, which are based on profits from unincorporated businesses located in the District, are linked to factors such as personal income growth, the local commercial real estate sector, and collections in the transfer and recordation taxes. In FY 2003 and FY 2004 the real estate market in the District saw real estate investors' profits substantially increase from sales and leases of commercial and residential property. As a result, there was strong growth in unincorporated business collections between FY 2003 and FY 2007. Compared to that period, the real estate market in FY

2008 and in the FY 2009 to FY 2013 period is expected to be much less robust. Unincorporated Business revenue will reflect the downturn in the real estate market.

Gross Receipts Taxes

Taxes in this category include: a tax on the gross receipts of public utilities and toll telecommunications companies operating in the District (the rate is 10 percent for residential use and 11 percent for non-residential use where 1 percent of the 11 percent is dedicated to financing the new baseball stadium), a tax of 1.7 percent on the gross receipts of insurance companies, a tax of 6 percent of net resident revenue on each nursing facility in the District of Columbia.

Table 4-28 shows actual revenue in FY 2008, estimates for FY 2009 and FY 2010 and projected revenue from public utilities, toll telecommunications and insurance premiums for fiscal years 2011 through 2013.

Public Utility Taxes

The public utility tax is imposed on the gross receipts of gas, electric, and local telephone, television, and radio companies. Washington Gas and Pepco are the leading suppliers of natural gas and electricity to customers in the Washington area. As a result of electricity deregulation, Pepco has lost some of its market share, but remains the dominant electricity distributor. In the District, electricity is used more to cool and natural gas is used more to heat buildings. Cold winters tend to result in an increase in collections from Washington Gas and hot, humid summers tend to result in higher collections from Pepco.

In FY 2000, as part of the process of deregulation of the electricity market and Pepco's transformation from an electric power producer to an electric power distribution company, the District replaced the gross receipts tax imposed on electric utilities with a unit tax on electricity distribution companies. This "distribution" tax revenue is included with the city's gross receipts tax collections. The tax is imposed on electricity distributors who operate in the District. The tax rate was $0.007 per kilowatt-hour. This rate was equivalent to the gross receipts tax at the time of conversion. Effective January 1, 2003, the rate was changed to $0.0077 per kilowatt-hour for non-residential customers.

In FY 2006, the tax structure on natural gas was changed from a rate on the gross receipts to a charge

Table 4-28

Gross Receipts Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Public Utility (gross)	153,543	153,627	153,696	153,751	153,796	153,832
Transfer to Ballpark Fund	*(9,228)*	*(10,600)*	*(10,605)*	*(10,609)*	*(10,612)*	*(10,614)*
Public Utility (net)	144,315	143,027	143,091	143,142	143,184	143,217
Toll Telecommunication (gross)	65,741	63,283	63,360	63,418	63,463	63,496
Transfer to Ballpark Fund	*(2,559)*	*(2,658)*	*(2,661)*	*(2,664)*	*(2,665)*	*(2,667)*
Toll Telecommunication (net)	63,182	60,625	60,699	60,755	60,797	60,830
Insurance Premiums (gross)	52,636	64,050	74,767	74,767	74,767	74,767
Transfer to Healthy DC Fund	*(5,964)*	*(7,593)*	*(17,486)*	*(17,486)*	*(17,486)*	*(17,486)*
Insurance Premiums (net)	46,672	56,457	57,281	57,281	57,281	57,281
Healthcare Provider Tax	13,771	11,000	11,000	11,000	11,000	11,000
Transfer to Nursing Facility Quality of Care Fund	*(13,771)*	*(11,000)*	*(11,000)*	*(11,000)*	*(11,000)*	*(11,000)*
Baseball Gross Receipts Tax	24,989	20,748	20,603	20,932	21,414	21,649
Transfer to Ballpark Fund	*(24,989)*	*(20,748)*	*(20,603)*	*(20,932)*	*(21,414)*	*(21,649)*
Total Gross Receipts Taxes	**254,169**	**260,109**	**261,070**	**261,178**	**261,262**	**261,328**

based on the amount used. For residential users, the tax per therm of natural gas was $0.0703 from 12/02/05 to 9/28/06 and $0.0707 after 09/29/06. For non-residential users, the tax per therm of natural gas was $0.0703 from 12/02/05 to 9/28/06 and $0.0707 plus $0.00707 from 09/29/06. The current charge for heating oil is $0.17 per gallon and $0.187 per gallon for residential and nonresidential customers respectively. For electricity, natural gas and heating oil, the additional surcharge on nonresidential customers is dedicated to funding the baseball stadium.

Because of the current tax structure, the tax collected is closely related to energy use. Therefore tax collections from electricity, natural gas and heating are more closely linked to weather extremes rather than to the fuel cost. During the forecast period, we assume average weather patterns.

We estimate gross revenue from public utilities taxes (before the transfer for baseball stadium funding is taken) to be $153.6 million in FY 2009 and $153.7 million in FY 2010. Gross revenue from public utility taxes is estimated to remain at roughly this level from FY 2011 through FY 2013.

Toll Telecommunication Taxes

The toll telecommunications tax is levied on the gross receipts of long distance and wireless telecommunications companies.

Effective August 2002, the District enacted legislation to conform to the federal "Mobile Telecommunications Sourcing Act" (MTSA). The legislation simplifies the billing process and ensures that calls from mobile phones are exempt from taxation by multiple jurisdictions. The legislation defines and designates a user's place of primary use (PPU) as either the user's residence or business address. The District both lost and gained revenue as a result. Some cell phone users, who use their cell phones in the District and thus used to pay D.C. taxes on their long distance calls, selected the District as their PPU and some cell phone users selected other jurisdictions.

In recent years the telecommunications industry has faced challenges. Changes in regulation, overcapacity of lines, and stiff competition to long distance providers (such as AT&T, MCI, Sprint) by local telephone companies such as Verizon are among these challenges. Long distance providers are also suffering because of the growth of the wireless telephone industry. Most wireless telephone companies now include inexpensive long-distance calling plans as a standard feature. The technological advancement known as Voice Over Internet Protocol (VOIP) is another challenge to traditional long distance/overseas telephone service providers. VOIP providers allow users with a high speed internet connection to make telephone calls from their computer to another telephone anywhere in the world. This service is normally provided at a flat rate for unlimited use. The challenges that long distance service providers face are balanced with the opportunities provided by wireless, cable and data service providers. As technology develops, more features are offered. Consumers seem eager for the ability to use the available service and features of 3G networks. As these services, and charges for them, grow so will toll telecommunications gross receipts tax revenue.

We estimate gross revenue from the Toll Telecommunications tax (before the 1 percent transfer on the gross receipts of non-residential customers for baseball stadium funding) to be approximately $63.3 million in both FY 2009 and FY 2010. We project gross revenue to remain roughly flat for the period FY 2011 to FY 2013.

Insurance Premiums Tax

The District's insurance premiums tax rate is 1.7 percent of gross premium receipts. Annuities are tax-exempt. The insurance premiums tax is levied on insurance policies taken out by District residents as well as on property that is registered in the District, regardless of where the policies are written or initiated. Approximately 50 percent of the revenue from the insurance premiums tax comes from life insurance policies, with a combination of other premiums (including business, health, property and motor vehicle) making up the other half. After September 11, 2001 and the Atlantic Ocean hurricane season of 2005, insurance rates increased. Following 2001, many insurers either substantially increased the price for terrorism coverage or dropped the coverage completely. District regulators reached an agreement that capped premium increases for terrorism coverage at 24 percent.

In FY 2008, revenue collected from the insurance premium tax, before the transfer to the Healthy DC Fund was $52.6 million; net revenue (after the transfer) was $46.7 million. Collections from taxes on insurance premiums are estimated to be $56.5

million in FY 2009 and $57.3 million in FY 2010 (after the transfer of insurance premium taxes to the Healthy DC Fund). The net revenue from the insurance premiums tax is expected to be flat through FY 2013, unless there is an external jolt to the insurance industry.

Healthcare Provider Tax

The healthcare provider tax imposes a 6 percent tax on the District's nursing homes. The legislation was passed during 2004. The tax is estimated to generate $11 million annually in general fund revenue from FY 2009 through FY 2013. All of the funds raised are designated to go to the Nursing Facility Quality of Care Fund.

Other Taxes

Deed Recordation and Deed Transfer Taxes

While the real property tax is an annual tax on the value of all existing taxable properties in the District, deed taxes are levied only when taxable properties are sold or transferred. More specifically, the deed recordation tax is imposed on the recording of all deeds to real estate in the District, and the deed transfer tax is imposed on each transfer of real property at the time the deed is submitted for recordation. The deed recordation tax must also be paid on the increased value when commercial property is refinanced.

The "Deed Transfer and Recordation Clarification Act of 2006" increased both the deed recordation and deed transfer tax rates from 1.1 percent to 1.45 percent effective October 1, 2006. However, both the deed recordation and deed transfer tax rates for residential property transfers with a total consideration of less than $400,000 remain 1.1 percent.

In light of recent deed tax rate changes, the following analysis of deed tax trends uses normalized deed tax collection data. Normalized deed tax data transforms all deed tax revenue, regardless of the effective tax rate, into tax revenue as if it was taxed at a 1.1 percent tax rate. This method nullifies the effect of the two tax rate changes in recent years in order to extract and better understand the underlying economic activity that is reflected by deed tax collections.

There are three general component sources of deed tax revenue: commercial property sales, residential property sales and refinancing of commercial property. In FY 2008, it is estimated that the commercial sales sector accounted for 35.7 percent of deed tax collections, the residential property sales sector accounted for 47.8 percent, and the commercial refinancing sector accounted for 16.6 percent. Refinancing activity is measured by the difference between deed recordation and deed transfer taxes. Deed tax revenue from commercial property sales was 44.0 percent lower in FY 2008 than in FY 2007, while deed tax revenue from residential property sales was down 5.9 percent and commercial refinancing down 41.2 percent. As stated earlier, the city's real estate market for calendar years 2001 to 2005 was spectacular in terms of the number of sales and continuously increasing sale prices. But 2006 was the year in which the market began to soften in terms of the number of property sales and the average sale price for certain types of properties. This increasing softness remained in the marketplace through 2008, particularly in the commercial sales sector.

Using normalized deed tax data, deed recordation tax revenue declined by 11.6 percent in FY 2007, and deed transfer tax revenue declined by 10.9 percent in FY 2007. Deed recordation tax revenue in FY 2008 declined by an additional 31.1 percent, and deed transfer tax collections also declined by an additional 26.2 percent in FY 2008. The general cause for this relatively sudden and dramatic weakening was the national subprime mortgage crisis (that began in earnest August 2007), the current national economic recession (that began December 2007), and the financial/banking crisis (that began in earnest September 2008). Notwithstanding the strong underlying fundamentals of the local real estate market over the next few years, which include slight growth in the total number of new jobs, population, and households, as well as a growing list of entertainment/retail outlets and other attractive amenities throughout the city, it appears that the pervasive dismal economic environment and more specifically the lack of debt financing and overall financial crisis has caused many to re-evaluate and/or postpone their plans to purchase property in the city. However as indicated from the few sales that took place in 2007 and 2008 at increasing average sale prices, real estate in the city is maintaining its market value. It is expected that the dismal economic environment will preclude growth in the city's property market in FYs 2009 and 2010, but it is expected that financial crisis will be mostly resolved and the national economic growth will resume in late 2010 and 2011. These conditions are expected to lead to a plethora of property sales in the city which will serve as the basis for growth in deed tax collections starting in late FY 2011.

The deed taxes have also been subject to major legislative changes in recent years. The "Housing Production Trust Fund Second Amendment Act of 2002" requires that 15 percent of the District's deed recordation and transfer tax revenue be transferred to the Housing Production Trust Fund annually. The Housing Production Trust Fund (HPTF) provides funds for the acquisition, construction and rehabilitation of affordable multifamily housing projects. The amount of Deed Recordation taxes transferred to the HPTF in FY 2008 was $23.9 million, and the amount of Deed Transfer taxes transferred to the HPTF in FY 2008 was $16.7 million. Total Deed Tax Revenue dedicated to the HPTF are projected to be $22.4 million in FY 2009 and $17.9 million in FY 2010.

The net deed recordation tax revenue expected to go to the General Fund is estimated to be $75.7 million in 2009 and $61.0 million in 2010. (See table 4-29.) This is a 36.0 percent decrease in net revenue to the General Fund in FY 2009 and a 19.4 percent decrease in FY 2010. Net deed transfer revenue expected to go to the General Fund is estimated to be $51.0 million in 2009 and $40.4 million in 2010. This is a 40.8 percent decrease in net revenue to the General Fund in FY 2009 and a 20.7 percent decrease in FY 2010.

Economic Interests Tax

The economic interest transfer tax is triggered by the sale of a controlling interest in a business entity that includes one or two of the following elements: 1) 80 percent or more of the assets of the entity consist of real property located in the District of Columbia; or 2) more than 50 percent of the gross receipts of the entity are derived from ownership or disposition of real property in the District. In FY 2008, if either of these two elements was present, then the tax rate was 2.2 percent of the consideration. This tax is generally paid by real estate investment trusts and similar partnerships.

Economic interest transfers are normally very large and infrequent. It is difficult to predict when business entities that are subject to the economic interest tax will sell their ownership interest instead of just selling the property. But, by examining the trends of recent years, it can be determined that the increase in revenue from this source is correlated with the overall robustness of the commercial real estate market.

Between 1990, the year this tax was first enacted,

Table 4-29

Other Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Estate	66,899	70,000	60,000	60,000	60,000	60,000
Deed Recordation (gross)	155,974	89,014	71,746	72,456	84,795	94,877
Transfer to HPTF	(23,853)	(13,352)	(10,762)	(10,868)	(12,719)	(14,232)
Transfer to Comp. Housing Strategy Fund	(13,819)	-	-	-	-	-
Deed Recordation (net)	118,302	75,662	60,984	61,587	72,076	80,646
Deed Transfer (gross)	112,434	60,040	47,588	48,156	55,702	60,380
Transfer to HPTF	(16,736)	(9,006)	(7,138)	(7,223)	(8,355)	(9,057)
Transfer to Comp. Housing Strategy Fund	(9,460)	-	-	-	-	-
Deed Transfer (net)	86,238	51,034	40,449	40,932	47,346	51,323
Economic Interests	54,815	17,955	14,091	10,545	10,545	10,545
Total Other Taxes	**326,254**	**214,651**	**175,524**	**173,065**	**189,967**	**202,514**

and 2005, the annual revenue from this tax did not exceed $17 million. But because of the extremely robust activity in the city's commercial real estate sector in 2006 and 2007, the revenue from transactions subject to the economic interest tax reached $30.3 million in FY 2006, a record level of $64.8 million in FY 2007, and $54.8 million in FY 2008. For the first three months of FY 2009, cash collections for this revenue source amounted to only $8.1 million (an 82.0 percent decline from the same period in FY 2008). This appears to be a combination of 1) the residual effects of the weakening dynamics of the real estate market in 2008 and 2) increasing the tax rate for this tax from 2.2 percent to 2.9 percent beginning in FY 2009 via the "FY 2009 Budget Support Act of 2008". It is expected that total revenue from economic interest transfers will total $17.9 million in FY 2009 and $14.1 million in FY 2010. It is expected that the District will receive approximately $10.5 million annually in economic interest tax collections in FYs 2011 to 2013.

The Estate Tax

Prior to 2002, the District of Columbia piggybacked on the federal estate tax system, using the federal "state death tax credit" as the starting point for the District's estate tax computation. Under this system, District taxpayers received a dollar-for-dollar credit against their federal estate tax payments for any estate tax due to the District of Columbia. District estate taxes, therefore, imposed no additional burden on decedent estates and did not increase the total estate tax payment beyond what would have been paid under federal law. This revenue-sharing approach provided for a system of uniformity across all states and the District of Columbia in the collection of death taxes. It resulted in minimal estate tax administration on the part of the District and minimized the impacts of "death shopping" to reduce estate taxes at death.

The federal "Economic Growth and Tax Relief Reconciliation Act" (EGTRRA) of 2001 changed this situation. This legislation gradually eliminates the federal estate tax over the next several years, with full repeal taking effect in year 2010. However, the estate tax elimination is only temporary with the full estate tax scheduled to return in 2011. The major aspects of the EGTRRA legislation are:

- Lowered tax rates for the largest estates;
- Raised the current exemption level from $1.5 million to $2 million in 2006, and further to $3.5 million in 2009; and
- Eliminated the state credit.

District law, however, stipulates that existing District estate tax laws are automatically decoupled from the recent and forthcoming federal estate tax law changes. For example, while the federal threshold was $2 million in FYs 2006 and 2007 the District threshold was $1 million. Furthermore, when the federal threshold is raised to $3.5 million in FY 2009, the District threshold will remain $1 million. Hence, some District estate tax payers may be required to file and pay District estate taxes even when no federal filing or tax is due. This divergence in thresholds for the District and federal estate taxes increases the complexity for applicable District tax payers and is more likely to adversely affect collections in terms of tax compliance.

From the Government of the District of Columbia's perspective, it is important to note that the current estate tax is primarily a federal tax that is overwhelmingly governed by complex federal regulations. The federal estate tax return takes at least nine months to complete and practically compels affected decedent estates to hire lawyers to ensure compliance. Also, federal estate tax forms must be filled-out completely in order to calculate District estate tax liability, even when no federal estate tax is due but District estate tax is due. Essentially, the District does not have a stand alone estate tax structure. District estate tax legislation is a diminutive appendage to a complicated set of unwieldy federal rules and regulations. Therefore, no District legislative action, short of creating an entirely stand-alone estate tax system, will completely offset the adverse effects of EGTRRA, which is estimated to adversely affect estate tax revenues at the federal and District levels annually.

Notwithstanding the current status of federal legislation and District legislation and its interplay, there is evidence that many wealthy District residents, potentially subject to the estate tax, have significantly enhanced their wealth positions in recent years (possibly through the stock markets and/or real estate related developments). And while District estate tax revenue between years 1995 and 2006 amounted to an average of approximately $30 million a year, enormous equity and asset appreciation for the city's wealthiest residents is believed to have been a factor in $30.1 million being collected in FY 2006, $54.3 million being collected in FY 2007, and $66.9 million being collected in FY 2008. It is expected that total revenue from the estate tax will total $70.0 million in FY 2009. In FYs 2010 to 2012 annual revenue is expected to amount to approximately $60 million annually. (See table 4-29.)

Non-Tax Revenues

General Purpose Non-Tax Revenues

Total general purpose non-tax collections are projected to be $339.8 million in FY 2009. (See Table 4-30.) This is $46.0 million or 11.9 percent less than FY 2008 non-tax revenue collections. Factors contributing to this decrease in general purpose non-tax revenue in FY 2009 include the following:

- Collections from licenses and permits are projected to be $24.0 million lower or 28.3 percent lower than FY 2008 revenue collections.
- Collections from fines and forfeitures are expected to be $30.7 million higher or 31.0 percent higher in FY 2009 than in FY 2008.
- Collections from charges for services are expected to be $4.6 million or 10.5 percent higher in FY 2009 than in FY 2008.
- Collections from miscellaneous revenues are estimated to be $57.2 million or 36.1 percent lower in FY 2009 than in FY 2008, primarily due to a $19.6 million decline in interest income, and a $45.7 million decline in other revenue.

For FY 2010, total general purpose non-tax collections are expected to be $335.2 million (see Table 4-30), which is down $4.7 million (1.4 percent) from FY 2009. Contributing factors to this decrease in general purpose non-tax revenue in FY 2010 include:

- Collections from licenses and permits are expected to be down $0.9 million (1.4 percent) from FY 2009.
- A 2.8 percent increase in fines and forfeitures is expected in FY 2010. This increase is mainly due to an expected increase in red light camera fines of $2.5 million.
- A 5.2 percent decrease in miscellaneous revenue is expected in FY 2010 from FY 2009. This is due to an expected decrease in interest income of $7.5 million or 17.4 percent from FY 2009.
- Revenue from charges for services is expected to decrease by 4.5 percent in FY 2010 from FY 2009. This is due to an expected decrease in corporate recordation fees ($2.0 million or a 22.2 percent decrease).

Special Purpose Non-Tax Revenue

Special purpose non-tax revenues, often times referred to as O-Type or Other 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 at the conclusion of the fiscal year or revert to general-purpose funds. Unspent revenue in certain funds cannot revert to general purpose funds. Dedicated revenues limit the use of the District's General Fund

Table 4-30

General Purpose Non-Tax Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Licenses & Permits	84,921	60,892	60,034	63,043	60,043	63,053
Fines & Forfeitures	98,932	129,582	133,211	130,041	129,885	127,540
Charges for Services	43,493	48,050	45,901	48,300	45,925	48,775
Miscellaneous	158,510	101,316	96,032	88,737	91,711	93,462
Total General Purpose Non-Tax Revenue	**385,856**	**339,841**	**335,178**	**330,122**	**327,564**	**332,830**

Note: Table 4-40 (at the end of this chapter) provides a detailed listing of non-tax revenue by source.

Table 4-31
Motor Fuel Tax Dedicated to the Highway Trust Fund, Fiscal Years 2008-2013
($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Motor Fuel Tax	23,199	19,719	20,173	20,637	21,111	21,597

revenue by earmarking a portion of the revenue for special purposes. Prior to FY 2002 dedicated non-tax revenues were not considered local revenues and as such were reported differently in the Comprehensive Annual Financial Report (CAFR) and reported with the District's federal and private grants in the Financial Plan.

In FY 2010 the District is anticipating $454.4 million in revenue and use of fund balance of $72.6 million for a total of $527.0 million to cover the cost of performing the functions associated with these resources. The use of fund balance is a one-time revenue source and as such is not projected for FY 2011 – FY 2013. Table 4-41 (at the end of this chapter) shows the current law or baseline dedicated non-tax revenue by agency and fund. Proposed policy initiatives that would change the D.C. Official Code or the D.C. Municipal Regulations may, if enacted, provide additional revenue to specific Special Purpose Revenue funds in addition to the current law projected revenues shown in this table. Exhibit B of Table 4-19 shows proposed policy initiatives affecting Special Purpose Revenue funds and their estimated revenue impact.

Special Funds
The District operates several special funds financed by tax revenues. These revenues are not available to the General Fund and the Appropriated Budget.

Convention Center Fund. Beginning in FY 1999, the formula financing the Convention Center Fund includes only sales tax revenue from hotels, restaurants, rental vehicles, and sale of prepaid phone cards. Prior to FY 1999, revenues from a surtax of 5 percent on franchise taxes and a $1.50 tax on each hotel room-night were dedicated to the Convention Center Fund. These funding sources were eliminated and replaced by a larger share of the hotel sales tax dedicated to that purpose. The hotel tax rate is 14.5 percent— a 4.45 percent rate dedicated to the Convention Center Fund and a 10.05 percent rate to the District's General Fund. The 10 percent sales tax rate applies mainly to restaurants but also includes rental cars, prepaid telephone cards, tickets sold for baseball games, merchandise at the baseball stadium, tickets sold for events at the Verizon Center and merchandise at the Verizon Center. Of sales taxed at the 10 percent rate, 1 percent is dedicated to the Convention Center Fund and a 9 percent rate to the General Fund.

Highway Trust Fund. The motor fuel tax is assessed at $0.20 per gallon and is levied on fuel wholesalers. Motor vehicle fuel tax revenue is deposited directly into a special account, the Highway Trust Fund, and is not General Fund revenue. The Highway Trust Fund uses both local-source and federal matching funds to construct, repair and manage eligible District roads and bridges. Approximately 400 of the 1,020 miles (or 39.2 percent) of streets and highways, as well as 229 bridges in the District, are eligible for federal aid.

In the Mid-Atlantic region of the United States, according to the Energy Information Agency (EIA), the growth in fuel consumption has fluctuated in recent years. Fuel consumption in the region grew 0.38 percent in 2007 but declined 2.8 percent in 2008. Locally, District annual fuel tax collections have also been fluctuating in recent years. Collections declined 3.7 percent in FY 2006, increased 7.3 percent in FY 2007, and declined 13.4 percent in FY 2008 collections.

It believed that the weakening economy, increased joblessness, and high fuel prices are the reasons for the declines in the demand for motor fuel both in the region and city in 2008. These factors are expected to continue more so in 2009. Therefore, as the EIA is forecasting growth regionally to be -0.85 percent in 2009 and 0.63 percent in 2010, the forecast model for local collections predicts that annual fuel consumption demanded of District fuel retailers will decline at a rate of 15.0 percent in 2009 but grow

Table 4-32

Ballpark Fund Revenue, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Ballpark Fee	24,989	20,748	20,603	20,932	21,414	21,649
Utility Taxes Dedicated to Ballpark	11,787	13,258	13,266	13,272	13,277	13,281
Stadium Revenue	12,364	8,900	9,212	9,663	10,204	10,766
Rent Payment	0	7,250	4,000	4,500	5,000	5,500
Total Ballpark Fund Revenue	**49,140**	**50,156**	**47,081**	**48,367**	**49,895**	**51,196**

annually beginning in 2010 at an average annual rate of 2.3 percent. Thus, District fuel tax cash collections for FYs 2009 and 2010 are expected to be $19.7 million and $20.2 million, respectively.

Beginning in FY 2007, the following additional revenue sources were dedicated to the Highway Trust Fund:

- The incremental revenue from a 20 percent increase in the right-of-way fees paid by utility companies.
- The incremental revenue from a 20 percent increase in the public space rental fees paid on underground vaults.
- The incremental revenue from charging cable companies 20 percent of the revised right-of-way fee rates paid by utility companies.

Ballpark Fund. The "Ballpark Omnibus Financing and Revenue Act of 2004" (the "Ballpark Act") provides for the creation of a Ballpark Revenue Fund, into which the Chief Financial Officer of the District (the "CFO") is required to deposit "all receipts from those fees and taxes specifically identified by any provision of District of Columbia law to be paid into the fund and any rent paid pursuant to a lease of the ballpark." Those fees and taxes are described below (see Table 4-32), and include the Ballpark Fee, utility taxes, stadium revenue and rent. The Ballpark Revenue Fund will be established within the District's General Fund, and will be pledged to pay debt service on the District's baseball stadium revenue bonds (the "Baseball Stadium Bonds").

The Ballpark Fee is a gross receipts fee that is levied on businesses within the District with over $5 million in gross receipts. (See Table 4-33 for the fee schedule.) On or before December 1 of each year, the CFO is required to compute the amount of the Ballpark Fee collected in the prior fiscal year and the amount estimated to be collected in the current fiscal year. If the estimate for the current fiscal year is less than $14 million, the CFO must calculate an adjustment of the schedule to provide for an estimated receipt of $14 million in the next fiscal year. This adjusted schedule will then take effect on the following October 1. The fees are due in a single payment on June 15th annually. The District expects to receive about $21 million annually from the Ballpark Fee.

The District collects a fee of 11 percent of the gross receipts from sales for nonresidential customers of telephone companies, television and radio broadcasting companies. 1 percent of the 11 percent is deposited into the Ballpark Revenue Fund to be used for debt

Table 4-33

Ballpark Fee Schedule

Gross Receipts	Fee	Approximate Number of Fee-payers in CY 2008
$5,000,000 - $8,000,000	$5,500	489
$8,000,001 - $12,000,000	$10,800	472
$12,000,001 - $16,000,000	$14,000	205
Greater than $16,000,000	$16,500	638

Table 4-34

Neighborhood Investment Fund, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Personal Property Tax	10,000	10,000	10,000	10,000	10,000	10,000

service on the Baseball Stadium Bonds. In FY 2000 the tax structure on electricity distribution was changed. In FY 2006, the tax structure on natural gas and heating oil was changed. Currently in addition to 1 percent of the gross receipts of nonresidential customers' telephone, cable and radio subscription bills, the District collects and deposits to the Ballpark Revenue Fund a tax of $0.0007 for each kilowatt-hour of electricity delivered to non residential end-users in the District of Columbia, $0.00707 per therm of natural gas, and $0.017 per gallon of heating oil. Taxes are remitted to the District monthly. The District expects to receive about $13.3 million in FY 2009 and FY 2010 from these utility taxes.

The stadium-related sales tax streams include:

- Taxes on tickets sold. In addition to the 5.75 percent generally applicable tax, there is an additional 4.25 percent Stadium-specific tax.
- Taxes on parking at the stadium for baseball games. This tax is a 12 percent generally applicable tax.
- Taxes on stadium concessions (excluding food and beverages). In addition to the 5.75 percent generally applicable tax, there is an additional 4.25 percent Stadium-specific tax.
- Taxes on food and beverages sold in the stadium. This tax is a 10 percent generally applicable tax, less one-tenth that must be transferred to the Washington Convention Center Authority Fund for payment of debt service on Washington Convention Center bonds.

The District expects to receive about $8.9 million in FY 2009 and $9.2 million in FY 2010 from these stadium-related sales taxes.

The stadium rent payment amounts shown in Table 4-32 are based on a schedule of payments agreed upon in the Baseball Stadium Agreement signed by the team, the Mayor, and the District of Columbia Sports and Entertainment Commission on September 29, 2004. The payments in FY 2005 through FY 2007 were not deposited in the Ballpark Revenue Fund. Those rent payments were deposited with the District of Columbia Sports and Entertainment Commission for the operations at RFK Stadium.

Neighborhood Investment Fund. In 2004, District legislation created a Neighborhood Investment Fund and a Neighborhood Investment Program which dedicates approximately $10 million annually from personal property tax revenue to pay for a variety of community revitalization development purposes, including commercial, residential, and civic uses for twelve priority neighborhoods. (See table 4-34.)

Housing Production Trust Fund. The "Housing Production Trust Fund Second Amendment Act of

Table 4-35

Estimated Deed Tax Receipts Transferred to the Housing Production Trust Fund and the Comprehensive Housing Task Force Fund, Fiscal Years 2008-2013

($ thousands)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Total Deed Tax Receipts Transferred to HPTF	40,589	22,358	17,900	18,092	21,074	23,289
Total Deed Tax Receipts Transferred to CHTFF	23,279	-	-	-	-	-
Total	**63,868**	**22,358**	**17,900**	**18,092**	**21,074**	**23,289**

2002" requires that 15 percent of the District's deed recordation and transfer tax revenue be transferred to the Housing Production Trust Fund annually. The Housing Production Trust Fund provides funds for the acquisition, construction and rehabilitation of affordable multifamily housing projects. Funds newly dedicated to housing production will be $22.4 million in FY 2009 and $17.9 million in FY 2010. (See table 4-35.)

Comprehensive Housing Task Force Fund. The "Fiscal Year 2007 Budget Support Act of 2006" established the Comprehensive Housing Task Force Fund and increased the deed tax rates from 1.1 percent to 1.45 percent beginning in FY 2007. A portion of the increase in the deed tax revenue that comes from the increase in the deed tax rates is the funding source for this fund. This fund will support a number of affordable housing initiatives including rent supplements, workforce housing and energy assistance. $23.3 million was transferred to the fund in FY 2008. (See table 4-35.)

The "Fiscal Year 2009 Budget Support Act of 2008" included a provision to deposit in the General Fund the deed recordation and transfer taxes that had been dedicated to the Comprehensive Housing Task Force Fund by the "Fiscal Year 2007 Budget Support Act of 2006". Consequently, as is shown in Table 4-35, no deed recordation or transfer tax revenue is transferred to the Comprehensive Housing Task Force Fund after FY 2008.

School Modernization Fund. In FY 2006, the District enacted the "School Modernization Financing Act of 2006" which established the Public School Capital Improvement Fund for the purpose of funding capital improvements throughout the District of Columbia school system. In FY 2008 $100 million of sales tax revenue was transferred to this fund. In fiscal years 2009-2011, $106.0 million, $112.4 million, and $119.1 million, respectively, will be transferred to the fund. Beginning in FY 2012, the amount of funds transferred to the Public School Capital Improvement Fund will be indexed based on the RSMeans Construction Cost Index for Washington, DC. (See Table 4-23 for the amount of sales tax transferred to the Public Capital Improvement Fund in each year of the Financial Plan.)

Policy Proposals

A number of policy proposals and other revenue-affecting actions would affect District of Columbia Local and Special Purpose revenue in FY 2010. Table 4-19, Exhibit B in the Revenue Chapter of the FY 2010 Proposed Budget and Financial Plan reports the revenue impact of these proposals.

The following proposals would affect the District's revenue for the Local Fund component of the General Fund.

- **Establish a DC One Card Replacement Fee.** Subtitle I.A of the *Fiscal Year 2010 Budget Support Act of 2009* (BSA) establishes a nonrefundable fee of $5 for replacement of any DC One Card that contains an electronic chip.
- **Revise the Schedule of Fees Collected by the Office of the Surveyor.** BSA Subtitle II.D amends D.C. Official Code Section 1-1329 to establish a new fee schedule for services provided by the DCRA's Office of Surveyor. Fees affected include those relating to: building plats, registration of land surveyors, street and alley closings, subdivision of land plats, filing wall examination reports, project review fees for fire suppression systems for hoods and ducts, construction modification and specialized shop drawing review requests, elevator repair permits, and new elevator permits. Additionally, this Subtitle establishes an "Enhanced Surveyor Function Fund." All revenue received from fees for services provided by the Office of the Surveyor is to be deposited into this fund and be used to maintain and upgrade the surveying systems and enhancing customer service delivery by the Office of the Surveyor. Since this new fund is a Special Purpose Revenue fund, revenue from existing fees would now be deposited into this fund rather than be accounted for as non-tax revenue. The Fiscal Impact Statement (FIS) for this Subtitle estimates a non-tax revenue loss of $233,808. This Subtitle also requires that $29,750 be annually deposited in the District's General Fund from the Enhanced Surveyor Function Fund. Consequently, the net revenue loss in non-tax revenue would be approximately $204,000 in FY 2010.
- **Transfer Half of NOI Fines to the BBL Fund.** BSA Subtitle II.E directs half of the fines collected from "Notice of Infraction Fines" (NOI) to be

deposited into the Basic Business License (BBL) Fund and be used to pay for costs of the basic business licensing system. By directing half of the fines to the BBL Fund, which is a Special Purpose Revenue Fund, this provision reduces the amount of Local Fund nontax revenue.

- **Establish a DCRA BBL Expedited Service Fee.** BSA Subtitle II.E also amends D.C. Official Code Section 29-101.121 to establish an optional expedited service fee structure for individuals filing corporations-related documents. A $50 fee will be charged for expedited 3-day service, in addition to all other fees required by statute or regulation. For expedited same-day service, a $100 fee will be charged in addition to all other fees required by statute or regulation. No additional fees will be charged for regular, non-expedited service.
- **Establish an Elevator Licensing Fee.** BSA Subtitle II.P amends Chapter 28 of Title 47 of D.C. Official Code to establish a $260 fee for the issuance, renewal, or reinstatement of a license for elevator contractors, mechanics and inspectors in the District.
- **Elimination of the 50% Discount on Most Parking Citations for Fleet Adjudication Program Participants.** During the FY 2008-09 oversight process, the Council's Committee on Public Works and Transportation learned that the District had earlier established a 50% discount on most parking citations for participants in the Fleet Adjudication Program at DMV. This policy was abandoned prior to FY 2009. However, due to a miscommunication within the DMV, the District was still providing the discount on these citations. While the District is no longer providing these discounts, revenue for these citations was not accounted for in the Mayor's submitted FY 2010 budget proposal. As such, the Chief Financial Officer certified $120,000 of additional, previously unaccounted for revenue from these citations.
- **Elimination of the Adjudication Option for Fleet Reconciliation Program Participants.** BSA Subtitle VI.A replaces the current Fleet Adjudication Program with the Fleet Reconciliation Program. One difference between the two programs is that participants in the Fleet Reconciliation Program will not be able to contest any issued citations. Additional citation revenue will result from citations that would have otherwise been dismissed through the adjudication process.
- **Raise Taxi and Limo License Fees.** BSA Subtitle VI.F increases certain taxicab and motor vehicles for hire fees. Fees that increase include: annual licenses for taxicab and motor vehicles for hire operators; the annual processing fee paid by taxicab companies and associations; not valid for hire and taxicab annual operator ID cards; public vehicles for hire licenses; and licenses to operate an ambulance, funeral car, or sightseeing vehicle. This Subtitle also amends 31 DCMR 1101 so that all public vehicles for hire operators (not just taxicab operators) will pay the annual assessment that is deposited into the D.C. Taxicab Commission Fund. In addition, this Subtitle increases the limousines business license fee for a D.C.-based limousine organization, and the business license fee for a D.C.-based independently operated limousine.
- **Incorporate Acts Passed Subject to Appropriation.** BSA Subtitle VII.A repeals the "subject-to-appropriations" clauses for a number of legislative actions that are already funded, or would be funded by the proposed FY 2010 through FY 2013 budget and financial plan. The subtitle also provides various technical amendments and re-regulates certain funding requirements.
- **Eliminate Sales Tax Holidays.** BSA Subtitle VII.B amends Chapter 20 of Title 47 of the D.C. Official Code to eliminate time-sensitive exemptions to the application of the gross sales tax. These sales tax exemptions are commonly known as "Sales Tax Holidays".
- **Transfer School Paygo from Dedicated Tax to Local.** In FY 2006, the District enacted the School Modernization Financing Act of 2006, which established the Public School Capital Improvement Fund for the purpose of funding capital improvements throughout the District of Columbia school system. The Act specified the amount of sales tax revenue to be dedicated to this fund. Under BSA Subtitle VII.E sales tax revenue would no longer be dedicated to this fund,

but would remain in the Local Fund.

- **Set Floor on Taxable Assessments.** Due to the interplay of the property tax cap on assessments and the homestead exemption, 21,898 (23 % of all Class I homesteads) paid less than 40 percent of the market value of their 2009 Market Assessment. BSA Subtitle VII.F amends the law so that if the current tax year's taxable assessment of a real property receiving the homestead deduction is less than 40% of the current tax year's assessed value, then the current tax year's taxable assessment (for purposes of D.C. Official Code Section 47-864(b)(1) as revised by this Subtitle) shall be 40% of the current tax year's assessed value.
- **Close Delaware Holding Company Loophole.** Currently corporations may use passive investment companies (PICs), also known as Delaware Holding Companies, to shelter income from D.C. tax. For example, the D.C. firm may be required to pay license or royalty fees to the PIC, which may serve as the holder of trademarks or other intangible assets. The fees paid by the D.C. firm are deductible, while the income from intangible assets is generally not taxable in Delaware and certain other jurisdictions. BSA Subtitle VII.G closes this tax avoidance loophole.
- **Apply Economic Interest Taxes to Sale of Co-op Units.** At present, co-op owners are exempt from deed and transfer taxes. When a co-op unit owner sells, it is a transfer of an economic interest. There is no deed recorded or transferred. BSA Subtitle VII.H requires co-op sales to be taxed under an equivalent Economic Interest Tax.
- **Tax Compliance Initiative.** BSA Subtitle VII.J authorizes the Chief Financial Officer to establish a program to provide amnesty to a taxpayer liable for the payment of certain D.C. Official Code Title 47 taxes for returns or reports required for tax periods ending prior to January 1, 2009.
- **Revenue Effect of Stimulus Tax Relief.** The federal government has proposed legislation to provide an economic stimulus to the U.S. economy. Part of the Stimulus Plan includes federal tax relief. Since certain provisions in the District's tax code are affected by federal tax legislative changes, the Stimulus Plan will have an impact on the District's revenues. Four tax provisions in the Plan could have an impact on the District:
  - **Corporate Income Tax Deferral of Income from Canceled or Repurchased Business Debt.** Under current law, firms recognize income when they cancel debt or repurchase debt for an amount less than the issue price. This provision in the Stimulus Plan allows firms to defer this type of income for the first four to five years and then recognize the income for tax purposes over the following five taxable years. Since BSA Subtitle VII.K decouples the District from this Stimulus Plan provision, there will be no revenue loss to the District.
  - **Sales Tax Deduction for New Motor Vehicle Purchases.** The Stimulus Plan provides a deduction for sales and excise tax on new motor vehicles up to $49,500 for new cars, light trucks, motorcycles, and mobile homes. This provision phases out for taxpayers with modified AGI in excess of $125,000 ($250,000 joint), and has a sunset date of 12/31/09. District law currently exempts motor vehicles from the general sales tax. However, the District does impose an excise tax on motor vehicles at rates of 6 to 8 percent of the value depending on the weight of the car. Since BSA Subtitle VII.K decouples the District from this Stimulus Plan provision, there will be no revenue loss to the District.
  - **The Earned Income Tax Credit (EITC).** For tax years beginning 2009 and 2010 (thus the impact for the District is in FY 2010 and 2011) this Stimulus Plan provision increases the Federal EITC. The District "piggybacks" on the Federal EITC by allowing the federal tax filer to take 40 percent of the Federal EITC as their D.C. EITC. Since BSA Subtitle VII.K does not decouple the District from this provision, the estimated revenue loss to the District is $1.8 million in FY 2010 and $1.7 million in FY 2011.
  - **Unemployment Insurance Benefits Exclusion.** The stimulus legislation includes an exclusion of up to $2,400 of unemployment insurance benefits from Gross Income for taxable year 2009. The District conforms to this part of the definition of Federal Income in calculating Adjusted Gross Income. Since BSA Subtitle VII.K does not decouple the

District from this provision, the estimated revenue loss is $1.0 million in FY 2009 and $4.1 million in FY 2010.

- **Building Bridges Across the River Tax Exemption.** BSA Subtitle VII.M amends Chapter 10 of Title 47 of the District of Columbia Official Code to add a new provision that grants a property tax exemption for the real property located at 3315 and 3321 23rd Street, S.E., Lots 6 and 2 in Square 5894, owned by Building Bridges Across the River, Inc., a non-profit corporation so long as the property continues to be owned by Building Bridges Across the River, Inc., and used as a community playground. This Subtitle also requires that all real property taxes, interest, penalties, fees, and other related charges assessed against Building Bridges Across the River, Inc., from the period beginning on October 1, 2008, on real property located at 3315 and 3321 23rd Street, S.E., Lots 6 and 2 in Square 5894, be forgiven and any payments already made for these periods be refunded.
- **14 W and YMCA Anthony Bowen Project Tax Exemption and Tax Relief.** The FY 2010 through FY 2013 budget and financial plan incorporates the fiscal effect of L17-0375, 14W and the YMCA Anthony Bowen Project Real Property Tax Exemption and Real Property Tax Relief Temporary Act of 2009, enacted on January 28, 2009. BSA Subtitle VII.R amends D.C. Official Code Chapter 46 of Title 47 to provide real property and sales tax exemptions for the "14W and the YMCA Anthony Bowen Project Real Property Tax Exemption Act of 2009", a mixed-use development to be constructed on Square 0234, Lot 164 in Ward 1, which consists of 231 units of rental apartments (including 18 units devoted to affordable housing), retail space, a below-grade parking garage, and the new YMCA Anthony Bowen, a 45,000 square foot community and wellness facility. This legislation exempts the developer of the Project from sales tax on the purchase of materials used directly for the construction of the Project. Additionally, the legislation exempts the Project from real property taxes for ten consecutive years, and then would provide a 10 percent increase in property taxes owed each year for an additional ten years until property taxes reach 100 percent.
- **View 14 Economic Development.** The FY 2010 through FY 2013 budget and financial plan incorporates the fiscal effect of A18-0065, View 14 Economic Development Temporary Act Of 2009, enacted on April 27, 2009. BSA Subtitle VII.S amends D.C. Official Code Chapter 46 of Title 47 to provide real property and sales tax exemptions for the "View 14 Project", a mixed-use development to be constructed on Square 2868, Lot 155 in Ward 1, which consists of 185 units of condominiums/apartments (including some devoted to affordable housing), retail space, and a below-grade parking garage. This legislation would exempt the developer of the Project from sales tax on the purchase of materials used directly for the construction of the Project. Additionally, the legislation would exempt the Project from real property taxes for ten consecutive years, and then would provide a 10 percent increase in property taxes owed each year for an additional ten years until the annual real property taxation reaches 100 percent. The legislation also stipulates that the combined amount of the sales and real property tax exemption shall not exceed $5.7 million.
- **God of a Second Chance Ministry Real Property Tax Relief.** Under BSA Subtitle VII.V all unpaid real property taxes, interest, penalties, fees, and other related charges assessed against real property located at Lot 0153, Square 5365 would be forgiven for the period June 23, 2008 through May 31, 2009. Also, any payments already made for this period would be refunded.
- **Mandate Combined Reporting for TY 2011**. BSA Subtitle VII.W would mandate combined reporting for corporate income tax payers beginning with tax year 2011. It would require a multi-state corporation operating in the District to combine all of its entities into a whole prior to apportioning income. Under combined reporting, corporations would be required to combine their nationwide net profits. The District would then tax a share of that combined income using an appropriate apportionment formula. Combined reporting would eliminate tax-avoidance strategies of large multi-state corporations by treating the parent and most subsidiaries as one corporation for District income tax purposes. Since adopting combined reporting is a significant undertaking, a Tax Year 2011 effective date has been set in order

to provide the Office of Tax and Revenue time to develop rules and systems, as well as to educate and inform taxpayers.

- **Delay Implementation of Homestead Deduction Indexing.** BSA Subtitle VII.X would maintain the homestead deduction at $67,500 through September 30, 2012. Beginning October 1, 2012, the homestead deduction would be increased annually by a cost-of-living adjustment. The Washington Area Consumer Price Index would be used to make the adjustment.
- **Delay Implementation of Standard Deduction Indexing.** BSA Subtitle VII.X would maintain the standard deduction at $4,000 ($2,000 for married filing separately returns) through December 31, 2012. Beginning January 1, 2013, the standard deduction would be increased annually by a cost-of-living adjustment. The Washington Area Consumer Price Index would be used to make the adjustment.
- **Delay Implementation of Personal Exemption Indexing.** BSA Subtitle VII.X would maintain the personal exemption at $1,675 ($3,350 for head of household returns) through December 31, 2012. Beginning January 1, 2013, the personal exemption would be increased annually by a cost-of-living adjustment. The Washington Area Consumer Price Index would be used to make the adjustment.
- **Increase Retail Sales Tax Rate.** BSA Subtitle VII.X would increase the retail sales tax rate from 5.75 percent to 6 percent for the period October 1, 2009 through September 30, 2012. The general retail sales tax rate will remain at 5.75% for legitimate theaters and entertainment venues with 10,000 or more seats so long as such taxes are not applied to pay debt service on tax exempt bonds.
- **Increase Gasoline Excise Tax.** BSA Subtitle VII.X would increase the gasoline excise tax from $0.20 per gallon to $0.235 per gallon beginning October 1, 2009. The additional revenue generated by the increase will be distributed to the Local Fund rather than to the Highway Trust Fund.
- **Increase Cigarette Excise Tax.** BSA Subtitle VII.X would increase the cigarette excise tax from $2.00 per pack of 20 cigarettes to $2.50 per pack beginning October 1, 2009.
- **Increase Little Cigar Excise Tax.** BSA Subtitle VII.Y defines the terms cigarette, cigar, little cigar, and moist snuff. This subtitle also provides that little cigars would be taxed at the same rate per little cigar as is levied per cigarette. As a consequence, BSA Subtitle VII.X, which increases the cigarette excise tax, would also mean that a small cigar excise tax of $2.50 per pack of 20 little cigars would be levied beginning October 1, 2009. Currently, little cigars are taxed at a 12 percent rate on the retail sale.
- **Community Health Care Financing Fund Revenue.** Within Title VIII of the BSA, the budget proposes to use $18.3 million, $14.84 million, and $4.0 million in FY 2009, FY 2010, and FY 2011, respectively, from the certified fund balance of the Community Health Care Financing Fund available pursuant to section 102(b)(1) and (2) of the Community Access to Health Care Amendment Act of 2006 (D.C. Law 16-288; D.C. Official Code Section 7-1932(b)(1) and (2)).
- **Tobacco Trapping Event Revenue.** The District has not been receiving a portion of tobacco settlement revenues, specifically, amounts in excess of the annual debt service payments on the FY 2001 tobacco bonds. This is because one of the major tobacco companies' bond rating was downgraded below investment grade. Per the 2001 tobacco bonds agreements, residual revenues have been "trapped" in an account with the bond trustee, as protection from a potential reduction in future tobacco settlement revenues that might occur should that tobacco company go bankrupt. Now that the company's rating has been upgraded, and the trapping event has gone away, the $23 million in this account would be released to the District.
- **Use Motor Vehicle Theft Prevention Commission Fund Revenue as Local.** BSA Title VIII.A proposes to deposit fines for motor vehicle insurance violations listed in D.C. Official Code Section 31-2413(a) into the Local Fund in FY 2009. Currently, these fines are dedicated to the Motor Vehicle Theft Prevention Fund, which is a Special Purpose Revenue account. Therefore, this proposal would add to Local fund revenue, but reduce Special Purpose fund revenue, in FY 2009.
- **Use Dedicated Tax Revenue as Local Revenue.** As shown in Table 4-19, Title VIII of the BSA proposes to use a portion of certain dedicated tax

revenues as Local Fund revenue. This would increase the amount of Local revenue available, but decrease, by the same amount, the amount of tax revenue directed to a number of dedicated tax revenue funds. In FY 2009, a portion of the Unified Fund's parking tax revenue and the Community Benefit Fund's revenue would become Local revenue. In FY 2010, the Community Benefit Fund, the Neighborhood Investment Fund, the Baseball Fund, the Healthy DC Fund, the Nursing Quality of Care Fund, and the Tax Increment Financing Fund would be affected by this BSA Subtitle. In FYs 2011-2013, the Community Benefit Fund, the Neighborhood Investment Fund, and the Baseball Fund would have a portion of their dedicated tax revenues directed to the Local Fund.

- **Increase DC Employee Parking Fees.** This proposal (BSA Subtitles I.AA and VIII.C and D) would increase D.C. government employee parking charges at D.C. owned (Reeves Center, Judiciary Square, 300 Indiana Avenue, Recorder of Deeds, and 1st and E NW) and leased facilities from $80 to $160 per month. The additional revenue generated would go to the Local component of the General Fund rather than to the Special Purpose Revenue Parking Fees fund administered by the Department of Real Estate Services.
- **Convert Certified Unbudgeted O-type Revenue to Local**. BSA Subtitle VIII.C would transfer (in FY 2010) certified, but unbudgeted, O-type revenue from various funds to the Local Fund so that this revenue is recognized as FY 2010 revenue.
- **Transfer Office of Cable TV Revenues to Local.** BSA Subtitle VIII.C would also transfer (in FY 2010) a portion of the Special Purpose (O-type) revenue from cable franchise fees to the Local Fund. Normally, this revenue would go to the Cable Franchise Fees fund administered by the Office of Cable Television.
- **Transfer DDOT Unified Fund Revenues to Local**. BSA Subtitle VIII.C would also transfer (in FY 2010) to the Local Fund a portion of the Special Purpose (O-type) revenue normally directed to DDOT's Unified Fund.
- **Reclassify Class III Property**. Under current law, Class III properties are vacant, abandoned, or nuisance properties and are subject to a rate of $10 per $100 of assessed value. This amendment reclassified vacant property to the appropriate residential and nonresidential classes. Only properties designated by DCRA as "blighted" will be subject to the $10 rate.
- **Retail Service Station Deed Transfer Surtax.** A new surcharge is added to the existing deed transfer tax for retail service stations that had or should have had a business license or endorsement to operate as same within 6 months before the date the deed was timely recorded. The tax collected under this subsection shall be deposited in the General Fund of the District of Columbia.
- **Convert E911 Fee to Local**. As shown in Table 4-19, in FY 2010, a portion of the Special Purpose (O-Type) fee revenue normally directed to the E911 and 311 Assessment Fund is transferred to the Local Fund.
- **Transfer Additional Certified Revenue from DDOT TCO Issued Tickets to Local**. Since FY 2009 revenue from parking and moving violation tickets issued by DDOT Traffic Control Officers has been greater than projected, the Office of the Chief Financial Officer certified an additional $2 million of revenue from DDOT TCO issued tickets to be transferred to Local.
- **Allen Chapel AME Senior Residential Rental Project Tax Exemption and Tax Relief.** This legislation amends Chapter 10 of Title 47 of the District of Columbia Official Code to add a new provision that grants a property tax abatement in FY 2009 for certain real properties owned by Allen Chapel A.M.E. Church. The legislation also allows reimbursement of all tax payments made on these properties starting January 1, 2006, including all real property taxes, interest, penalties, fees, and other related charges assessed against Allen Chapel A.M.E. Church or by an entity controlled, directly or indirectly, by Allen Chapel A.M.E. Church.
- **CEMI-Ridgecrest - Walter Washington Community Center Tax Exemption and Tax Relief.** This legislation provides tax relief to Walter Washington Community Center—a privately-owned, taxable property that is operating as a community center. The property is currently in a tax sale, and the provisions of this legislation would take it out of tax sale. This legislation also exempts the real property located at Lot 128, Square 6159, owned by CEMI-Ridgecrest,

Incorporated, from real property tax in FY 2009. The legislation further requires that taxes and charges currently owed by CEMI-Ridgecrest, Incorporated for the real property be paid for through a mortgage agreement entered into between the District and the owner, on terms that are same as the terms as the current mortgage agreement between the two parties. Lastly, the legislation requires all other amounts necessary to redeem the real property under a tax sale be deposited with the Chief Financial Officer on behalf of the owner. It further specifies that if the property is used for any purpose other than as a community center, the sum of all forgiven unpaid real property tax and penalties shall be paid to the District with 5 percent interest, and further provides that in that case a lien will be placed against the real property to secure the repayment.

- **Increased Parking Meter Rates.** The Equitable Parking Meter Rates Temporary Amendment Act of 2009 increased parking meter rates and also provided that the additional revenue from the rate increase was to be directed to the Local component of the General Fund rather than be dedicated to the District Department of Transportation's (DDOT) Unified Fund. Since the non-tax revenue line of Table 4-19 does not include this FY 2009 Local Fund revenue, we report it in Exhibit B of Table 4-19.
- **Hire New ABRA Inspectors.** The Council's Committee on Public Works and Transportation recommended adding four Alcoholic Beverage and Regulation Administration (ABRA) inspectors. This was in response the continuing need for ABRA enforcement of new single sales prohibitions, as well as existing sales to minors and other licensee violations, and other violations at licensee establishments. Additional revenue would be generated from ABRA's increased enforcement resources.
- **Enhanced Parking Control Initiative.** The Council's Committee on Public Works and Transportation recommended an enhanced hybrid approach to parking enforcement that would integrate License Plate Recognition System (LPRS) enforcement with parking enforcement by traditional parking control officers. The following actions are planned to support this initiative:
  - **Hire 65 Parking Control and ROSA Officers.** This initiative will include 47 new neighborhood parking control officers and 18 new officers for ROSA enforcement. Revenue would be generated by the additional parking citations issued as a result of this enhanced neighborhood parking enforcement program.
  - **Sweeper Cam Program.** The Department of Public Works (DPW) introduced Sweeper Cams in FY 2009. By May of 2009, there will be 12 LPRS Units installed on Street Sweepers. These Sweeper Cams are expected to generate approximately 237,500 citations in FY 2010. Sweeper Cam fines are $40. Revenue would be generated by the additional citations issued as a result of the Sweeper Cam parking enforcement program.
- **SWEEP Inspector Initiative.** The Council's Committee on Public Works and Transportation recommended the hiring of 21 additional SWEEP Inspectors (there are currently 29 SWEEP inspectors) to adequately monitor the cleanliness of the thousands of miles of sidewalks, streets and alleys and enforce the District's public space litter laws. SWEEP Inspectors are responsible for both residential and commercial inspections. They monitor and impose fines for quality of life issues such as: uncontained solid waste; trash cans out at wrong time/place; overgrowth of trees and shrubs; illegal dumping; pedestrians who do not clean up after their dogs.
- **Additional Hack Inspectors Initiative.** The Council's Committee on Public Works and Transportation recommended that five additional hack inspector positions be created at the D.C. Taxicab Commission (DCTC). This will enable the DCTC to add a third shift of hack inspectors. Additional citation revenue would be generated from these positions by increased enforcement of the prohibition on the illegal operation of out-of-state taxicabs in the District of Columbia. Due to inadequate enforcement resources, out-of-state taxicabs are able to freely pick up passengers in the District of Columbia, in violation of existing reciprocity agreements which limit the ability of taxicabs registered in one area jurisdiction to pick up passengers in other jurisdictions. Such agreements

are enforced stringently in other area jurisdictions.

- **Expand Automated Enforcement of Traffic Violations.** In FY 2010, the Metropolitan Police Department (MPD) plans to expand the automated traffic enforcement (ATE) program allowing technology to help improve the Department's enforcement capabilities. Some of the new initiatives are modifications of existing programs. These include using mobile red light cameras in addition to the existing fixed location cameras and speed-on-yellow enforcement at existing locations. Other new initiatives include gridlock enforcement, overweight vehicles, laser speed devices (similar to radar but works in locations where radar does not work such as tunnels), and making use of real-time access to insurance data. Revenue generated by this program that is above the amount needed to operate the program will remain in the Local Fund.
- **Transfer from Other Funds (Convention Center).** This proposal is for the Washington Convention Center Authority (WCCA) to provide funding to cover the cost of the District's Office of Motion Picture and Television Development. This proposal will increase Local Fund revenue because the WCCA is an Enterprise Fund. As such, its revenue is not counted as General Fund revenue.
- **Transfer Certain DISB O-type Revenues to Local Fund.** The "Fiscal Year 2009 Balanced Budget Support Temporary Amendment Act of 2008" directed that "of the revenues collected in Fiscal Year 2009 for O-type accounts described in subsections (a), (b), and (b-1) of section 8 of the Department of Insurance and Securities Regulation Establishment Act of 1996 (D.C. Law 11-268; D.C. Official Code Section 31-107), a total of $1,824,700 shall be deposited in local funds." Consequently, as shown in Table 4-19, this amount is added to Local fund revenue, but subtracted from Special Purpose fund revenue, in FY 2009. In addition, for FY 2010 – FY 2013, Table 4-19 reflects the plan to transfer to the Local fund revenue from three Department of Insurance, Securities and Banking (DISB) Special Purpose Revenue Funds that exceeds the budgets of these funds. Revenue is expected to exceed the budgets of these three funds and rather than accounting for the excess to be transferred to the Local fund at the end of the fiscal year, the proposed budget incorporates the change at the beginning of the fiscal year.

The following proposals would affect the District's revenue for the Dedicated Taxes component of the General Fund.

- **Transfer School Paygo from Dedicated Tax to Local.** In FY 2006, the District enacted the School Modernization Financing Act of 2006, which established the Public School Capital Improvement Fund for the purpose of funding capital improvements throughout the District of Columbia school system. The Act specified the amount of sales tax revenue to be dedicated to this fund. Under BSA Subtitle VII.E sales tax revenue would no longer be dedicated to this fund, but would remain in the Local Fund.
- **Use Dedicated Tax Revenue as Local Revenue.** As shown in Table 4-19, Title VIII of the BSA proposes to use a portion of certain dedicated tax revenues as Local Fund revenue. This would increase the amount of Local revenue available, but decrease, by the same amount, the amount of tax revenue directed to a number of dedicated tax revenue funds. In FY 2009, a portion of the Unified Fund's parking tax revenue and the Community Benefit Fund's revenue would become Local revenue. In FY 2010, the Community Benefit Fund, the Neighborhood Investment Fund, the Baseball Fund, the Healthy DC Fund, the Nursing Quality of Care Fund, and the Tax Increment Financing Fund would be affected by this BSA Subtitle. In FYs 2011-2013, the Community Benefit Fund, the Neighborhood Investment Fund, and the Baseball Fund would have a portion of their dedicated tax revenues directed to the Local Fund.

Proposals affecting the District's revenue for the Special Purpose Revenue component of the General Fund consist of:

- **Extend Current UI Administrative Assessment Rate to FY 2014.** BSA Subtitle I.B amends Section 3(m) of the District of Columbia Unemployment Compensation Act to postpone the implementation of the $4 million cap on the taxes collected in the Unemployment Insurance Administrative Assessment Account. The D.C.

Official Code states that if the amount collected from the administrative funding assessment exceeds $4 million in any calendar year commencing after December 31, 2008, the assessment rate (currently 0.2% of taxable wages) for the next calendar year shall be adjusted so as to yield tax revenue not exceeding $4 million. This Subtitle postpones the implementation of the $4 million cap to January 1, 2014.

- **DDOE Environmental Fine Increases.** BSA Subtitle I.Y would amend D.C. Municipal Regulations to double the fine amounts imposed for all Class 1, 2, 3, 4, and 5 civil infractions. The fines range from $100 for the first offense up to $16,000 for multiple offenses. Revenues from these civil infractions are deposited into Special Purpose (O-type) funds administered by the District Department of the Environment.
- **Modify DCRA Administrative Fees for Abatement of Housing Code Violations.** BSA Subtitle II.A amends D.C. Municipal Regulations Section 14-220.1 to modify the administrative fee assessed when the Department of Consumer and Regulatory Affairs (DCRA) abates housing code violations on privately-owned properties to recoup expenses incurred. This Subtitle also authorizes a biennial per unit fee on rental accommodations of three units or more to cover the cost of "proactive inspections" performed by DCRA. The fees would be deposited into the Nuisance Abatement Fund established pursuant to D.C. Official Code Section 42-3131.01(b)(1)(A).
- **Institute DCRA Fee to Recover Costs of Zoning Compliance Letters.** BSA Subtitle II.C amends D.C. Official Code Section 6-1406.01 to authorize DCRA to charge a fee for preparing and issuing zoning compliance letters requested for a property. Currently, DCRA's Office of the Zoning Administrator prepares zoning compliance letters upon request for no charge. Additionally, this Subtitle authorizes that all monies generated from these fees be deposited in the Construction and Zoning Compliance Management Fund established pursuant to D.C. Code Section 6-1406.01, and specifies an additional use of the monies deposited into the Fund be used "to pay for enhanced customer service delivery," which includes the cost of processing letters.
- **Revise the Schedule of Fees Collected by the Office of the Surveyor.** BSA Subtitle II.D amends D.C. Official Code Section 1-1329 to establish a new fee schedule for services provided by the DCRA's Office of Surveyor. Fees affected include those relating to: building plats, registration of land surveyors, street and alley closings, subdivision of land plats, filing wall examination reports, project review fees for fire suppression systems for hoods and ducts, construction modification and specialized shop drawing review requests, elevator repair permits, and new elevator permits. Additionally, this Subtitle establishes an "Enhanced Surveyor Function Fund." All revenue received from fees for services provided by the Office of the Surveyor is to be deposited into this fund and be used to maintain and upgrade the surveying systems and enhancing customer service delivery by the Office of the Surveyor. Since this new fund is a Special Purpose Revenue fund, revenue from existing fees ($233,808) would now be deposited into this fund rather than be accounted for as non-tax revenue. In addition, the FIS for this Subtitle estimates that $337,227 of new revenue will accrue to this fund in FY 2010. This Subtitle also requires that $29,750 be annually deposited in the District's General Fund from the Enhanced Surveyor Function Fund. Consequently, the net Special Purpose Fund revenue gain would be approximately $541,000 in FY 2010.
- **Increase DCRA BBL Fees and Fines.** BSA Subtitle II.E amends DC Official Code Section 47-2851.10 to deem a Basic Business License "lapsed" (but not expired) if the license is 30 days past its date of expiration, and raises the fine for reinstating a "lapsed" license. In addition, this Subtitle adds a new Section 47-2851.10(b)(2) deeming licenses that are more than 30 days past the expiration date as expired, and authorizes a fine for renewing licenses that are "more than 30 days expired but less than 6 months." The proposed subtitle also amends Section 47-2851.13 to authorize fees collected from the issuance of basic business licenses, including renewals, late fees and penalties, to be collected and deposited into the Basic Business License Fund.
- **Transfer Half of NOI Fines to the BBL Fund.** BSA Subtitle II.E directs half of the fines collected from "Notice of Infraction Fines" (NOI) to be

deposited into the Basic Business License (BBL) Fund and be used to pay for costs of the basic business licensing system. By directing half of the fines to the BBL Fund, which is a Special Purpose Revenue Fund, this provision increases the amount of Special Purpose revenue.

- **Establish Filming Permit Fees for Movie and Television Productions.** BSA Subtitle II.H amends the Film DC Economic Incentive Act of 2006. This Subtitle authorizes the Mayor to establish and impose fees for permits issued for the occupation of the public space for motion picture, television, and other media productions. These fees will be collected in a newly created "Film DC Special Account." Any fees deposited in this account, as well as other funds designated by law, regulation, or reprogramming, and all interest earned on funds in the Film DC Special Account will be used solely to pay for operating expenses of the Office of Motion Picture and Television Development.
- **Establish Sports Facilities Account.** BSA Subtitle II.I proposes to merge the Washington Convention Center Authority (WCCA) and the Sports and Entertainment Commission (SEC). The Washington Convention and Sports Authority (WCSA) would be the resulting organization. The proposal establishes a Sports and Entertainment Fund that would be maintained by the WCSA. The proposal also establishes a Special Purpose (O-type) fund—the Sports Facilities Account—that would be administered by the District Department of Real Estate Services (formerly the D.C. Office of Property Management). On October 1 of each year, the WCSA's Sports and Entertainment Fund would transfer to the DRES' Sports Facilities Account an amount equal to the budget authority for maintenance and operation of the Robert F. Kennedy memorial Stadium and the nonmilitary portion of the D.C. National Guard Armory. Since the WCSA and its Sports and Entertainment Fund would not be part of the General Fund, while the DRES and its Sports Facilities Account would be part of the General Fund, this transfer is shown in Exhibit B of Table 4-19 as a revenue increase within the Special Purpose Revenue component of the General Fund.
- **Increase Parking Meter Rates and Apply Parking Meters to Saturdays.** BSA Subtitle VI.C amends D.C. Law and D.C. Municipal Regulations to effectively redirect additional parking meter revenues from increased meter rates (approved by Council on December 16, 2008) to the District Department of Transportation's (DDOT) Unified Fund. The Equitable Parking Meter Rates Temporary Amendment Act of 2009, which originally established these parking meter rate increases, also provided that additional revenues were to be directed to five specific initiatives outside of DDOT and the Unified Fund. This Subtitle strikes this provision, which means that the increased revenues will be deposited into the Unified Fund. Consequently, all parking meter revenue, including that generated by the higher rates, would flow to the Unified Fund. This Subtitle also repeals Section 2 of the Parking Meter Fee Moratorium Act of 2004. The 2004 Act provided for a "Saturday moratorium" whereby citations would not be issued for a parking meter fee violation at any time on a Saturday (except if a vehicle is parked for more than two hours), or on other days between the hours of 6:30pm and 7:00am.
- **Use Motor Vehicle Theft Prevention Commission Fund Revenue as Local**. BSA Title VIII.A proposes to deposit fines for motor vehicle insurance violations listed in D.C. Official Code Section 31-2413(a) into the Local Fund in FY 2009. Currently, these fines are dedicated to the Motor Vehicle Theft Prevention Fund, which is a Special Purpose Revenue account. Therefore, this proposal would add to Local fund revenue, but reduce Special Purpose fund revenue, in FY 2009.
- **Convert Certified Unbudgeted O-type Revenue to Local.** BSA Subtitle VIII.C would transfer (in FY 2010) certified, but unbudgeted, O-type revenue from various funds to the Local Fund so that this revenue is recognized as FY 2010 revenue.
- **Transfer Office of Cable TV Revenues to Local**. BSA Subtitle VIII.C would also transfer (in FY 2010) a portion of the Special Purpose (O-type) revenue from cable franchise fees to the Local Fund. Normally, this revenue would go to the Cable Franchise Fees fund administered by the Office of Cable Television.

- **Transfer DDOT Unified Fund Revenues to Local.** BSA Subtitle VIII.C would also transfer (in FY 2010) to the Local Fund a portion of the Special Purpose (O-type) revenue normally directed to DDOT's Unified Fund.
- **Expand Automated Enforcement of Traffic Violations.** In FY 2010, the Metropolitan Police Department (MPD) plans to expand the automated traffic enforcement (ATE) program allowing technology to help improve the Department's enforcement capabilities. Some of the new initiatives are modifications of existing programs. These include using mobile red light cameras in addition to the existing fixed location cameras and speed-on-yellow enforcement at existing locations. Other new initiatives include gridlock enforcement, overweight vehicles, laser speed devices (similar to radar but works in locations where radar does not work such as tunnels), and making use of real-time access to insurance data. Revenue generated by this program that is needed to operate the program will be directed to the MPD's ATE Special Purpose Revenue Fund. Revenue generated by this program that is above the amount needed to operate the program will remain in the Local Fund.
- **Department of Mental Health Billing Initiatives.** The Department of Mental Health projects increased revenue from two new revenue initiatives. Increased revenues will result from billing Medicaid Managed Care Organizations (MCOs) for services provided through the School-based Mental Health Program. MCO contracts were recently modified to recognize schools as a place of service, thereby making services provided in the school setting billable/reimbursable. Increase revenues will also result from the collection of Social Security Disability (SSDI) payments made to patients at Saint Elizabeth's.
- **Transfer Certain DISB O-type Revenues to Local Fund.** The "Fiscal Year 2009 Balanced Budget Support Temporary Amendment Act of 2008" directed that "of the revenues collected in Fiscal Year 2009 for O-type accounts described in subsections (a), (b), and (b-1) of section 8 of the Department of Insurance and Securities Regulation Establishment Act of 1996 (D.C. Law 11-268; D.C. Official Code Section 31-107), a total of $1,824,700 shall be deposited in local funds." Consequently, as shown in Table 4-19, this amount is added to Local fund revenue, but subtracted from Special Purpose fund revenue, in FY 2009. In addition, for FY 2010 – FY 2013, Table 4-19 reflects the plan to transfer to the Local fund revenue from three Department of Insurance, Securities and Banking (DISB) Special Purpose Revenue Funds that exceeds the budgets of these funds. Revenue is expected to exceed the budgets of these three funds and rather than accounting for the excess to be transferred to the Local fund at the end of the fiscal year, the proposed budget incorporates the change at the beginning of the fiscal year.

Procedures for Estimating Revenue

The process of estimating revenue begins a year in advance. The estimates for FY 2010, for instance, began in September 2008. Every September we issue a revenue call to all agencies requesting reports and projections on the amount of user fees, fines, and other types of non-tax income agencies expect to generate.

Economic forecasting assumptions for the District are received from two nationally known economic analysis and forecasting firms, Global Insight, Inc. (formerly DRI-WEFA) and Economy.com, in late summer or late fall. These assumptions help us build the base for growth over the forecast horizon.
During the late summer and throughout the fall, analysts maintain contact with people throughout the District government who are knowledgeable of the collection of all tax and non-tax revenues. This includes the Office of Tax and Revenue and agencies that have user fees or that impose fines. This gives us a good feel for progress in meeting the current year's goals and for understanding likely trends in the near future.

Analysts follow the year-end closing to be aware of accounting issues that might affect revenues – for instance, changes in accounts receivable or reserves that might impact revenue numbers.

Three advisory groups help us understand the economy:

- The first, a technical advisory group, is composed of experts in revenue forecasting. Membership includes representatives from the Congressional Budget Office (CBO), the Richmond Federal Reserve, the Commonwealth of Virginia, the

State of Maryland, and other jurisdictions and related organizations.

- The second advisory group, composed of knowledgeable local business representatives, advises us about current economic trends and helps us understand where the private sector thinks things are heading. Members of this group represent the hotel and tourism industry, real estate and housing, banking and finance, neighborhood groups, downtown development interests, the education sector, and other interests.
- The third advisory group is focused on the District's real property market. The real property tax is the District's single largest individual tax and generates about a third of non-dedicated general fund revenue. In addition, the property market functions differently compared to other parts of the District economy. As such, consultation with experts in the real property field is a critical step in the revenue estimating process. This group includes developers, realtors, academics and mortgage finance experts.

Updated economic assumptions are received from forecasting firms in January. This allows us to fine-tune our projections based on the most recent data available before the final forecasts are released.

At the end of January, CBO releases its Winter Report. This provides recent and valuable guidance on where the national economy is expected to go over the next ten years. As the national economy has a great deal of impact on the D.C. economy, this report is a valuable tool in the final stages of the revenue estimation process.

Subsequent steps in revenue estimating are part technical and part investigative. The technical part of revenue estimating involves using econometric methods to find statistically valid models that replicate past collections and project confidence intervals for future collections. The models use explanatory variables to account for revenue collections over time relying on relationships between (a) the money collected by the District in a given tax type, and (b) economic variables that track the underlying tax base. For example, in the unincorporated business tax, one model shows a strong lagged relationship between employment in construction and activity in the real estate market (as measured by collections in the transfer tax). This makes sense given that much of the activity that is taxed by the unincorporated business franchise tax is in the real estate and construction segments of the D.C. economy. The economic forecasting variables are used directly in these methodologies.

The rest of the process is where the investigating comes into play. The next step is to incorporate the revenue impact of legislation and additional factors that cannot be captured by econometric models. For instance, when we were developing revenue projections prior to the opening of the new convention center we knew there would be an impact in the amount of revenue generated by the sales tax, particularly at the restaurant and hotel sales tax rates. No econometric model can capture this impact. However, an estimate of the impact must be included in our revenue projections.

The final step is to run a reality check on the numbers produced. To do this, we compare the projected trends with those of the Congressional Budget Office and neighboring jurisdictions. If our projections are substantially different for individual income tax collections than what CBO is projecting, for example, we need to explain the difference. This helps ensure that our understanding and knowledge of the fundamentals of a tax type are consistent with those of other professionals in the field. The pattern of changes over the projection horizon is also scrutinized in this phase of the process. A dramatic jump or drop from one period to the next needs to be understood.

For the FY 2003 estimates, we contracted with KPMG to review our data and estimating methodologies, determine whether the methodologies are correctly implemented, and recommend changes where they find areas of weakness. Overall, they concluded that ORA uses sound methodologies and implements them competently. They also found that the greatest cause of uncertainty in the estimates is the quality of the data.

Additional Information on D.C. Revenues

Tables 4-36 through 4-41 provide additional detail on what the District taxes and collects, at what rates, and how much revenue these taxes and non-tax revenues yield.

Table 4-36

Percentage Changes in General Fund Local Revenue by Source

(percentage changes from prior fiscal year)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Proj.	FY 2012 Proj.	FY 2013 Proj.
Real Property (gross)	15.5%	7.8%	-1.2%	-2.1%	0.0%	4.7%
Transfer to TIF/CBF	*30.6%*	*350.3%*	*43.0%*	*13.1%*	*7.4%*	*7.6%*
Real Property (net)	15.4%	6.4%	-2.0%	-2.5%	-0.2%	4.6%
Personal Property (gross)	-11.4%	-3.8%	-2.1%	1.1%	1.2%	1.2%
Transfer to Neighborhood Investment Fund	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Personal Property (net)	-13.4%	-4.6%	-2.5%	1.3%	1.4%	1.4%
Public Space (gross)	-14.1%	10.0%	3.0%	3.0%	3.0%	3.0%
Transfer to DDOT	*-14.1%*	*10.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Total Property	**14.3%**	**6.1%**	**-2.0%**	**-2.4%**	**-0.2%**	**4.5%**
General Sales (gross)	5.8%	-3.1%	0.4%	3.8%	4.4%	4.9%
Convention Center Transfer	*9.8%*	*0.5%*	*1.2%*	*4.3%*	*4.3%*	*4.3%*
Transfer to TIF/CBF	*65.1%*	*17.0%*	*-4.5%*	*58.9%*	*-22.2%*	*6.1%*
Transfer to DDOT Unified Fund (parking tax)	*0.9%*	*-30.2%*	*4.9%*	*10.9%*	*3.3%*	*3.3%*
Transfer to Ballpark Fund	*49.4%*	*-28.0%*	*3.5%*	*4.9%*	*5.6%*	*5.5%*
Transfer to School Modernization Fund	*0.0%*	*6.0%*	*6.0%*	*6.0%*	*9.4%*	*6.2%*
General Sales (net)	4.7%	-3.6%	-0.5%	1.1%	5.1%	4.8%
Alcohol	0.8%	-0.6%	-0.6%	-0.6%	-0.5%	-0.5%
Cigarette	12.7%	99.1%	-4.6%	-2.5%	-2.5%	-1.8%
Motor Vehicle	-8.1%	0.0%	2.0%	3.0%	3.0%	3.0%
Motor Fuel Tax	-13.4%	-15.0%	2.3%	2.3%	2.3%	2.3%
Transfer to Highway Trust Fund	*-13.4%*	*-15.0%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*
Total Sales	**4.1%**	**-0.4%**	**-0.6%**	**1.0%**	**4.6%**	**4.3%**
Individual Income	2.2%	-17.2%	-3.9%	3.2%	5.7%	4.3%
Corporation Franchise	12.0%	-17.1%	6.3%	12.0%	9.4%	5.5%
U. B. Franchise	-24.0%	-15.0%	15.4%	15.0%	11.8%	8.4%
Total Income	**1.1%**	**-17.0%**	**-0.8%**	**5.7%**	**7.0%**	**4.9%**

Table 4-36 *(continued)*

Percentage Changes in General Fund Local Revenue by Source

(percentage changes from prior fiscal year)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Proj.	FY 2012 Proj.	FY 2013 Proj.
Public Utility (gross)	-6.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Transfer to Ballpark Fund	*-12.1%*	*14.9%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Public Utility (net)	-5.9%	-0.9%	0.0%	0.0%	0.0%	0.0%
Toll Telecommunication (gross)	11.3%	-3.7%	0.1%	0.1%	0.1%	0.1%
Transfer to Ballpark Fund	*12.0%*	*3.9%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Toll Telecommunication (net)	11.3%	-4.0%	0.1%	0.1%	0.1%	0.1%
Insurance Premiums (gross)	-4.3%	21.7%	16.7%	0.0%	0.0%	0.0%
Transfer to Healthy DC Fund	*-26.4%*	*27.3%*	*130.3%*	*0.0%*	*0.0%*	*0.0%*
Insurance Premiums (net)	-0.5%	21.0%	1.5%	0.0%	0.0%	0.0%
Healthcare Provider Tax	11.1%	-20.1%	0.0%	0.0%	0.0%	0.0%
Transfer to Nursing Facility Quality of Care Fund	*11.1%*	*-20.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Baseball Gross Receipts Tax	0.4%	-17.0%	-0.7%	1.6%	2.3%	1.1%
Transfer to Ballpark Fund	*0.4%*	*-17.0%*	*-0.7%*	*1.6%*	*2.3%*	*1.1%*
Total Gross Receipts	**-1.1%**	**2.3%**	**0.4%**	**0.0%**	**0.0%**	**0.0%**
Estate	23.3%	4.6%	-14.3%	0.0%	0.0%	0.0%
Deed Recordation (gross)	-31.2%	-42.9%	-19.4%	1.0%	17.0%	11.9%
Transfer to HPTF	*-31.3%*	*-44.0%*	*-19.4%*	*1.0%*	*17.0%*	*11.9%*
Transfer to Comp. Housing Strategy Fund	*-23.5%*	*-100.0%*	*NA*	*NA*	*NA*	*NA*
Deed Recordation (net)	-32.0%	-36.0%	-19.4%	1.0%	17.0%	11.9%
Deed Transfer (gross)	-26.2%	-46.6%	-20.7%	1.2%	15.7%	8.4%
Transfer to HPTF	*-30.3%*	*-46.2%*	*-20.7%*	*1.2%*	*15.7%*	*8.4%*
Transfer to Comp. Housing Strategy Fund	*-21.6%*	*-100.0%*	*NA*	*NA*	*NA*	*NA*
Deed Transfer (net)	-25.9%	-40.8%	-20.7%	1.2%	15.7%	8.4%
Economic Interests	-15.4%	-67.2%	-21.5%	-25.2%	0.0%	0.0%
Total Other Taxes	**-20.3%**	**-34.2%**	**-18.2%**	**-1.4%**	**9.8%**	**6.6%**
TOTAL TAXES	**3.9%**	**-6.2%**	**-2.0%**	**1.0%**	**3.5%**	**4.4%**
Licenses & Permits	8.5%	-28.3%	-1.4%	5.0%	-4.8%	5.0%
Fines & Forfeits	-2.5%	31.0%	2.8%	-2.4%	-0.1%	-1.8%
Charges for Services	-17.0%	10.5%	-4.5%	5.2%	-4.9%	6.2%
Miscellaneous Revenue	-17.3%	-36.1%	-5.2%	-7.6%	3.4%	1.9%
TOTAL NON-TAX	**-9.0%**	**-11.9%**	**-1.4%**	**-1.5%**	**-0.8%**	**1.6%**
Lottery	7.5%	0.0%	-6.4%	0.0%	0.0%	0.0%
TOTAL LOCAL FUND REVENUE	**2.9%**	**-6.5%**	**-2.0%**	**0.8%**	**3.2%**	**4.2%**

Table 4-37

Changes in General Fund Local Revenue by Source

($ thousands change from prior FY)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Real Property (gross)	224,272	130,202	(21,840)	(37,643)	-	81,256
Transfer to TIF/CBF	*1,558*	*23,309*	*12,897*	*5,636*	*3,609*	*3,948*
Real Property (net)	222,714	106,893	(34,737)	(43,278)	(3,609)	77,308
Personal Property (gross)	(7,705)	(2,268)	(1,206)	618	654	678
Transfer to Neighborhood Investment Fund	-	-	-	-	-	-
Personal Property (net)	(7,705)	(2,268)	(1,206)	618	654	678
Public Space (gross)	(4,542)	2,770	914	941	970	999
Transfer to DDOT	*(4,542)*	*2,770*	*914*	*941*	*970*	*999*
Total Property	**215,009**	**104,625**	**(35,943)**	**(42,660)**	**(2,955)**	**77,986**
General Sales (gross)	55,214	(31,234)	3,947	37,839	44,927	52,476
Convention Center Transfer	*8,181*	*457*	*1,103*	*4,001*	*4,173*	*4,353*
Transfer to TIF/CBF	*9,245*	*3,990*	*(1,238)*	*15,445*	*(9,254)*	*1,983*
Transfer to DDOT Unified Fund (parking tax)	*333*	*(11,308)*	*1,277*	*2,989*	*1,015*	*1,040*
Transfer to Ballpark Fund	*4,089*	*(3,464)*	*312*	*451*	*541*	*562*
Transfer to School Modernization Fund	-	*6,000*	*6,360*	*6,742*	*11,177*	*8,029*
General Sales (net)	33,366	(26,910)	(3,868)	8,211	37,274	36,508
Alcohol	40	(33)	(31)	(29)	(28)	(26)
Cigarette	2,695	23,686	(2,175)	(1,136)	(1,108)	(788)
Motor Vehicle	(3,521)	-	803	1,229	1,266	1,304
Motor Fuel Tax	(3,577)	(3,480)	454	464	475	486
Transfer to Highway Trust Fund	*(3,577)*	*(3,480)*	*454*	*464*	*475*	*486*
Total Sales	**32,580**	**(3,257)**	**(5,270)**	**8,274**	**37,405**	**36,999**
Individual Income	28,973	(230,442)	(42,996)	34,012	62,739	49,723
Corporation Franchise	30,693	(48,940)	14,857	30,307	26,677	17,115
U. B. Franchise	(40,133)	(19,069)	16,573	18,624	16,853	13,384
Total Income	**19,533**	**(298,450)**	**(11,566)**	**82,943**	**106,269**	**80,223**

Table 4-37 *(continued)*

Changes in General Fund Local Revenue by Source

($ thousands change from prior FY)

Revenue Source	FY 2008 Actual	FY 2009 Revised	FY 2010 Original	FY 2011 Proected	FY 2012 Projected	FY 2013 Projected
Public Utility (gross)	(10,249)	84	68	55	45	36
Transfer to Ballpark Fund	*(1,275)*	*1,372*	*5*	*4*	*3*	*2*
Public Utility (net)	(8,974)	(1,288)	64	51	42	34
Toll Telecommunication (gross)	6,670	(2,458)	77	58	44	34
Transfer to Ballpark Fund	*274*	*99*	*3*	*2*	*2*	*1*
Toll Telecommunication (net)	6,396	(2,557)	74	56	43	32
Insurance Premiums (gross)	(2,380)	11,414	10,717	-	-	-
Transfer to Healthy DC Fund	*(2,136)*	*1,629*	*9,893*	-	-	-
Insurance Premiums (net)	(244)	9,785	824	-	-	-
Healthcare Provider Tax	1,378	(2,771)	-	-	-	-
Transfer to Nursing Facility Quality of Care Fund	*1,378*	*(2,771)*	-	-	-	-
Baseball Gross Receipts Tax	101	(4,241)	(145)	329	482	235
Transfer to Ballpark Fund	*101*	*(4,241)*	*(145)*	*329*	*482*	*235*
Total Gross Receipts	**(2,822)**	**5,940**	**961**	**107**	**84**	**66**
Estate	12,649	3,101	(10,000)	-	-	-
Deed Recordation (gross)	(70,769)	(66,960)	(17,269)	710	12,339	10,082
Transfer to HPTF	*(10,881)*	*(10,501)*	*(2,590)*	*107*	*1,851*	*1,512*
Transfer to Comp. Housing Strategy Fund	*(4,256)*	*(13,819)*	-	-	-	-
Deed Recordation (net)	(55,632)	(42,640)	(14,678)	604	10,488	8,570
Deed Transfer (gross)	(39,977)	(52,394)	(12,452)	568	7,546	4,679
Transfer to HPTF	*(7,262)*	*(7,730)*	*(1,868)*	*85*	*1,132*	*702*
Transfer to Comp. Housing Strategy Fund	*(2,611)*	*(9,460)*	-	-	-	-
Deed Transfer (net)	(30,104)	(35,204)	(10,584)	483	6,414	3,977
Economic Interests	(9,979)	(36,860)	(3,864)	(3,546)	-	-
Total Other Taxes	**(83,067)**	**(111,603)**	**(39,127)**	**(2,459)**	**16,902**	**12,547**
TOTAL TAXES	**181,233**	**(302,745)**	**(90,946)**	**46,205**	**157,705**	**207,820**
Licenses & Permits	6,638	(24,029)	(858)	3,009	(3,000)	3,010
Fines & Forfeits	(2,504)	30,650	3,629	(3,170)	(156)	(2,345)
Charges for Services	(8,928)	4,557	(2,149)	2,399	(2,375)	2,850
Miscellaneous Revenue	(33,225)	(57,194)	(5,284)	(7,294)	2,973	1,751
TOTAL NON-TAX	**(38,019)**	**(46,015)**	**(4,662)**	**(5,056)**	**(2,558)**	**5,266**
Lottery	4,924	-	(4,525)	-	-	-
TOTAL LOCAL FUND REVENUE	**148,138**	**(348,760)**	**(100,133)**	**41,149**	**155,147**	**213,086**

Table 4-38

Summary of Major Taxes in the District of Columbia, Fiscal Year 2009

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2008 REVENUE ($ in thousands)
REAL PROPERTY TAX	All real property, unless expressly exempted, is subject to the real property tax and is assessed at 100% of market value. The District of Columbia has three property classes: Class 1 – improved residential real property that is occupied and is used exclusively for non-transient residential dwelling purposes Class 2 – commercial property Class 3 – unimproved or abandoned property DC Code Citation: Title 47, Chapters 7-10, 13, 13A.	Class 1 = $0.85 per $100 of assessed value Note: For Class 1 owner-occupied residential real property, the first $67,500 of assessed value is exempt from tax. Class 2 = $1.65 per $100 for the first $3 million of assessed value; $1.85 per $100 for assessed value more than $3 million Class 3 = $10.00 per $100 of assessed value	$1,666,315 Amount is net of $6,654 Tax Increment Financing (TIF) transfer.
PERSONAL PROPERTY TAX	Tax on all tangible property, except inventories, used or available for use in a trade or business. Such property includes machinery, equipment, furniture, and fixtures. DC Code Citation: Title 47, Chapter 15.	$3.40 per $100 of assessed value Notes: The first $225,000 of taxable value is excluded from tax. 17.4 percent of the tax, not to exceed $10 million, is dedicated to the Neighborhood Investment Fund (NIF).	$49.690 Amount is net of $10,000 NIF transfer.
SALES AND USE TAX	Tax on all tangible personal property and certain selected services sold or rented to businesses or individuals at retail in the District. Groceries, prescription and non-prescription drugs, and residential utility services are among those items exempt from the sales tax. The use tax is imposed at the same rate as the sales tax on purchases made outside the District and then brought into the District to be used, stored or consumed, providing that the purchaser has not paid the sales tax on the purchases to another jurisdiction. DC Code Citation: Title 47, Chapters 20 and 22. Note: Tobacco products other than cigarettes means: (a) Any cigar or roll for smoking, other than a cigarette or premium cigar, made in whole or in part of tobacco; or (b) Any other tobacco or product made primarily from tobacco, other than a cigarette, premium cigar, or pipe tobacco that is intended for consumption by smoking, by chewing, or as snuff.	A five-tier rate structure is presently in effect: 5.75% – General rate for tangible personal property and selected services 9% – Alcoholic beverages sold for off-the-premises consumption 10% – Food or drink prepared for immediate consumption, alcoholic beverages sold for consumption on the premises, rental vehicles, and prepaid telephone calling cards 12% – Parking motor vehicles in commercial lots and tobacco products other than cigarettes 14.5% – Hotels (transient accommodations) Notes: The following portions of the sales tax go to the Convention Center Fund: 1% from restaurant meals and 4.45% from transient accommodations. The 12% parking in commercial lots tax is dedicated to the DC Department of Transportation (DDOT). Stadium-related sales tax revenue is dedicated to the Ballpark Revenue Fund. The amount of sales tax revenue dedicated to the School Modernization Fund is prescribed by DC Code Section 47-2033.	$750,455 Amount is net of transfers to: the Convention Center ($91,493), the Tax Increment Financing (TIF) Fund ($23,450), DDOT ($37,420), the Ballpark Revenue Fund ($12,364), and the School Modernization Fund ($100,000).

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2008 REVENUE ($ in thousands)
ALCOHOLIC BEVERAGE TAX	Tax on alcoholic beverages manufactured by a holder of a manufacturer's license and beverages brought into DC by the holder of a wholesaler's license. DC Code Citation: Title 25, Chapter 9	Beer = $2.79 per 31-gallon barrel Champagne/sparkling wine = $0.45 per gallon Distilled Spirits = $1.50 per gallon Light wine (alcohol content 14% or less) = $0.30 per gallon Heavy wine (alcohol content above 14%) = $0.40 per gallon	$5,190
CIGARETTE TAX	Tax on the sale or possession of cigarettes in the District. Cigarettes sold to the military and to the federal government are exempt. DC Code Citation: Title 47, Chapter 24.	$0.10 per cigarette ($2.00 per pack of 20 cigarettes)	$23,900
MOTOR VEHICLE EXCISE TAX	Tax on the Issuance of every original and subsequent certificate of title on motor vehicles and trailers. DC Code Citation: Title 50, Chapter 22.	Based on manufacturer's shipping weight: 6% of fair market value – 3,499 lbs or less 7% of fair market value – 3,500 to 4,999 lbs 8% of fair market value – more than 5,000 lbs.	$40,160
INDIVIDUAL INCOME TAX	Tax on the taxable income of an 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. DC Code Citation: Title 47, Chapter 18.	First $10,000 = 4.0% $10,000 < $40,000 = $400 + 6.0% of excess above $10,000 More than $40,000 = $2,200 + 8.5% of excess above $40,000 Note: Excludes Social Security income and maximum $3,000 exclusion on military retired pay, pension income, or annuity income from DC or federal government.	$1,342,799
CORPORATE FRANCHISE TAX	Tax on the net income of corporations having nexus in the District. All corporations engaging in a trade, business or profession in the District of Columbia must register. DC Code Citation: Title 47, Chapter 18.	9.975% of taxable income (9.5% base rate plus a 5% surtax on the base rate) $100 minimum tax	$286,204
UNINCORPORATED BUSINESS FRANCHISE TAX	Tax on the net income of unincorporated businesses with gross receipts more than $12,000. A 30% salary allowance for owners and a $5,000 exemption are deductible from net income to arrive at taxable income. A business is 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. A trade, business or professional organization that by law, customs or ethics cannot be incorporated is exempt. DC Code Citation: Title 47, Chapter 18.	9.975% of taxable income (9.5% base rate plus a 5% surtax on the base rate) $100 minimum tax	$126,891

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2008 REVENUE ($ in thousands)
PUBLIC UTILITY TAX	Tax on local television, radio and telephone companies; heating oil utilities; natural gas utilities; and electric distribution utilities. *D.C. Code Citation: Title 47, Chapter 25.*	Television, radio and telephone companies: 10% of gross charges – residential 11% of gross charges – nonresidential Heating oil utilities: $0.17 per gallon – residential $0.187 per gallon – nonresidential Natural gas utilities: $0.0707 per therm – residential $0.07777 per therm – nonresidential Electric distribution utilities: $0.0070 per kilowatt hour – residential $0.0077 per kilowatt hour – nonresidential Note: The additional surcharges on nonresidential customers are dedicated to the Ballpark Revenue Fund.	$144,315 Amount is net of $9,228 Ballpark Revenue Fund transfer.
TOLL TELECOMMUNICATIONS TAX	Tax on gross receipts of companies providing toll telecommunication service in the District, including wireless telecommunication providers. *D.C. Code Citation: Title 47, Chapter 39.*	10% of gross charges – residential 11% of gross charges – nonresidential Note: 1% of nonresidential telecommunications tax revenue is dedicated to the Ballpark Revenue Fund.	$63,182 Amount is net of $2,559 Ballpark Revenue Fund transfer.
INSURANCE PREMIUMS TAX	Tax on gross insurance premiums received on risks in the District, less premiums received for reinsurance assumed, returned premiums and dividends paid to policy-holders. The tax is in lieu of all other taxes except real estate taxes and fees provided for by the District's insurance law. *D.C. Code Citation: Title 47, Chapter 26.*	1.7% on policy and membership fees and net premium receipts; except 2.0% on companies that issue accident and loss of health insurance (as of 10/1/08) and on HMOs (as of 1/1/09). Note: Currently dedicated to the Healthy DC Fund is the 2.0% premium tax on health insurers and 75% of the 2.0% premium tax from HMOs.	$46,672 Amount is net of $5,964 Healthy DC Fund Transfer.
ESTATE TAX	Tax levied on the estate of every decedent dying while a resident of the District, and on the estate of every nonresident decedent owning property having a taxable status in the District at the time of his or her death. *DC Code Citation: Title 47, Chapter 37.*	Tax due is determined by using the DC estate tax computation worksheet after computing the exempted amounts.	$66,899
DEED RECORDATION TAX	Tax on the recording of all deeds to real estate in the District. The basis of the tax is the value of consideration given for the property. Where there is no consideration or where the consideration is nominal, the tax is imposed on the basis of the fair market value of the property. *D.C. Code Citation: Title 42, Chapter 11.*	1.45% of consideration or fair market value Notes: For residential properties under $400,000, the rate is 1.1% of consideration or fair market value. 15% of the deed recordation tax is dedicated to the Housing Production Trust Fund. In FYs 2007 and 2008 39.93% of the revenue resulting from the increase in the deed recordation tax from 1.1% to 1.45% was dedicated to the Comprehensive Housing Strategy Fund.	$118,302 Amount is net of transfers to: the Housing Production Trust Fund ($23,853) and the Comprehensive Housing Strategy Fund ($13,819).

PART A — GENERAL FUND TAXES

TAX	DESCRIPTION	RATE	FY 2008 REVENUE ($ in thousands)
DEED TRANSFER TAX	Tax 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.	1.45% of consideration or fair market value Notes: For residential properties under $400,000, the rate is 1.1% of consideration or fair market value. 15% of the deed transfer tax is dedicated to the Housing Production Trust Fund. In FYs 2007 and 2008 39.93% of the revenue resulting from the increase in the deed transfer tax from 1.1% to 1.45% was dedicated to the Comprehensive Housing Strategy Fund.	$86,238 Amount is net of transfers to: the Housing Production Trust Fund ($16,736) and the Comprehensive Housing Strategy Fund ($9,460).
ECONOMIC INTEREST TAX	This tax is triggered by either one of the following two elements: (1) 80% of the assets of a corporation consist of real property located in the District of Columbia; or (2) More than 50% of the controlling interest of the corporation is being transferred. The consideration is not always equal to the assessed value of the property. The consideration is what is paid for the interest being transferred. If there is no tangible consideration, then the tax basis will be the assessed value of the property owned by the corporation. DC Code Citation: Title 42, Chapter 11.	2.9% of consideration or fair market value	$54,815

PART B—OTHER SELECTED REVENUE SOURCES

PUBLIC SPACE RENTAL	Tax on the commercial use of publicly owned property between the property line and the street. D.C. Code Citation: Title 10, Chapter 11.	Various rates exist for the following: Vault, Sidewalk (enclosed and unenclosed), Sidewalk Surface, and Fuel Oil Tank Note: All revenue from this tax is dedicated to the DC Department of Transportation (DDOT).	$0 Amount is net of $27,697 DDOT transfer.
HEALTHCARE PROVIDER ASSESSMENT	Assessment on the net resident revenue of each nursing facility in the District. D.C. Code Citation: Title 47, Chapter 12C.	A uniform amount per licensed bed (as specified by rules issued by the Mayor) is assessed up to 6% of a nursing facility's net resident revenue. Note: All revenue from this assessment is dedicated to the Nursing Facility Quality of Care Fund.	$0 Amount is net of $13,771 Nursing Facility Quality of Care Fund transfer.
BALLPARK FEE	A fee on annual District gross receipts. It is levied on District businesses with over $5 million in gross receipts. D.C. Code Citation: Title 47, Chapter 27B.	Ballpark Fee Schedule: District gross receipts $5 million - $8 million = $5,500 District gross receipts $8 million - $12 million = $10,800 District gross receipts $12 million - $16 million = $14,000 District gross receipts over $16 million = $16,500 Note: All revenue from this fee is dedicated to the Ballpark Revenue Fund.	$0 Amount is net of $24,989 Ballpark Revenue Fund transfer.
MOTOR VEHICLE FUEL TAX	The tax is imposed on every importer of motor fuels, 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 motor vehicles. DC Code Citation: Title 47, Chapter 23	$0.20 per gallon Note: All revenue from this tax is dedicated to the Highway Trust Fund.	$0 Amount is net of $23,199 Highway Trust Fund transfer.

Source of General Fund Revenue Amounts: Government of the District of Columbia Comprehensive Annual Financial Report, Year Ended September 30, 2008.

Table 4-39

Local General Fund Revenues, FY1998-FY2008

($ thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Real Property	616,935	597,566	610,896	633,172	726,014	822,845	947,690	1,058,100 (a)	1,152,143 (a)	1,443,601 (a)	1,666,315 (a)
Personal Property	68,475	73,928	70,133	64,144	65,208	67,294	63,558	62,068 (b)	55,548 (b)	57,395 (b)	49,690 (b)
Public Space	10,030	8,056	11,752	10,107	12,167	11,749	16,728	15,628	0 (c)	0 (c)	0 (c)
Total Property	**695,440**	**679,550**	**692,781**	**707,423**	**803,389**	**901,888**	**1,027,976**	**1,135,796**	**1,207,691**	**1,500,996**	**1,716,005**
General Sales and Use	**557,081**	**541,573 (d)**	**585,688 (d)**	**617,217 (d)**	**612,354 (d)**	**631,465 (d)**	**671,017 (d)**	**768,308 (e)**	**775,366 (f)**	**717,089 (g)**	**750,455 (g)**
Alcohol	4,702	4,821	4,779	4,743	4,721	4,619	5,090	5,051	5,070	5,150	5,190
Cigarette	17,592	17,107	17,177	16,329	17,189	21,344	20,765	22,336	22,993	21,205	23,900
Motor Vehicle Excise	29,838	31,329	36,693	38,825	34,573	37,066	40,437	42,380	42,563	43,681	40,160
Hotel Occupancy	9,287	(26)	0	25	0	0	0	0	0	0	0
Total Selective Sales	**57,501**	**53,231**	**58,649**	**59,922**	**56,483**	**63,029**	**66,292**	**69,767**	**70,626**	**70,036**	**69,250**
Individual Income	861,505	952,156	1,077,346	1,098,188	949,175	928,968	1,042,309	1,160,074	1,233,602	1,313,826	1,342,799
Corporate Franchise	174,729	163,699	190,594	233,237	142,647	156,777	168,353	195,492	215,283	255,511	286,204
Unincorporated Business Franchise	46,868	53,896	70,624	68,812	68,602	81,707	88,347	116,866	142,598	167,024	126,891
Total Income	**1,083,102**	**1,169,751**	**1,338,564**	**1,400,237**	**1,160,424**	**1,167,452**	**1,299,009**	**1,472,432**	**1,591,483**	**1,736,361**	**1,755,894**
Insurance Premiums	37,096	26,944	30,882	33,356	35,502	41,281	47,452	48,888	51,495	46,916	46,672672
Public Utility	141,069	128,472	132,849	149,125	140,931	166,743	169,494	166,039 (h)	144,801 (h)	153,289 (h)	144,315 (h)
Toll Telecommunication	56,732	51,874	48,280	51,259	55,353	53,324	54,951	54,576 (h)	54,556 (h)	56,786 (h)	63,182 (h)
Health Care Provider Fee	1,740	0	0	0	0	0	0	0	0	0	0
Total Gross Receipts	**236,637**	**207,290**	**212,011**	**233,740**	**231,786**	**261,348**	**271,897**	**269,503**	**250,852**	**256,991**	**254,169**

Table 4-39 *(continued)*

Local General Fund Revenues, FY1998-FY2008

($ thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Estate	32,256	26,247	35,992	51,072	125,889	29,944	26,466	29,257	30,125	54,250	66,899
Deed Recordation	53,863	70,398	60,418	75,936	89,951	134,262	164,522 (i)	161,541 (i)	169,024 (i)	173,934 (j)	118,302 (j)
Deed Transfer	42,597	47,001	44,660	62,086	62,228	99,052	121,747 (i)	124,890 (i)	113,509 (i)	116,342 (j)	86,238 (j)
Economic Interests	11,166	3,687	540	1,640	5,078	4,934	16,269	10,593	30,274	64,794	54,815
Total Other Taxes	**139,882**	**147,333**	**141,610**	**190,734**	**283,146**	**268,192**	**329,004**	**326,281**	**342,932**	**409,321**	**326,254**
TOTAL TAX REVENUES	**2,773,561**	**2,798,728**	**3,029,303**	**3,209,273**	**3,147,582**	**3,293,374**	**3,665,195**	**4,042,087**	**4,238,950**	**4,690,794**	**4,872,027**
Business Licenses & Permits	31,050	28,607	24,969	21,767	29,875	35,195	35,471	47,936	42,443	49,848	48,756
Non-Business Licenses & Permits	17,073	17,927	18,785	19,627	20,320	24,566	26,034	26,074	29,741	28,435	36,165
Total Licenses & Permits	**48,123**	**46,534**	**43,754**	**41,394**	**50,195**	**59,761**	**61,505**	**74,010**	**72,184**	**78,283**	**84,921**
Total Fines and Forfeitures	**53,177**	**47,688**	**53,216**	**57,052**	**86,539**	**88,455**	**99,478**	**108,012**	**112,456**	**101,436**	**98,932**
Total Charges for Services	**34,752**	**31,055**	**37,257**	**63,938**	**55,472**	**65,736**	**53,705**	**51,344**	**47,646**	**52,421**	**43,493**
Total Miscellaneous	**99,136**	**86,740**	**118,207**	**153,589**	**80,553**	**89,905**	**109,011**	**119,061**	**129,665**	**191,735**	**158,510**
Lottery Transfer	81,300	64,225	69,450	84,000	63,000	72,050	73,500	71,450	73,800	65,376	70,300
TOTAL NON-TAX REVENUES	**316,488**	**276,242**	**321,884**	**399,973**	**335,759**	**375,907**	**397,199**	**423,877**	**435,751**	**489,251**	**456,156**
TOTAL TAX & NON-TAX REVENUES	**3,090,049**	**3,074,970**	**3,351,187**	**3,609,246**	**3,483,341**	**3,669,281**	**4,062,394**	**4,465,964**	**4,674,701**	**5,180,045**	**5,328,183**

Notes: (a) Amount excludes transfer to Tax Increment Financing.

(b) Amount excludes transfer to Neighborhood Investment Fund.

(c) Beginning in FY 2006, all public space rental revenue is transferred to DDOT Operating Fund.

(d) Amount excludes transfer to the Convention Center Fund.

(e) Amount excludes transfers to the Convention Center Fund, the Ballpark Fund, and Tax Increment Financing.

(f) Amount excludes transfers to the Convention Center Fund, the Ballpark Fund, Tax Increment Financing, and DDOT Operating Fund.

(g) Amount excludes transfers to the Convention Center Fund, the Ballpark Fund, Tax Increment Financing, DDOT Operating Fund, and School Modernization Fund.

(h) Amount excludes transfer to the Ballpark Fund.

(i) Amount excludes transfer to the Housing Production Trust Fund.

(j) Amount excludes transfer to the Housing Production Trust Fund and Comprehensive Housing Strategy Fund.

Table 4-40

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2008-2010

($ in thousands)

Comp. Obj. Code	Agency	Object Title	FY 2008 Actual	FY 2009 Revised	FY 2010 Projected
BUSINESS LICENSES AND PERMITS					
3001	SR0	INSURANCE LICENSE	8,821	6,209	8,700
3002	DH0	ELECTRICAL LICENSE	1	2	0
3003	DH0	NATURAL GAS LICENSE	0	2	0
3006	TC0	HACKERS LICENSE	386	380	370
3006	SR0	SECURITY BROKERS DEALER LICENSE	13,164	9,214	7,000
3010	TC0	OTHER BUSINESS LICENSE	88	80	80
3011	KA0	BUSINESS LICENSE & PERMIT	3	10	10
3011	KV0	OTHER BUSINESS LICENSE & PERMITS	2	0	0
3012	CR0	BUILDING STRUCTURES & EQUIPMENT	15,940	11,000	11,000
3012	CR0	DEMOLITION PERMIT	3	0	0
3012	CR0	EXCAVATION PERMIT	1	0	0
3012	CR0	FENCE PERMIT	2	0	0
3012	CR0	MISCELLANEOUS PERMIT	43	0	0
3012	CR0	SHED PERMIT	1	0	0
3012	CR0	SHEETING & SHORING PERMIT	1	0	0
3012	CR0	SWIMMING POOL PERMIT	1	0	0
3012	CR0	TENANT LAYOUT PERMIT	1	0	0
3013	CR0	CERTIFICATE OF OCCUPANCY	360	350	350
3014	CR0	REFRIGERATION & PLUMBING PERMIT	2,653	2,000	1,850
3015	CR0	ELECTRICAL PERMIT	6,393	2,500	2,000
3016	CR0	PUBLIC SPACE EXCAVATION PERMIT	1	10	10
3021	AT0	VENDOR BONDS (NET OF REFUNDS)	773	773	500
3023	RM0	OTHER LICENSE FEES	7	6	6
3034	CR0	RAZE PERMIT	60	40	60
3035	CR0	RETAINING WALL PERMIT	17	15	15
3038	CR0	SIGN PERMIT	8	10	10
3039	CR0	SPECIAL SIGN PERMIT	21	20	20
3053	KV0	DEALER REGISTRATION APPLICATION FEE	5	0	0
TOTAL BUSINESS LICENSES AND PERMITS			**48,756**	**32,621**	**31,981**
NONBUSINESS LICENSES & PERMITS					
3100	TC0	HACK & LIMO LICENSES TEST	0	5	5
3100	KV0	DRIVERS LICENSE	4,271	3,500	3,333
3105	KV0	CANCEL ROAD TEST FEE	55	35	35
3106	KV0	CHANGE OF ADDRESS FEE	5	4	4
3120	FA0	BOAT REGISTRATION	186	185	186
3140	KV0	RECIPROCITY PERMIT	533	500	525
3144	KV0	DIGIT CERTIFICATE FEE	9	10	10
3145	KV0	PERSONALIZED TAGS	104	85	85

(Continued on next page)

Table 4-40 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2008-2010

($ in thousands)

Comp. Obj. Code	Agency	Object Title	FY 2008 Actual	FY 2009 Revised	FY 2010 Projected
3147	KV0	DCTC ISSUANCES	248	260	260
3148	KV0	TEMPORARY TAGS	15	15	15
3149	KV0	TRANSFER OF TAGS	39	45	45
3150	KV0	VEHICLE REGISTRATION	30,573	23,577	23,500
3150	KV0	OUT OF STATE REGISTRATION FEE	30	30	30
3150	KV0	TEMPORARY DMV TAGS	23	0	0
3150	KV0	ASSOCIATED FEE FOR ONE YEAR	50	0	0
3161	KV0	ASSOCIATED FEE FOR THIRTY (30) DAYS	24	20	20
TOTAL NONBUSINESS LICENSES & PERMITS			**36,165**	**28,271**	**28,053**
TOTAL LICENSES & PERMITS			**84,921**	**60,892**	**60,034**
FINES & FORFEITURES					
5000	TC0	HACKERS FINES	13	11	11
5010	FA0	TRAFFIC FINES-RED LIGHT CAMERAS	11,211	5,500	6,250
5010	KV0	TRAFFIC FINES RSC 1501	88,027	101,363	101,740
5011	FA0	PHOTO RADAR ENFORCEMENT	-3,566	20,200	22,700
5020	KT0	SALE OF ABANDONED PROPERTY	1,759	1,500	1,500
5030	KT0	BOOTING FEES	291	300	300
5040	KT0	TOWING FEES-RSC 1505	211	250	250
5050	KT0	IMPOUNDMENT FEES-RSC 1506	293	350	350
5060	SR0	FINES AND FORFEITURES-OTHER	153	0	0
5060	LQ0	FINES AND FORFEITURES-OTHER	540	108	110
TOTAL FINES & FORFEITURES			**98,932**	**129,582**	**133,211**
MISCELLANEOUS					
5300	LA0	WASA - P.I.L.O.T.	12,414	12,414	15,487
5600	AT0	INTEREST INCOME	62,563	43,000	35,500
5600	BK0	INTEREST INCOME	0	450	450
5600	EB0	INTEREST INCOME	110	0	0
5600	FA0	INTEREST INCOME	1	0	0
5600	GD0	INTEREST INCOME	36	0	0
5700	AT0	UNCLAIMED PROPERTY	34,644	29,132	31,000
6100	AM0	SALE OF SURPLUS PROPERTY	0	436	436
6103	AS0	REIMBURSEMENTS	0	150	150
6103	DL0	REIMBURSEMENTS	1	0	0
6103	RM0	REIMBURSEMENTS	3	0	1
6106	AA0	OTHER REVENUES	4	0	0
6106	AT0	OTHER REVENUES	2,092	0	0

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Table 4-40 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2008-2010

($ in thousands)

Comp. Obj. Code	Agency	Object Title	FY 2008 Actual	FY 2009 Revised	FY 2010 Projected
MISCELLANEOUS (cont)					
6106	BJ0	OTHER REVENUE (OFF OF ZONING APPL FEES)	570	500	500
6106	BD0	OTHER REVENUES	4	0	0
6106	BN0	OTHER REVENUE	135	100	100
6106	CB0	OTHER REVENUE	65	300	300
6106	CJ0	OTHER REVENUES	2	0	0
6106	CR0	OTHER REVENUE	507	150	150
6106	FA0	OTHER REVENUE	205	191	300
6106	FB0	OTHER REVENUES	200	150	150
6106	FL0	OTHER REVENUES	60	71	71
6106	FS0	OTHER REVENUES	3	0	0
6106	KA0	OTHER REVENUES	0	200	200
6106	KT0	OTHER REVENUE	63	95	95
6106	PO0	OTHER REVENUES	13	0	0
6106	SR0	OTHER REVENUE	6	200	200
6106	RM0	OTHER REVENUE	0	5	5
6107	CR0	CIVIL INFRACTIONS	300	250	250
6107	KT0	OTHER REVENUE-FLEET AUTO AUCTION	0	25	25
6108	DH0	COCOT REGISTRATION	15	3	3
6109	KT0	OTHER REVENUE-CONTRACT BIDS	0	30	30
6111	9AT	OTHER REVENUE	44,253	1,500	1,500
6111	AM0	OTHER REVENUE	230	1,100	1,100
6111	FA0	OTHER REVENUE	0	25	25
6111	FB0	OTHER REVENUE	0	6	6
9200	RM0	MISCELLANEOUS-OTHER REVENUE	7	3	5
9205	RM0	SODA COMMISSIONS	4	1	3
		TIF MISCELLANEOUS	0	7,779	4,940
		CK GUARANTEE CONVENTION CTR LEASE PYT	0	3,050	3,050
TOTAL MISCELLANEOUS			**158,510**	**101,316**	**96,032**

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Table 4-40 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2008-2010

($ in thousands)

Comp. Obj. Code	Agency	Object Title	FY 2008 Actual	FY 2009 Revised	FY 2010 Projected
CHARGES FOR SERVICES					
3200	DH0	TELECO REGISTRATION	13	10	10
3201	CR0	HOME OCCUPATION LICENSE	25	30	30
202	CR0	BOILER INSPECTION PERMITS	35	0	0
3204	CR0	ELEVATOR INSPECTION	202	15	15
3206	FA0	FINGERPRINTS, PHOTOS	463	375	375
3207	DH0	OTHER SERVICE CHARGES	260	100	75
3207	FL0	OTHER SERVICE CHARGES - OTHER	31	45	45
3255	KV0	REINSTATEMENT FEE/INSURANCE LAPSE FEES	5,439	5,000	5,250
3208	CR0	REPRODUCTION OF REPORTS	16	20	20
3208	FA0	REPRODUCTION OF REPORTS	45	25	25
3208	KV0	REPRODUCTION OF REPORTS	2,095	2,000	2,000
3208	RM0	MEDICAL RECORDS FEES	9	4	3
3208	TC0	MEDICAL RECORDS FEES	48	0	0
3209	FB0	EMERGENCY AMBULANCE FEES	12,412	18,000	18,000
3210	FA0	TRANSCRIPT OF RECORDS	329	260	260
3251	AT0	TAX CERTIFICATES	111	158	158
3211	AT0	FIREARM USER FEE	0	19	19
3211	FA0	FIREARM USER FEE	427	485	110
3215	KV0	VEHICLE TITLES RSC 1259	1,981	2,000	2,000
3219	CR0	WHARVES AND MARKETS	864	300	300
3220	CR0	SURVEYOR FEES	461	325	325
3221	AT0	DEED RECORDATION FEES	6,227	6,359	6,359
3221	KV0	RECORDATION FEE (RSC 1275)	582	550	550
3222	CR0	CORP RECORDATION	8,960	9,000	7,000
3223	KV0	PARKING FEES/PERMITS RSC 1314	2,197	1,550	1,550
3227	CR0	COND/COOP CERTIFICATE	2	30	30
3228	CR0	CONDO REGISTRATION	35	100	100
3237	KV0	BUSINESS-INSURANCE LAPSE FEES	116	60	60
3234	CR0	OTHER SERVICE CHARGES-OTHER	48	0	0
3234	KA0	OTHER SERVICE CHARGES-OTHER	5	2	2
3320	AT0	OTHER REVENUE-RENTALS	15	983	983
3320	RM0	OTHER REVENUE-RENTALS	40	30	32
3310	SR0	INVESTMENT ADVISORS ACT	0	215	215
TOTAL CHARGES FOR SERVICES			**43,493**	**48,050**	**45,901**
TOTAL NON-TAX REVENUE			**385,856**	**339,841**	**335,178**
OTHER FINANCING SOURCES					
6104	DC0	LOTTERY TRANSFER	70,300	70,300	65,775
TOTAL OTHER FINANCING SOURCES			**70,300**	**70,300**	**65,775**
TOTAL NON-TAX AND OTHER FINANCING SOURCES			**456,156**	**410,141**	**400,953**

Table 4-41
Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert.
A. Governmental Direction and Support											
Department of Real Estate Services (AM0)		**3,411,184**	**6,521,994**	**2,000,000**	**8,521,994**	**7,522,089**	**1,000,000**	**8,522,089**	**8,521,994**	**8,521,994**	**8,521,994**
1150	Utility Payments for Non-DC Agencies	173,023	0	0	0	0	0	0	0	0	0
1450	Parking Fees	0	545,276	0	545,276	545,371	0	545,371	545,276	545,276	545,276
1459	Rent	3,143,867	5,697,718	2,000,000	7,697,718	6,697,718	1,000,000	7,697,718	7,697,718	7,697,718	7,697,718
1460	Eastern Market Enterprise Fund	94,294	279,000	0	279,000	279,000	0	279,000	279,000	279,000	279,000
Office of Finance and Resource Management (AS0)		**677,032**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1150	Utilities Payment for Non-DC Agencies	677,032	0	0	0	0	0	0	0	0	0
Office of the Chief Financial Officer (AT0)		**14,637,027**	**36,243,252**	**1,318,454**	**37,561,706**	**36,763,486**	**1,321,101**	**38,084,587**	**36,795,184**	**36,895,184**	**36,995,184**
0602	Payroll Service Fees	0	300,000	0	300,000	300,000	0	300,000	300,000	300,000	300,000
0603	Service Contracts	0	1,050,000	0	1,050,000	1,050,000	0	1,050,000	1,050,000	1,050,000	1,050,000
0605	Dishonored Check Fees	0	498,992	0	498,992	504,429	0	504,429	504,429	504,429	504,429
0606	Recorder of Deeds Surcharge	7,407,563	1,350,000	1,318,454	2,668,454	1,350,000	1,318,454	2,668,454	1,500,000	1,500,000	1,500,000
0607	Miscellaneous Revenue	0	106,195	0	106,195	116,381	0	116,381	120,000	120,000	120,000
0610	Bank Fees	474,061	6,180,000	0	6,180,000	6,180,000	0	6,180,000	6,180,000	6,180,000	6,180,000
0611	Tax Collection Fees	0	14,600,000	0	14,600,000	14,600,000	0	14,600,000	14,600,000	14,600,000	14,600,000
0613	Unclaimed Property Contingency Fund	0	3,535,058	0	3,535,058	3,531,490	0	3,531,490	3,531,490	3,531,490	3,531,490
0614	Defined Contribution Plan Administration	0	150,000	0	150,000	241,906	0	241,906	153,569	153,569	153,569
0617	Baseball Financing Review Fund	80,000	0	0	0	0	0	0	0	0	0
0618	Compliance and Real Property Tax Admin. Fund	6,675,403	7,360,827	0	7,360,827	7,549,423	2,647	7,552,070	7,500,000	7,600,000	7,700,000
0619	DC Lottery Reimbursement	0	1,112,180	0	1,112,180	1,205,697	0	1,205,697	1,205,697	1,205,697	1,205,697
0623	OPEB Trust Administration Fund	0	0	0	0	134,160	0	134,160	150,000	150,000	150,000
Office of the Secretary (BA0)		**0**	**561,727**	**0**	**561,727**	**561,727**	**0**	**561,727**	**561,727**	**561,727**	**561,727**
1243	Distribution Fees	0	561,727	0	561,727	561,727	0	561,727	561,727	561,727	561,727
D.C. Department of Human Resources (BE0)		**0**	**406,000**	**0**	**406,000**	**277,317**	**0**	**277,317**	**277,317**	**277,317**	**277,317**
0615	Defined Benefits Retirement Program	0	219,709	0	219,709	168,853	0	168,853	168,853	168,853	168,853
1555	Reimbursables from Other Governments	0	186,291	0	186,291	108,464	0	108,464	108,464	108,464	108,464
Office of the Attorney General (CB0)		**13,069,420**	**6,132,000**	**1,147,621**	**7,279,621**	**4,295,000**	**4,141,550**	**8,436,550**	**2,932,000**	**2,932,000**	**2,932,0000**
0601	Driving Under the Influence (DUI) Fund	0	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000
0602	Anti-Trust Fund	1,060,231	1,000	543,640	544,640	0	488,399	488,399	0	0	0
0603	Child Support - TANF/AFDC Collections	6,877,483	2,500,000	247,422	2,747,422	2,500,000	1,423,986	3,923,986	2,000,000	2,000,000	2,000,000
0604	Child Support - Reimbursements & Fees	170,570	25,000	0	25,000	25,000	0	25,000	25,000	25,000	25,000
0605	Child Support - Interest Income	407,742	6,000	0	6,000	6,000	0	6,000	6,000	6,000	6,000
0606	Child Support - Title IVD Incentive Fees	107,141	800,000	0	800,000	1,563,000	0	1,563,000	700,000	700,000	700,000
0611	Consumer Protection Fund	3,534,984	2,500,000	0	2,500,000	0	1,684,876	1,684,876	0	0	0
0612	Anti-Fraud Fund	911,269	100,000	356,559	456,559	1,000	544,289	545,289	1,000	1,000	1,000

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

	FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert.
A. Governmental Direction and Support (cont)										
Office of Contracting and Procurement (PO0)	**1,804,255**	**1,026,344**	**196,303**	**1,222,647**	**1,000,000**	**193,235**	**1,193,235**	**1,100,000**	**1,252,012**	**1,395,000**
4010 D.C. Surplus Personal Property Sales Oper.	868,782	498,157	45,078	543,235	550,000	193,235	743,235	575,000	625,000	675,000
6102 D.C. Supply Schedule Sales Discount/Operat.	935,473	528,187	151,225	679,412	450,000	0	450,000	525,000	627,012	720,000
Medical Liability Captive INS Agency (RJ0)	**0**	**0**	**0**	**0**	**1,000,000**	**0**	**1,000,000**	**1,005,000**	**1,100,000**	**1,150,000**
1240 Captive Insurance Fund	0	0	0	0	1,000,000	0	1,000,000	1,005,000	1,100,000	1,150,000
Office of the Chief Technology Officer (TO0)	**1,084,155**	**1,950,905**	**860,866**	**2,811,771**	**2,035,000**	**0**	**2,035,000**	**2,035,000**	**2,035,000**	**2,035,000**
0601 Tech City	223,290	0	0	0	0	0	0	0	0	0
1200 SERVUS Support	860,866	1,950,905	860,866	2,811,771	2,035,000		2,035,000	2,035,000	2,035,000	2,035,000
Sub-total: Governmental Direction and Support	**34,683,073**	**52,842,222**	**5,523,244**	**58,365,466**	**53,454,619**	**6,655,886**	**60,110,505**	**53,228,222**	**53,575,234**	**53,868,222**
B. Economic Development and Regulation										
Office of Planning (BD0)	**73,795**	**15,000**	**0**	**15,000**	**15,000**	**45,000**	**60,000**	**15,000**	**15,000**	**15,000**
2001 Historic Landmark & Historic District Filing Fees	73,795	15,000	0	15,000	15,000	45,000	60,000	15,000	15,000	15,000
Commission on the Arts and Humanities (BX0)	**315,898**	**400,000**	**0**	**400,000**	**400,000**	**0**	**400,000**	**400,000**	**400,000**	**400,000**
0600 Special Purpose Revenue	174,966	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
0610 Arts & Humanities Ent Fund; Party Animals Rev	140,661	0	0	0	0	0	0	0	0	0
6010 Arts and Technology Fund	271	0	0	0	0	0	0	0	0	0
Department of Employment Services (CF0)	**34,991,080**	**35,124,133**	**4,400,000**	**39,524,133**	**31,624,040**	**9,232,153**	**40,856,193**	**29,767,674**	**29,767,674**	**29,767,674**
0600 Special Purpose Revenue Fund	1,433,379	0	0	0	0	0	0	0	0	0
0610 Workers' Compensation - Special Fund	7,571,549	7,000,000	0	7,000,000	7,000,000	0	7,000,000	7,000,000	7,000,000	7,000,000
0611 Workers' Compensation - Administration Fund	11,992,338	17,725,676	2,900,000	20,625,676	18,372,831	1,900,000	20,272,831	18,367,674	18,367,674	18,367,674
0612 UI Interest/Penalties	1,238,274	868,792	0	868,792	868,792	0	868,792	400,000	400,000	400,000
0623 DOES Relocation Fund	580,939	0	0	0	0	100,000	100,000	0	0	0
0624 UI Administrative Assessment Tax	12,174,602	9,529,664	1,500,000	11,029,664	5,382,416	7,232,153	12,614,569	4,000,000	4,000,000	4,000,000
Office of the Tenant Advocate (CQ0)	**4,438,507**	**750,000**	**1,742,303**	**2,492,303**	**1,500,000**	**1,506,719**	**3,006,719**	**1,000,000**	**1,000,000**	**1,000,000**
6005 Condo Conversion	4,438,507	750,000	1,742,303	2,492,303	1,500,000	1,506,719	3,006,719	1,000,000	1,000,000	1,000,000
Dept. of Consumer and Regulatory Affairs (CR0)	**14,463,428**	**14,285,000**	**6,148,137**	**20,433,137**	**17,529,905**	**4,375,292**	**21,905,197**	**9,640,000**	**15,915,000**	**9,640,000**
6006 Nuisance Abatement	5,001,312	4,000,000	1,976,077	5,976,077	6,000,000	3,047,198	9,047,198	2,500,000	5,600,000	2,500,000
6008 Real Estate Guarantee and Education Fund	3,478,053	1,900,000	0	1,900,000	590,427	0	590,427	1,000,000	600,000	1,000,000
6009 Real Estate Appraisal Fee	0	60,000	0	60,000	142,001	0	142,001	60,000	140,000	60,000

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert..
Dept. of Consumer and Regulatory Affairs (CR0) (cont)											
6010	OPLA Special Account	2,156,809	1,500,000	305,725	1,805,725	2,509,659	0	2,509,659	1,650,000	2,000,000	1,650,000
6011	Special Events Revolving	0	30,000	0	30,000	30,000	0	30,000	30,000	30,000	30,000
6012	Boxing Commission Revolving Account	0	75,000	0	75,000	92,792	0	92,792	75,000	95,000	75,000
6013	Basic Business License Fund	812,923	5,000,000	3,012,160	8,012,160	6,000,000	818,412	6,818,412	2,950,000	5,000,000	2,950,000
6014	Fire Protection Special Revolving	0	100,000	0	100,000	100,000	0	100,000	100,000	100,000	100,000
6020	Board of Engineers Fund	1,497,236	120,000	20,000	140,000	572,256	0	572,256	175,000	550,000	175,000
6025	Construction/Zoning Compliance Mgmt. Fund	1,000,493	1,000,000	834,175	1,834,175	942,770	0	942,770	600,000	1,000,000	600,000
6030	Green Building Fund	516,603	500,000	0	500,000	550,000	509,682	1,059,682	500,000	800,000	500,000
Office of Cable TV and Telecommunications (CT0)		**7,908,037**	**6,800,000**	**500,000**	**7,300,000**	**7,921,995**	**1,502,346**	**9,424,341**	**7,700,000**	**7,700,000**	**7,800,000**
0600	Cable Franchise Fees	7,908,037	6,800,000	500,000	7,300,000	7,921,995	1,502,346	9,424,341	7,700,000	7,700,000	7,800,000
Dept. of Housing and Community Development (DB0)		**13,506,513**	**4,405,924**	**14,056,965**	**18,462,889**	**4,602,974**	**6,000,000**	**10,602,974**	**4,343,439**	**4,431,919**	**4,524,824**
0602	Home Purchase Assistance Program Repayment	4,867,116	1,832,308	0	1,832,308	1,685,350	0	1,685,350	1,769,618	1,858,098	1,951,003
0603	Land Acquisition for Housing Dev. Opportunities	3,806,186	0	3,806,186	3,806,186	0	0	0	0	0	0
0604	Senior Citizens Home Repair	77,258	0	0	0	0	0	0	0	0	0
0605	Multi-Family/ Rehabilitation Repayment	3,943,446	0	3,483,157	3,483,157	0	0	0	0	0	0
0607	Low Income Housing Tax Credit Program	(46,480)	0	0	0	0	0	0	0	0	0
0608	Nuisance Abatement	(90,820)	0	0	0	343,803	0	343,803	0	0	0
0610	DHCD Unified Fund		2,573,616	6,000,000	8,573,616	2,573,821	6,000,000	8,573,821	2,573,821	2,573,821	2,573,821
0623	Home Again Revolving Fund	949,807	0	767,622	767,622	0	0	0	0	0	0
Public Service Commission (DH0)		**226,122**	**9,971,963**	**0**	**9,971,963**	**10,134,072**	**0**	**10,134,072**	**10,134,072**	**10,134,072**	**10,134,072**
0631	Operating - Utility Assessment	226,122	9,971,963	0	9,971,963	10,134,072	0	10,134,072	10,134,072	10,134,072	10,134,072
Office of the People's Counsel (DJ0)		**191,970**	**5,024,793**	**0**	**5,024,793**	**5,192,413**	**0**	**5,192,413**	**5,192,413**	**5,192,413**	**5,192,413**
0631	Advocate for Consumers	191,970	5,024,793	0	5,024,793	5,192,413	0	5,192,413	5,192,413	5,192,413	5,192,413
Office of the Deputy Mayor for Econ. Develop. (EB0)		**59,221,603**	**28,400,000**	**6,500,000**	**34,900,000**	**4,493,921**	**4,567,770**	**9,061,691**	**4,493,921**	**4,493,921**	**4,493,921**
0609	Industrial Revenue Bond Program	9,091,590	2,100,000	4,000,000	6,100,000	2,000,000	2,067,770	4,067,770	2,000,000	2,000,000	2,000,000
0626	AWC Integration	164,466	0	0	0	0	0	0	0	0	0
0630	Funds from AWC NEDCO EDFC	(2,338,155)	0	0	0	1,729,866	2,500,000	4,229,866	1,729,866	1,729,866	1,729,866
0632	AWC & NCRC Development (ED Special Account)	52,250,703	3,300,000	2,500,000	5,800,000	764,055	0	764,055	764,055	764,055	764,055
2002	Revolving Loan Fund (2467)	53,000	0	0	0	0	0	0	0	0	0
2003	Capital City Part (2579)	0	23,000,000	0	23,000,000	0	0	0	0	0	0

(Continued on next page)

Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source:July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert..
Dept. of Small and Local Business Development (EN0)		**495,829**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0622	Commercial Trust Fund	495,829	0	0	0	0	0	0	0	0	0
Business Improvements Districts Transfer (ID0)		**2,060**	**0**	**0**	**0**	**23,000,000**	**0**	**23,000,000**	**23,000,000**	**23,000,000**	**23,000,000**
0600	BIDs - Tax Transfer	2,060	0	0	0	23,000,000	0	23,000,000	23,000,000	23,000,000	23,000,000
Alcoholic Beverage Regulation Administration (LQ0)		**4,271,603**	**3,700,000**	**2,545,142**	**6,245,142**	**3,823,766**	**1,682,663**	**5,506,429**	**4,200,000**	**3,800,000**	**4,200,000**
6017	ABC Import and Class License Fees	4,146,284	3,700,000	2,545,142	6,245,142	3,823,766	1,682,663	5,506,429	4,200,000	3,800,000	4,200,000
6018	ABC Keg Registration Fees	125,318	0	0	0	0	0	0	0	0	0
Dept. of Insurance, Securities and Banking (SR0)		**1,732,790**	**28,324,440**	**0**	**28,324,440**	**27,170,856**	**0**	**27,170,856**	**29,379,599**	**30,081,029**	**30,081,029**
0615	Junior Supersavers Club	9,000	0	0	0	0	0	0	0	0	0
2100	HMO Assessment Fee	572,548	1,104,440	0	1,104,440	710,000	0	710,000	1,133,000	1,166,990	1,166,990
2200	Insurance Assessment Fee	1,010,945	9,000,000	0	9,000,000	7,600,000	0	7,600,000	9,270,000	9,548,100	9,548,100
2300	Securities/ Broker Dealer Licenses Fees	0	4,500,000	0	4,500,000	4,635,000	0	4,635,000	4,635,000	4,774,050	4,774,050
2492	State Filings	139,477	0	0	0	0	0	0	0	0	0
2500	Investment Advisors Licenses	0	340,000	0	340,000	350,200	0	350,200	350,200	360,706	360,706
2600	Securities Registration Fees	0	7,760,000	0	7,760,000	9,000,000	0	9,000,000	7,992,800	8,232,584	8,232,584
2700	Insurance Recovery Fund	820	0	0	0	0	0	0	0	0	0
2800	Captive Insurance	0	2,620,000	0	2,620,000	1,857,116	0	1,857,116	2,698,599	2,698,599	2,698,599
2900	Banking Trust Fund	0	3,000,000	0	3,000,000	3,018,540	0	3,018,540	3,300,000	3,300,000	3,300,000
Sub-total: Economic Development and Regulation		**141,839,236**	**137,201,252**	**35,892,547**	**173,093,799**	**137,408,942**	**28,911,944**	**166,320,885**	**129,266,118**	**135,931,028**	**130,248,933**
C. Public Safety and Justice											
Metropolitan Police Department (FA0)		**1,061,757**	**12,457,907**	**100,000**	**12,557,907**	**16,975,000**	**100,000**	**17,075,000**	**16,975,000**	**16,725,000**	**16,475,000**
1431	Data Processing	0	30,000	0	30,000	50,000	0	50,000	50,000	50,000	50,000
1555	Reimbursable from Other Governments	0	325,000	0	325,000	325,000	0	325,000	325,000	325,000	325,000
1607	Sale of Unclaimed Property	436,562	400,000	100,000	500,000	400,000	100,000	500,000	400,000	400,000	400,000
1614	Miscellaneous Reimbursements	0	2,700,000	0	2,700,000	2,500,000	0	2,500,000	2,500,000	2,500,000	2,500,000
1660	Automated Traffic Enforcement	0	7,757,907	0	7,757,907	12,000,000	0	12,000,000	12,000,000	11,750,000	11,500,000
1988	Drug Interdiction	416,801	0	0	0	0	0	0	0	0	0
2531	Narcotics Proceeds	(293,280)	475,000	0	475,000	700,000	0	700,000	700,000	700,000	700,000
2532	Gambling Proceeds	0	120,000	0	120,000	350,000	0	350,000	350,000	350,000	350,000
7278	Asset Forfeiture	501,674	650,000	0	650,000	650,000	0	650,000	650,000	650,000	650,000

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert..
C. Public Safety and Justice (cont)											
Fire and Emergency Medical Services Dept. (FB0)		**205,595**	**844,000**	**67,000**	**911,000**	**1,520,000**	**0**	**1,520,000**	**1,650,368**	**1,699,879**	**1,750,876**
1613	Other Revenue	0	20,000	0	20,000	20,000	0	20,000	21,766	22,419	23,092
6100	Special Event Fees	205,595	824,000	67,000	891,000	1,500,000	0	1,500,000	1,628,602	1,677,460	1,727,784
Office of Victim Services (FE0)		**7,069,156**	**2,500,000**	**7,211,000**	**9,711,000**	**2,500,000**	**5,525,373**	**8,025,373**	**2,500,000**	**2,500,000**	**2,500,000**
0620	Crime Victims Assistance Fund	7,069,156	2,500,000	3,511,000	6,011,000	2,500,000	1,878,433	4,378,433	2,500,000	2,500,000	2,500,000
0621	Dom. Violence Shelter & Transition Housing Fund	0	0	3,700,000	3,700,000	0	3,646,940	3,646,940	0	0	0
Department of Corrections (FL0)		**0**	**35,242,633**	**25,000**	**35,267,633**	**35,468,195**	**25,000**	**35,493,195**	**32,735,000**	**32,735,000**	**32,735,000**
0600	Corrections Trustee Reimbursement	0	34,492,633	0	34,492,633	34,743,195	0	34,743,195	32,000,000	32,000,000	32,000,000
0601	Concession Income	0	700,000	0	700,000	700,000	0	700,000	700,000	700,000	700,000
0602	Welfare Account	0	50,000	25,000	75,000	25,000	25,000	50,000	35,000	35,000	35,000
Office of Administrative Hearings (FS0)		**0**	**8,500**	**0**	**8,500**	**8,500**	**0**	**8,500**	**6,500**	**6,000**	**5,000**
0614	Adjudication Fines and Fees	0	8,500	0	8,500	8,500	0	8,500	6,500	6,000	5,000
Motor Vehicle Theft Prevention Commission (FW0)		**0**	**250,000**	**0**	**250,000**	**250,000**	**0**	**250,000**	**250,000**	**250,000**	**250,000**
0601	Insurance Violation Fines	0	250,000	0	250,000	250,000	0	250,000	250,000	250,000	250,000
Office of the Chief Medical Examiner (FX0)		**203,013**	**195,000**	**109,000**	**304,000**	**205,000**	**69,000**	**274,000**	**210,000**	**215,000**	**220,000**
0601	Medical Examiner Fees	203,013	195,000	109,000	304,000	205,000	69,000	274,000	210,000	215,000	220,000
Office of Unified Communications (UC0)		**4,110,165**	**12,500,000**	**3,102,435**	**15,602,435**	**12,500,000**	**1,352,461**	**13,852,461**	**12,500,000**	**12,500,000**	**12,500,000**
0600	Other Funds	1,633,826	0	0	0	0	663,623	663,623	0	0	0
1630	911 & 311 Assessments	2,476,339	12,500,000	3,102,435	15,602,435	12,500,000	688,838	13,188,838	12,500,000	12,500,000	12,500,000
Sub-total: Public Safety and Justice		**12,649,686**	**63,998,041**	**10,614,435**	**74,612,476**	**69,426,695**	**7,071,834**	**76,498,529**	**66,826,868**	**66,630,879**	**66,435,876**

