

AN ACT

*Codification
District of
Columbia
Official Code*

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Neighborhood Investment Act of 2004 to increase the percentage of funds, derived from the personal property tax, which are deposited into the Neighborhood Investment Fund; to amend section 47-812 of the District of Columbia Official Code to reduce the real property tax rate for Class 2 Properties for the portion of real property tax assessments not exceeding \$3 million; and to amend section 47-1522 of the District of Columbia Official Code to increase the amount of tangible personal property exempt from the personal property tax to \$225,000.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Small Business Commercial Property Tax Relief Act of 2008”.

Sec. 2. Section 2(a) of the Neighborhood Investment Act of 2004, effective March 30, 2004 (D.C. Law 15-131; D.C. Official Code § 6-1071(a)), is amended by striking the phrase “15%” and inserting the phrase “17.4%” in its place.

Amend
§ 6-1071

Sec. 3. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-812 is amended as follows:

Amend
§ 47-812

(1) Subsection (b-8)(2)(A) is repealed.

(2) A new subsection (b-9) is added to read as follows:

“(b-9)(1)(A) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and special real property tax rates for taxable Class 2 Properties in the District of Columbia for the tax year beginning October 1, 2008, shall be:

“(i) For the first \$3 million of assessed value, the rate as established in subparagraph (B) of this paragraph; and

“(ii) For the portion of the assessed value exceeding \$3 million, \$1.85 of each \$100 of assessed value.

“(B) The Chief Financial Officer shall compute the real property tax rate for the first \$3 million of assessed value for taxable Class 2 Properties in the District of Columbia, for the tax year beginning October 1, 2008, as follows:

“(i) The Chief Financial Officer shall subtract \$1,199,949,000 from the estimated real property taxes to be collected for Class 2 Properties based upon a rate of \$1.85 of each \$100 of assessed value.

“(ii) The Chief Financial Officer shall compute the real property tax rate (rounded up to the nearest penny) for the first \$3 million of assessed value for taxable Class 2 Properties by taking the amount yielded by sub-subparagraph (i) of this paragraph and applying this amount to reduce the real property tax rate; provided, that the real property tax rate shall not be less than \$.90 of each \$100 of assessed value.

“(C) Before September 16, 2008, the Chief Financial Officer shall submit to the Council the real property tax rate computed under subparagraph (B) of this paragraph.

“(2)(A) Notwithstanding the provisions of subsection (a) of this section, the sum of the real property tax rates and special real property tax rates for taxable Class 2 Property in the District of Columbia for the tax year beginning October 1, 2009, and each tax year thereafter, shall be:

“(i) For the first \$3 million of assessed value, the rate as established in subparagraph (B) of this paragraph; and

“(ii) For the portion of the assessed value exceeding \$3 million, \$1.85 of each \$100 of assessed value.

“(B) The Chief Financial Officer shall compute the real property tax rate for the first \$3 million of assessed value for taxable Class 2 Properties in the District of Columbia, for the tax year beginning October 1, 2009, and each tax year thereafter, as follows:

“(i) Multiply the total amount of taxes received for taxable Class 2 Properties in the District of Columbia for the prior fiscal year by 10%.

“(ii) Subtract the amount yielded by sub-subparagraph (i) of this subparagraph from the estimated real property taxes to be collected for Class 2 Properties based upon a rate of \$1.85 of each \$100 of assessed value.

“(iii) The Chief Financial Officer shall compute the real property tax rate (rounded up to the nearest penny) for the first \$3 million of assessed value for taxable Class 2 Properties by taking the amount yielded by sub-subparagraph (ii) of this subparagraph and applying this amount to reduce the real property tax rate; provided, that the real property tax rate shall not be less than \$.90 of each \$100 of assessed value.

“(3) The real property tax rate computed in this subsection shall only reduce the real property tax rate. If revenues increase by less than the amount needed to reduce the real property tax rate, the real property tax rate shall be equal to the real property tax rate of the prior fiscal year.

“(4) The Chief Financial Officer shall submit a report to the Council on the impact of this subsection.”.

(b) Section 47-1522(a) is amended by striking the phrase “\$50,000” and inserting the phrase “\$225,000” in its place.

Amend
§ 47-1522

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer, dated January 7, 2008, 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. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

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), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia