

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF REVENUE ANALYSIS



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Tax Expenditure Review Fact Sheet: *Environment, Public Safety, Transportation, Tax Administration and Equity Provisions*

Environment Tax Expenditures

Name of Tax Expenditure	Tax	Type of Provision	Date Enacted	DC Code	Agency	FY 2023 Revenue Loss Estimate (\$000)
Condominium and cooperative trash collection	Real Property	Credit	1990	§ 47-872 and § 47-873	OTR	\$3,607
Brownfield revitalization and cleanup (implementing regulations not written)	Real Property	Credit	2001	§ 8-637.01	DOEE	\$0
Brownfield revitalization and cleanup (both personal and business income; implementing regulations not written)	Income	Credits	2001	§ 8-637.01	DOEE	\$0
Environmental savings account contributions and earnings (both personal and business income; implementing regulations not written)	Income	DC Subtractions from FAGI	2001	§ 8-637.03	DOEE	\$0
Solar energy systems (unused so far)	Personal Property	Exemption	2013	§ 47-1508(a)(11)	OTR	\$0
Cogeneration systems	Personal Property	Exemption	2013	§ 47-1508(a)(12)	OTR	\$0
TOTAL						\$3,607

Source: ORA compilation from 2022 Tax Expenditure Report with some updates from more recent data.

Note: Summing tax expenditures does not consider possible interactions among individual tax expenditures, so it does not produce an exact estimate of the revenue that would be gained were any specific provision removed.

- Tax expenditures decrease the tax base and reduce government resources for other priorities.
- Overall, tax expenditures are not widely used as a policy tool in the environment, public safety, transportation, and tax administration and equity areas. Hence, the focus here is only on environment and transportation tax expenditures.
- Environment tax expenditure policy goals revolve around conserving the environment and treating its natural resources sustainably to make DC the healthiest, greenest, and most livable city for all District residents.
- Environment tax expenditures totaled \$3.6 million in FY 2023 from the condominium and cooperative trash collection tax credit.

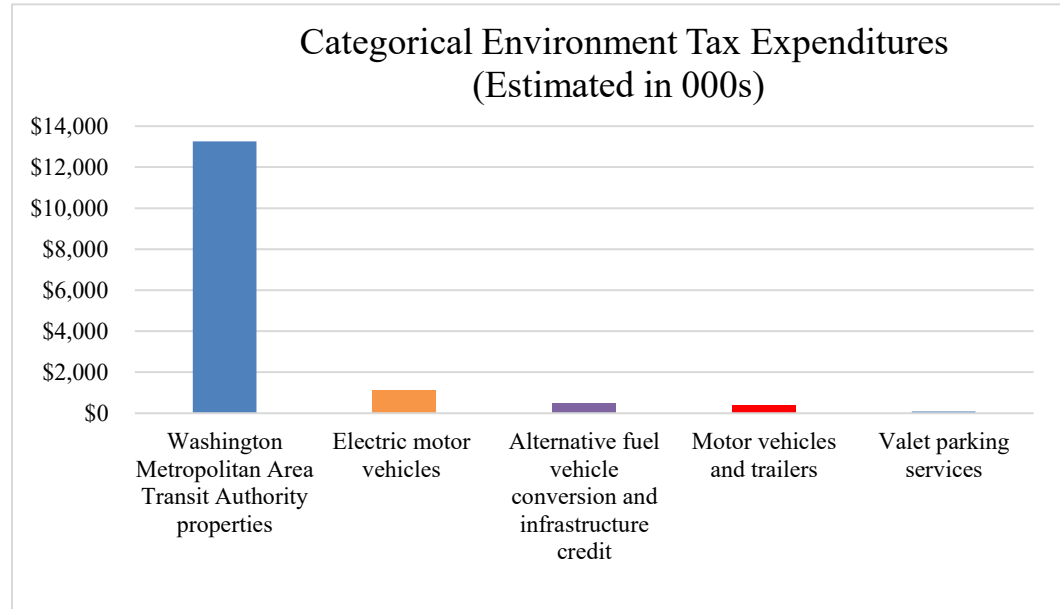
Condominium and Cooperative Trash Collection

- The condominium and cooperative trash collection tax credit helps defray garbage collection costs for residential real property owners living in condominiums and cooperatives who do not receive trash collection services from the DC government (single-family homes and multi-family dwellings with a maximum of three units do receive trash collection services from the DC government at no additional cost).
- In FY 2023, about 28,852 homeowners received this credit for a total of \$3.6 million in revenue forgone.
- With limited available data, the Office of Revenue Analysis found that in 2023, the average annual trash collection cost per unit for condominiums and cooperatives is about \$215. The credit reimburses only about 50 percent to 66 percent of trash collection costs to residents who own and reside in condominiums and cooperatives.
- Despite its benefits, our analysis also highlights the preferential treatment of residents living in single-family homes compared to residents living in multi-family buildings. Recommendations are provided below.



Transportation Tax Expenditures

- Transportation tax expenditures totaled \$15.3 million in FY 2023.
- The Washington Metropolitan Area Transit Authority's (WMATA) properties are the largest of these provisions at 87 percent of the total. Excise tax exemption for electric motor vehicles is the second largest at 7 percent.
- Since FY 2020, the District's revenue foregone due to this tax expenditure is about \$4.85 million.
- The number of new electric vehicles in the District has more than doubled from 966 in FY 2019 to 2,258 in FY 2023.



Overall Recommendations

Environmental-Related Tax Expenditures:

1. Increase the condominium and cooperative trash collection tax credit to at least cover the annual trash collection cost for condominium and cooperative homeowners.
2. The District Department of Energy and Environment (DOEE) should promulgate the regulations necessary to implement the 'Brownfield Revitalization and Clean up' and 'Environmental Savings Account' tax provisions so interested taxpayers may take advantage of the incentives to clean up brownfield properties. (DOEE officials have informed us that the statute needs to be amended before the regulations can be written, and DOEE is currently working on that process.)

Public Safety-Related Tax Expenditures:

3. Providing rental assistance to police officers may need more marketing on the police force to ensure that more officers are aware of the program.