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert.
D. Public Education System											
District of Columbia Public Library (CE0)		**710,871**	**266,616**	**318,500**	**585,116**	**719,450**	**125,360**	**844,810**	**719,450**	**719,450**	**719,450**
6102	Bookstore	137,788	50,616	40,000	90,616	65,000	27,810	92,810	65,000	65,000	65,000
6103	Restricted Fines	337,410	135,000	165,500	300,500	169,000	91,000	260,000	169,000	169,000	169,000
0104	Gifts-Donations	5,863	0	0	0	0	0	0	0	0	0
6108	Copies and Printing	17,899	72,000	0	72,000	72,000	0	72,000	72,000	72,000	72,000
0109	Miscellaneous Customer Service	9,080	0	0	0	0	0	0	0	0	0
6110	Miscellaneous	52,824	9,000	11,000	20,000	13,450	6,550	20,000	13,450	13,450	13,450
0140	Restricted Gifts & Donations	7,318	0	0	0	0	0	0	0	0	0
6150	SLD E-Rate Reimbursement	120,911	0	102,000	102,000	400,000	0	400,000	400,000	400,000	400,000
0190	Franklin Restitution Payment	21,778	0	0	0	0	0	0	0	0	0
District of Columbia Public Schools (GA0)		**5,865,522**	**3,671,268**	**0**	**3,671,268**	**4,004,872**	**0**	**4,004,872**	**4,125,017**	**4,310,644**	**4,569,283**
0601	Lease Income - Security Deposits	17,643	0	0	0	0	0	0	0	0	0
0602	ROTC	2,077,752	974,463	0	974,463	1,032,959	0	1,032,959	1,063,948	1,111,825	1,178,535
0604	Pepco/Washington Gas	482,301	141,275	0	141,275	253,483	0	253,483	261,087	272,836	289,207
0607	Custodial	573,614	340,126	0	340,126	366,012	0	366,012	376,992	393,957	417,594
0608	Nonresident	1,709,611	529,370	0	529,370	506,803	0	506,803	522,007	545,497	578,227
0609	Security Deposits	1,137,077	312,549	0	312,549	431,446	0	431,446	444,389	464,387	492,250
0611	Cafeteria	(94,507)	959,657	0	959,657	936,055	0	936,055	964,137	1,007,523	1,067,974
0613	Vending Machine Sales	(231,421)	180,483	0	180,483	290,402	0	290,402	299,114	312,574	331,329
0621	Parking Fees	0	76,276	0	76,276	70,000	0	70,000	72,100	75,345	79,865
0623	Hoop Dreams Scholarship Fund	178,910	54,069	0	54,069	67,712	0	67,712	69,743	72,882	77,255
0626	TDL Career Cluster Project at Cardozo	14,543	0	0	0	0	0	0	0	0	0
0630	Teacher Certification Fees	0	103,000	0	103,000	50,000	0	50,000	51,500	53,818	57,047
Public Charter School Board (GB0)		**0**	**1,800,000**	**0**	**1,800,000**	**1,976,293**	**0**	**1,976,293**	**2,076,273**	**2,176,273**	**2,276,273**
6632	Administrative Fee	0	1,800,000	0	1,800,000	1,976,293	0	1,976,293	2,076,273	2,176,273	2,276,273
Office of the State Superintendent of Edu..(GD0)		**10,294,292**	**173,000**	**10,560,000**	**10,733,000**	**173,000**	**10,500,000**	**10,673,000**	**173,000**	**173,000**	**173,000**
0603	State Superintendent of Education Fees	0	166,000	0	166,000	166,000	0	166,000	166,000	166,000	166,000
0610	Charter School Credit Enhancement Fund	10,208,673	0	10,500,000	10,500,000	0	10,500,000	10,500,000	0	0	0
6007/6010	Site Evaluation Visits / OPLA - Special Account	85,618	7,000	60,000	67,000	7,000	0	7,000	7,000	7,000	7,000
Office of Public Educ. Facilities Modern.. (GM0)		**11,777,696**	**3,285,646**	**0**	**3,285,646**	**3,285,646**	**0**	**3,285,646**	**3,285,646**	**3,285,646**	**3,285,646**
0603	Lease Income	380,226	3,285,646	0	3,285,646	3,285,646	0	3,285,646	3,285,646	3,285,646	3,285,646
0627	BOE - Real Property Improvement Fund	11,397,471	0	0	0	0	0	0	0	0	0
Sub-total: Public Education System		**28,648,380**	**9,196,530**	**10,878,500**	**20,075,030**	**10,159,261**	**10,625,360**	**20,784,621**	**10,379,386**	**10,665,013**	**11,023,652**

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source:July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert..
E. Human Support Services											
Department of Parks and Recreation (HA0)		**372,065**	**2,100,000**	**392,127**	**2,492,127**	**2,100,000**	**384,596**	**2,484,596**	**2,800,000**	**2,900,000**	**3,000,000**
0602	Enterprise Fund Account	372,065	2,100,000	392,127	2,492,127	2,100,000	384,596	2,484,596	2,800,000	2,900,000	3,000,000
Department of Health (HC0)		**14,019,594**	**15,818,644**	**2,323,582**	**18,142,226**	**12,235,291**	**2,036,629**	**14,271,919**	**12,478,901**	**12,433,862**	**12,971,945**
0600	Special Purpose Revenue Fund	1,487	0	0	0	0	0	0	0	0	0
0601	Medical Examiners Fees	33,022	0	0	0	0	0	0	0	0	0
0605	SHPDA Fees	867,342	465,268	0	465,268	515,465	0	515,465	525,774	536,290	547,016
0606	Vital Records Revenue	975,998	2,950,792	384,024	3,334,816	2,888,819	536,400	3,425,219	2,946,595	3,005,527	3,065,638
0608	Drug Interdiction Fund	399,173	266,017	383,983	650,000	325,428	0	325,428	331,936	338,575	345,347
0610	Methadone Fees	(10,237)	0	0	0	0	0	0	0	0	0
0611	Radioactive Waste Fees	11,605	0	0	0	0	0	0	0	0	0
0612	Food Handlers Certification	1,276,827	1,000,000	308,388	1,308,388	1,237,650	0	1,237,650	1,262,402	1,000,000	1,313,403
0613/0614	Adjudication Hearings/Adjudication Fines	382,375	0	0	0	0	0	0	0	0	0
0617	Office of Professional Licensing	118,741	27,994	0	27,994	40,072	0	40,072	40,783	41,691	42,525
0621	UDC Health Clinic Reimbursement	79,050	359,353	0	359,353	0	0	0	0	0	0
0632	Pharmacy Protection	1,067,843	973,244	0	973,244	831,203	59,367	890,570	847,827	864,784	882,079
0633	Radiation Protection	449,068	132,536	205,080	337,616	155,000	0	155,000	158,100	161,262	164,487
0638	Animal Control Dog License Fees and Fines	218,751	89,400	0	89,400	84,777	0	84,777	89,472	88,201	89,966
0641	Other Medical Licenses and Fees	23,665	746	0	746	1,119	0	1,119	1,141	1,164	1,187
0642	Medicaid Reimbursement - APRA	24,674	0	0	0	0	0	0	0	0	0
0643	Board of Medicine	1,943,010	8,018,420	637,189	8,655,609	4,999,034	1,414,361	6,413,395	5,099,014	5,200,995	5,305,015
0649	Health Facility Fee	343,987	158,872	0	158,872	134,644	1,500	136,144	137,336	140,083	142,885
0650	Human Services Facility Fee	457,252	0	0	0	0	0	0	0	0	0
0652	DC Superior Courts PHSA Agreement	0	394,795	0	394,795	0	0	0	0	0	0
0653	DC General Collections	2,683,792	0	0	0	0	0	0	0	0	0
0655	SHPDA Admission Fee	597,311	462,152	0	462,152	523,885	0	523,885	534,363	545,050	555,951
0656	EMS Fees	105,510	54,153	0	54,153	58,773	0	58,773	59,948	61,147	62,370
0658	Public Health Laboratory Fees	215,810	38,014	101,986	140,000	32,409	0	32,409	33,057	33,718	34,392
0661	ICF/MR Fees and Fines	93,227	11,181	21,318	32,499	15,068	25,000	40,068	15,369	15,676	15,990
0662	Civil Monetary Penalties	270,068	77,111	72,889	150,000	38,556	0	38,556	39,327	40,113	40,916
0670	HCSN Revolving Fund	1,527,548	0	0	0	0	0	0	0	0	0
0673	DOH Regulatory Enforcement Fund	(137,304)	138,596	8,725	147,321	153,389	0	153,389	156,457	159,586	162,778
0675	APRA-DCHE New Communities Initiative	0	200,000	200,000	400,000	200,000	0	200,000	200,000	200,000	200,000

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert.
E. Human Support Services (cont)											
Department of Health Care Finance (HT0)		**35,566,937**	**1,950,528**	**31,977**	**1,982,505**	**1,977,000**	**75,000**	**2,052,000**	**1,977,000**	**1,991,310**	**2,006,049**
0631	Medicaid Collections - Other	0	1,500,000	0	1,500,000	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000
0632	Bill of Rights - Grievance and Appeals	906,642	450,528	31,977	482,505	477,000	75,000	552,000	477,000	491,310	506,049
0672	MAA Nursing Facility Quality of Care Fund	34,660,296	0	0	0	0	0	0	0	0	0
Department of Human Services (JA0)		**2,863,921**	**2,695,000**	**0**	**2,695,000**	**2,725,000**	**0**	**2,725,000**	**2,750,250**	**2,775,753**	**2,801,510**
0600	Special Purpose Revenue Fund	42,740	0	0	0	0	0	0	0	0	0
0603	SSI Payback	2,821,181	2,500,000	0	2,500,000	2,525,000	0	2,525,000	2,550,250	2,575,753	2,601,510
0613	Food Stamps Collection - Fraud	0	195,000	0	195,000	200,000	0	200,000	200,000	200,000	200,000
Department on Disability Services (JM0)		**533,231**	**6,200,000**	**0**	**6,200,000**	**6,200,000**	**0**	**6,200,000**	**6,200,000**	**6,200,000**	**6,200,000**
0610	Vocational Rehab Service Reimbursement	370	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000
0611	Cost of Care - Non-Medicaid Clients	0	2,500,000	0	2,500,000	2,500,000	0	2,500,000	2,500,000	2,500,000	2,500,000
0616	Randolph Shepherd Unassigned Facilities	532,861	3,500,000	0	3,500,000	3,500,000	0	3,500,000	3,500,000	3,500,000	3,500,000
Child and Family Services Agency (RL0)		**0**	**750,000**	**0**	**750,000**	**750,000**	**0**	**750,000**	**750,000**	**750,000**	**750,000**
0601	H.U.M.N. - Human Res. - ES	0	750,000	0	750,000	750,000	0	750,000	750,000	750,000	750,000
Department of Mental Health (RM0)		**0**	**4,908,120**	**0**	**4,908,120**	**3,808,120**	**0**	**3,808,120**	**3,808,120**	**3,808,120**	**3,808,120**
0610	DMH Federal Beneficiary Reimbursement	0	2,568,000	0	2,568,000	2,468,000	0	2,468,000	2,468,000	2,468,000	2,468,000
0640	DMH Medicare and Third Party Reimbursement	0	2,340,120	0	2,340,120	1,340,120	0	1,340,120	1,340,120	1,340,120	1,340,120
Sub-total: Human Support Services		**53,355,749**	**34,422,292**	**2,747,686**	**37,169,978**	**29,795,411**	**2,496,225**	**32,291,635**	**30,764,271**	**30,859,045**	**31,537,624**
F. Public Works											
District Department of Transportation (KA0)		**5,886,089**	**90,510,373**	**10,150,000**	**100,660,373**	**76,746,237**	**10,000,000**	**86,746,237**	**89,571,903**	**90,422,339**	**91,298,288**
6000	General "O" Type Revenue Sources	0	20,000	0	20,000	20,000	0	20,000	20,000	20,000	20,000
6030	DC Circulator Bus System	0	1,700,000	0	1,700,000	1,200,000	0	1,200,000	1,200,000	1,200,000	1,200,000
6140	Tree Fund (est. DC Act 14-614)	329,665	150,000	150,000	300,000	300,000	0	300,000	300,000	300,000	300,000
6425	Federal Transit Authority Grant Match	0	72,000	0	72,000	72,000	0	72,000	72,000	72,000	72,000
6452	Child Safety Seat Program	0	21,072	0	21,072	21,072	0	21,072	21,072	21,072	21,072
6462	Restoration of Public Space Projects	0	27,728	0	27,728	27,728	0	27,728	27,728	27,728	27,728
6555	Mall Tunnel Lighting	0	282,552	0	282,552	282,552	0	282,552	282,552	282,552	282,552
6634	Citizen Streetlight & Traffic Control Project	0	45,000	0	45,000	45,000	0	45,000	45,000	45,000	45,000
6900	DDOT Unified Fund	5,553,602	88,192,021	10,000,000	98,192,021	74,777,885	10,000,000	84,777,885	87,603,551	88,453,987	89,329,936
6967	Abandoned Vehicle Program	2,823	0	0	0	0	0	0	0	0	0

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert.
F. Public Works (cont)											
Washington Metro Area Transit Authority (KE0)		**0**	**0**	**0**	**0**	**12,000,000**	**0**	**12,000,000**	**0**	**0**	**0**
6900	DDOT Unified Fund	0	0	0	0	12,000,000	0	12,000,000	0	0	0
District Department of the Environment (KG0)		**32,562,034**	**40,264,807**	**5,318,403**	**45,583,210**	**39,066,580**	**2,438,085**	**41,504,665**	**43,247,971**	**44,545,411**	**45,881,773**
0600	General Enforcement Fines and Fees	26,900	75,000	16,400	91,400	75,000	25,000	100,000	77,250	79,568	81,955
0602	Air Quality Construction Permits	156,137	88,853	116,476	205,329	178,000	41,956	219,956	183,340	188,840	194,505
0603	Fishing License	266,682	70,857	0	70,857	70,857	30,000	100,857	72,983	75,172	77,427
0604	Oil Spill Fee	19,200	150,000	0	150,000	150,000	0	150,000	154,500	159,135	163,909
0607	Underground Storage Tank Fines and Fees	1,329,608	416,349	0	416,349	381,000	100,000	481,000	391,400	403,142	415,236
0609	LUST Trust Fund	41,150	0	40,000	40,000	0	40,000	40,000	0	0	0
0634	Soil Erosion/Sediment Control	4,626,878	1,300,000	0	1,300,000	2,600,000	0	2,600,000	2,678,000	2,758,340	2,841,090
0645	Pesticide Product Registration	3,166,226	886,927	0	886,927	886,927	756,073	1,643,000	913,535	940,941	969,169
0646	Storm Water Fees	114,329	25,750	0	25,750	46,890	67,110	114,000	48,297	49,746	51,238
0648	Asbestos Certification and Abatement Fee	171,334	203,450	0	203,450	247,313	9,348	256,661	254,733	262,375	270,246
0654	Storm Water Permit Review	7,266,323	13,329,800	0	13,329,800	10,345,800	0	10,345,800	13,729,694	14,141,585	14,565,832
0662	Renewable Energy Development Fund	207,590	207,590	0	207,590	213,818	0	213,818	220,232	226,839	233,644
0663	Brownfield Revitalization	145,311	25,000	0	25,000	56,964	103,036	160,000	58,673	60,433	62,246
0664	Adjudication Hearings (Air Quality)	88,524	25,000	0	25,000	53,209	0	53,209	54,805	56,449	58,143
0665	Adjudication Hearings (Water Quality)	430,576	66,286	0	66,286	92,237	11,000	103,237	95,004	97,854	100,789
0666	Wells Fund	2,000	2,500	0	2,500	59,000	0	59,000	60,770	62,593	64,471
0669	Lead Based Certification Fees	434,806	162,000	19,000	181,000	207,775	397,923	605,698	214,008	220,428	227,041
0674	Hazardous Generator Fees	271,138	112,000	25,027	137,027	94,910	84,090	179,000	97,758	100,690	103,711
6101	Stripperwell	152,385	0	77,000	77,000	14,759	67,241	82,000	15,202	15,658	16,128
6201	Economy II	81,305	34,500	24,500	59,000	48,561	13,439	62,000	50,018	51,519	53,064
6202	Residential Aid Discount (RAD)	137,658	61,930	0	61,930	61,930	0	61,930	63,788	65,702	67,673
6203	Residential Essential Services (RES)	114,866	63,741	0	63,741	53,477	0	53,477	55,081	56,733	58,435
6204	WASA Utility Discount Program	145,209	76,274	0	76,274	68,009	0	68,009	68,009	70,049	72,151
6400	DC Municipal Aggregation Program	274,114	94,000	0	94,000	213,867	0	213,867	220,283	226,892	233,698
6700	Sustainable Energy Trust Fund	6,445,891	16,487,000	3,400,000	19,887,000	16,487,000	0	16,487,000	16,981,610	17,491,058	18,015,790
6800	Energy Assistance Trust Fund	6,445,891	6,300,000	1,600,000	7,900,000	6,359,277	691,870	7,051,147	6,489,000	6,683,670	6,884,180
Department of Public Works (KT0)		**646,474**	**7,629,000**	**8,540**	**7,637,540**	**9,623,959**	**0**	**9,623,959**	**7,629,000**	**7,629,000**	**7,629,000**
6000	General "O" Type Revenue Sources	0	1,400,000	0	1,400,000	2,580,499	0	2,580,499	1,400,000	1,400,000	1,400,000
6010	Super Can Program	0	24,000	0	24,000	24,000	0	24,000	24,000	24,000	24,000
6072	District Recycle Program	(0)	200,000	0	200,000	752,095	0	752,095	200,000	200,000	200,000
6082	Solid Waste Disposal Fee Fund	0	5,000,000	0	5,000,000	5,000,000	0	5,000,000	5,000,000	5,000,000	5,000,000

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Table 4-41 (continued)

Special Purpose (O-Type) Revenue Funds, by Source: July 2009 Certifications

		FY 2008 End of Year Fund Balance	FY 2009 Certified Revenues 7/09 Cert.	FY 2009 Certified Fund Balance Use 7/09 Cert.	FY 2009 Certified Resources 7/09 Cert.	FY 2010 Certified Revenues 7/09 Cert.	FY 2010 Certified Fund Balance Use 7/09 Cert.	FY 2010 Certified Resources 7/09 Cert.	FY 2011 Certified Revenues 7/09 Cert.	FY2012 Certified Revenues 7/09 Cert.	FY2013 Certified Revenues 7/09 Cert.
E. Public Works (cont)											
Department of Public Works (KT0) (cont)											
6591	Clean City Fund	8,540	1,005,000	8,540	1,013,540	1,267,365	0	1,267,365	1,005,000	1,005,000	1,005,000
6967	Abandoned Vehicle Program	637,934	0	0	0	0	0	0	0	0	0
Department of Motor Vehicles (KV0)		**7,965,530**	**9,606,065**	**2,318,442**	**11,924,507**	**9,660,065**	**4,345,647**	**14,005,712**	**9,744,766**	**9,744,766**	**9,744,766**
6000	General "O" Type Revenue Sources	3,040,249	2,700,000	2,064,507	4,764,507	2,754,000	75,417	2,829,417	2,781,540	2,781,540	2,781,540
6100	Fee for Out-of-State Vehicle Registration	235,736	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
6221	Drivers Education Program	1,578,849	525,000	0	525,000	525,000	1,267,285	1,792,285	525,000	525,000	525,000
6258	Motor Vehicle Inspection Station	3,110,696	5,716,065	253,935	5,970,000	5,716,065	3,002,945	8,719,010	5,773,226	5,773,226	5,773,226
6785	Commercial Drivers License Program	0	265,000	0	265,000	265,000	0	265,000	265,000	265,000	265,000
D.C. Taxicab Commission (TC0)		**414,243**	**623,011**	**136,511**	**759,522**	**589,714**	**78,223**	**667,937**	**425,000**	**430,000**	**435,000**
2100	Justice Department Fingerprints	0	40,000	0	40,000	44,714	0	44,714	40,000	40,000	40,000
2200	Taxicab Assessment Act	414,243	583,011	136,511	719,522	545,000	78,223	623,223	385,000	390,000	395,000
Sub-total: Public Works		**47,474,370**	**148,633,256**	**17,931,896**	**166,565,152**	**147,686,555**	**16,861,955**	**164,548,510**	**150,618,640**	**152,771,516**	**154,988,827**
G. Debt Service and Paygo											
Debt Service and Paygo		**0**	**0**	**0**	**0**	**6,449,000**	**0**	**6,449,000**	**4,204,000**	**4,372,000**	**4,547,000**
	Debt Service (DS0): Debt Serv. Owed from Unified Fund	0	0	0	0	3,465,000	0	3,465,000	4,204,000	4,372,000	4,547,000
	Paygo (PA0): Stormwater Permit Fund 0654	0	0	0	0	2,984,000	0	2,984,000	0	0	0
Sub-total: Other		**0**	**0**	**0**	**0**	**6,449,000**	**0**	**6,449,000**	**4,204,000**	**4,372,000**	**4,547,000**
District-Wide Total		**318,650,494**	**446,293,593**	**83,588,308**	**529,881,901**	**454,380,482**	**72,623,203**	**527,003,685**	**445,287,506**	**454,804,715**	**452,650,134**