

## Tax and Other Revenue Options

	All Values preliminary and subject to revision In \$ Millions	Mayor's Proposed	Other Options and Out Year Projections					
			Revenue Change FY03	Revenue Change FY04	Revenue Change FY05	Revenue Change FY06	Revenue Change FY07	
<b>1</b>	<b>SALES</b>							
<b>2</b>	Increase <u>8% rate</u> - Retail alcoholic beverages to 9%	1.4	1.4	1.9	1.9	2.0	2.1	
<b>3</b>	Increase the <u>10% tax on restaurant meals</u> to 12%		25.8	36.5	38.1	39.7	41.4	
<b>4</b>	Increase <u>12% rate</u> - Parking to 18% ***		16.3	21.7	22.6	23.6	24.6	
<b>5</b>	Increase <u>14.5% rate</u> - Hotels to 16% , net to general fund		9.3	13.2	13.7	14.3	14.8	
<b>6</b>	Increase <u>Cigarette tax</u> rate from \$0.65 to \$1.00 / pack	5.8	5.8	7.5	7.2	7.0	6.8	
<b>7</b>	Increase Excise Tax rate on <u>Alcoholic Beverages</u>		0.7	0.9	0.9	0.9	0.9	
<b>8</b>	Beer (\$0.09 to \$0.11 per gallon)							
<b>9</b>	Spirits (\$1.50 to \$1.60 per gallon)							
<b>10</b>	Light Wine (\$0.30 to \$0.40 per gallon)							
<b>11</b>	Heavy Wine (\$0.40 to \$0.50 per gallon)							
<b>12</b>	Champagne, Sparkling Wine (\$0.45 to \$0.55 per gallon)							
<b>13</b>	Increase <u>Street Vendor</u> License for inflation, start with 30% in FY03 (from \$1500 to \$1950)		0.2	0.2	0.2	0.2	0.2	
<b>14</b>	<b>PROPERTY</b>							
<b>15</b>	Repeal Condo Trash Credit		1.7	1.7	1.7	1.7	1.7	
<b>16</b>	A Repeal 25% cap on property tax increase on residential and co-op housing		20.2	24.1	5.2	4.6	4.6	
<b>17</b>	B Repeal 25% cap on assessed value over \$XXXX of owner-occupied housing		7.0	8.0	2.1	2.0	2.0	
<b>18</b>	Tax Vacant and abandoned Property at 5% of Market Value	10.0	10.0	10.0	9.1	9.1	8.3	
<b>19</b>	Repeal special real property tax exemption awarded private hospitals		0.8	0.8	0.9	0.9	0.9	
<b>20</b>	Tax co-ops at 85% of Market Value		0.8	0.8	0.9	0.9	1.0	
<b>21</b>	<b>DEED</b>							
<b>22</b>	A Increase Deed Tax rate (Recordation, Transfer, Econ Interests)	12.0	37.3	49.5	51.0	53.1	55.3	
<b>23</b>	to 1.3% exempting first time home buyers and purchases under \$240 k							
<b>24</b>	Transfer to fund Housing Production Trust Fund							
<b>25</b>	B Increase Deed Tax rate (Recordation & Transfer to 1.65% & Econ Interests to 3.3%		25.0	33.0	34.0	36.0	38.0	
<b>26</b>	increase recordation rate from 1.1% to 1.65%							
<b>27</b>	increase transfer rate from 1.1% to 1.65%							
<b>28</b>	increase economic interest rate from 2.2% to 3.3%							
<b>29</b>	(Exempt first-time homebuyers and housing under \$160,000; also reduce transfer to Housing Production Trust Fund from 7.5% to 5.5% in FY03, 15% to 11% in FY04 to leave \$ transfer unchanged.)							
<b>30</b>	Apply Deed Taxes to co-op housing units		1.1	1.4	1.4	1.4	1.5	
<b>31</b>	Reduce transfer to Housing Prodn Trust Fund by 1% of Deed Tax Collections		1.2	1.6	1.6	1.7	1.8	

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32	<b>INCOME</b>							
33	<b><u>Defer Tax Parity on Individual Income Tax</u></b>		<b>0.0</b>	<b>24.0</b>	<b>77.0</b>	<b>141.0</b>	<b>149.6</b>	
34	Net Taxable Income							
35	\$0-10K		0.0	0.0	14.0	27.0	28.6	
36	\$10-40K (FY2004)		0.0	0.0	14.0	34.0	36.1	
37	over \$30K (FY2003) and over \$40K (FY2004 on)		0.0	24.0	49.0	80.0	84.9	
38	Tax Social Security Income as it is taxed by the Federal Government		2.4	4.4	4.5	4.6	4.9	
39	Eliminate exclusion of first \$3000 of Federal and DC pension income		2.4	4.4	4.4	4.4	4.7	
40	Eliminating remaining component of low income tax credit.		2.0	2.0	2.0	2.0	2.0	
41	Temporary surcharge on income over \$50,000 by two-tenths of a percent	11.0	20.0	27.7	29.0	30.6	32.2	
42	Disallow deduction for property tax paid on secondary residences		0.6	0.6	0.5	0.4	0.4	
43	Institute tax on interest earned on non-D.C. State and Local Bonds		6.6	9.3	5.5	1.4	1.5	
44	Institute income tax on capital gains from sale of residences in DC at 5% rate		2.1	3.7	3.8	3.9	4.1	
45	<b><u>Franchise Tax</u></b>							
46	Defer Tax Parity, hold tax rate at 9.975%	17.5	17.5	24.3	25.2	26.3	27.4	
47	Implement an alternative minimum tax to generate \$10M annually		7.5	10.0	10.0	10.0	10.0	
48	<b>UTILITIES AND TELECOMMUNICATIONS</b>							
49	Increase <u>Public Utilities</u> tax rate (from 10% to 11%)	9.8	9.8	13.1	13.5	13.8	14.3	
50	Increase <u>Toll Telecommunications</u> tax rate (from 10% to 11%)	4.6	4.6	6.6	7.1	7.6	7.9	
51	<b>TOTAL TAX POLICY CHANGES</b>	<b>72.0</b>	<b>193.7</b>	<b>282.3</b>	<b>318.4</b>	<b>385.7</b>	<b>402.5</b>	

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53	<b>NON-TAX REVENUES</b>						
54	Increase all <u>User Fees &amp; Charges</u> to account for inflation**	8.9	8.9	11.1	11.0	11.0	11.0
55	Increase <u>Booting, Towing and Impoundment Fees</u> to account for inflation ***	0.3	0.3	0.4	0.4	0.4	0.4
56	Increase <u>Licenses &amp; Permits</u> to account for inflation**	10.9	10.9	14.5	14.5	14.5	14.5
57	Use \$4M towards DCRA improvements						
58	Increase <u>Parking Meter</u> rates by 20% ***		2.1	2.8	2.8	2.8	2.8
59	<b>TOTAL NON-TAX REVENUES</b>	<b>20.1</b>	<b>22.2</b>	<b>28.8</b>	<b>28.7</b>	<b>28.7</b>	<b>28.7</b>
61	<b>"O" TYPE REVENUE ****</b>						
62	Increase <u>Selected "O- Type" Fees</u> to account for inflation**	2.0	2.0	2.6	2.6	2.6	2.6
63	Increase <u>Selected "O- Type" Fees</u> by 10%**	1.7	1.7	2.2	2.2	2.2	2.2
64	Mandate 10% overhead from activities wholly supported by "O" type	1.5	1.5	2.0	2.0	2.0	2.0
65	Move selected "O" type funds to "A" and						
66	reduce budget authority for selected funds by 30%	6.7	6.7	9.0	9.0	9.0	9.0
67	<b>TOTAL "O" TYPE REVENUE</b>	<b>11.9</b>	<b>11.9</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>
68							
69							
70							
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72	<b>TOTAL NET TO GENERAL FUND</b>	<b>104.0</b>	<b>227.8</b>	<b>326.9</b>	<b>362.9</b>	<b>430.2</b>	<b>447.0</b>
73	* Total revenue arising from taxation of the underlined item to the left.						
74	** CPI has increased about 30% in the last 10 years. Virtually all fees, charges, licenses & permits are unchanged in those 10 years.						
75	*** Increases in parking tax, meters and fines are assumed to be implemented at the same time.						
76	**** Additional net revenue generated from increases in "O" type will be converted to "A" type.						