Government of the District of Columbia
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Vincent C. Gray** **Chairman, Council of the District of Columbia**
FROM:	**Natwar M. Gandhi** **Chief Financial Officer**
DATE:	**June 29, 2009**
SUBJECT:	**Fiscal Impact Statement – "Sales Tax Applicability Date Clarification Emergency Act of 2009"**
REFERENCE:	**Draft Legislation – No Bill Number**

Conclusion

Funds are sufficient in the FY 2009 budget and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation repeals, on an emergency basis, paragraph (32A) of D.C. Official Code §47-2005 to eliminate the Sales Tax Holiday on school supplies, articles of clothing, accessory items, or shoes for $100 or less purchased between the first Saturday and second Sunday of August. The proposed emergency legislation would be effective for ninety days starting July 1, 2009. The Fiscal Year 2010 Budget Support Act of 2009, Bill Number 18-203, will permanently eliminate Sales Tax Holidays starting October 1, 2009.

Financial Plan Impact

The elimination of the Sales Tax Holiday during the week that starts the first day of August is expected to increase sales tax collections by approximately is $640,000 in FY 2009.