

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend, on a temporary basis, Chapter 8 of Title 47 of the District of Columbia Official Code to limit the amount of increase in taxable assessment to 112% from one year to the next through means of a tax credit, to permit the tax credit in the case of nominal renovations or construction, and to increase the homestead deduction to \$38,000.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this Act may be cited as the "Owner-Occupant Residential Tax Credit and Homestead Deduction Temporary Act of 2004".

Sec. 2. Chapter 8 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-825.01(f-1)(1)(C)(iv) is amended by striking the phrase "July 1" wherever it appears and inserting the phrase "April 1" in its place. Note,
§ 47-825.01

(b) Section 47-829 is amended by adding a new subsection (e-1) to read as follows: Note,
§ 47-829
"(e-1) Class 1 Property, as defined under § 47-813(c-6), shall not be subject to subsection (e) of this section if the increase in the estimated market value of the real property as a result of the renovation, addition, or construction is less than 10%."

(c) Section 47-850(a) is amended to read as follows: Note,
§ 47-850
"(a)(1) For purposes of levying the real property tax during a tax year, the Mayor shall deduct \$38,000 from the estimated market value of real property which qualifies as a homestead. The deduction shall be apportioned equally between each installment during a tax year and shall not be carried forward or carried back.

"(2) This subsection shall apply as of October 1, 2003."

(d) Section 47-850.01(a) is amended to read as follows: Note,
§ 47-850.01
"(a)(1) For purposes of levying the real property tax during a tax year, the Mayor shall deduct from the assessed value of the real property owned by a cooperative housing association, as determined under § 47-820.01, \$38,000 for each homestead located therein. The deduction shall be apportioned equally between each installment during a tax year and shall not be carried forward or carried back.

“(2) This subsection shall apply as of October 1, 2003.”.

(e) Section 47-864 is amended as follows:

(1) Subsection (a)(2) is amended by striking the phrase ", and subsequent years,".

(2) Subsections (b) and (c) are amended by striking the word "credit" and inserting the phrase "credit under subsection (a) of this section" in its place.

(3) A new subsection (d) is added to read as follows:

"(d)(1) For real property tax year 2004, and subsequent years, real property receiving the homestead deduction under § 47-850 or § 47-850.01, and valued under § 47-820(b-2), shall receive an owner-occupant residential tax credit.

"(2) The credit shall be calculated as follows:

"(A)(i) In the case of a real property that did not receive the credit under this section in the prior tax year, subtract the prior tax year's homestead deduction from the prior tax year's assessment; or

"(ii) In the case where a real property did receive the credit under this section in the prior tax year, identify the prior tax year's capped assessment;

"(B) Multiply the amount under subparagraph (A) of this paragraph by 112% to determine the capped assessment;

"(C) Subtract the current tax year's homestead deduction from the current tax year's assessment;

"(D) Subtract the capped assessment computed under subparagraph (B) of this paragraph from the difference in subparagraph (C) of this paragraph; and

"(E) If the resulting difference is a positive number, multiply the resulting difference by the applicable property tax rate for the current tax year.

"(3) The credit shall not apply if:

"(A) During the prior tax year:

"(i) The real property was transferred for consideration to a new owner;

"(ii) The value of the real property was increased due to a change in the zoning classification of the real property initiated or requested by the homeowner or anyone having an interest in the real property; or

"(iii) The assessment of the real property was clearly erroneous due to an error in calculation or measurement of improvements on the real property; or

"(B) During the prior calendar year, the real property was assessed under § 47-829.

“(4) This subsection shall apply as of October 1, 2003.”.

Sec. 3. Fiscal impact statement.

The Council adopts the attached fiscal impact statement 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. 4. Effective date.

(a) 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.

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia