

AN ACT

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*Codification  
District of  
Columbia  
Code  
2001 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend Title 47 of the District of Columbia Code to require the Chief Financial Officer to prepare a tax expenditure budget and the Mayor to include the tax expenditure budget in the annual budget submission to the Council.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Tax Expenditure Budget Review Act of 2000".

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

(a) Section 47-318 is amended by adding a new paragraph (6) to read as follows:

"(6) "Tax expenditures" means the revenue losses attributable to provisions of federal law and the laws of the District of Columbia that allow, in whole or in part, a special exclusion, exemption, or deduction from taxes authorized in this title, or which provide a special credit, a preferential rate of tax, or a deferral of tax liability."

(b) Section 47-318.1 is amended as follows:

(1) The existing text is designated as subsection (a).

(2) A new subsection (b) is added to read as follows:

"(b) Pursuant to sections 442 and 443 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat, 798; D.C. Code § 47-301 and 47-302), the Chief Financial Officer shall prepare, on a biennial basis, and the Mayor shall include in the budget submission to the Council, 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 2 fiscal years. The Chief Financial Officer shall present the first tax expenditure budget for inclusion in the fiscal year 2003 budget submission to the Council, but shall also prepare for inclusion in the fiscal year 2002 budget submission a pilot tax expenditure budget that includes the tax expenditures for which, in the judgment of the Chief Financial Officer, there is sufficient information to estimate the revenue loss. Beginning with the fiscal year 2003 budget submission, the tax expenditure budget shall include the following information:

"(1) An estimate of the annual revenue loss to the District government from each

tax expenditure;

"(2) A citation of the statutory authority for each tax expenditure;

"(3) A description of the objective of the tax expenditure;

"(4) An analysis of whether the tax expenditure is meeting the objective;

"(5) An analysis of the tax expenditure's effect on the distribution of the tax burden and the administration of the tax system; and

"(6) Other factors that the Chief Financial Officer may consider appropriate.".

**Sec. 3. Applicability.**

The tax expenditure analysis required by this act shall be subject to appropriation in the Fiscal Year 2001 Budget and Financial Plan.

**Sec. 4. Fiscal impact statement.**

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

**Sec. 5.** This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule

**ENROLLED ORIGINAL**

Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia