

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:** OCT 17 2007

**SUBJECT:** Fiscal Impact Statement: "Wax Museum Project Tax Abatement  
Allocation Modification Amendment Act of 2007"

**REFERENCE:** Bill Number 17-343 as Introduced

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**Conclusion**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation would not result in a loss of revenue to the District beyond the current abatement, for which the fiscal effects have been previously accounted.

**Background**

The proposed legislation would amend D.C. Official Code § 47-857.06 (d)(4) to alter the basis of the existing abatement allocation formula from square footage to the discretion of the project owner. Under current District law (Official Code § 47-857.06 *et seq.*), there is a real property tax abatement for the Wax Museum Project, which includes property in a "K Street Building" and an "L Street Building." The existing statute requires that the tax abatement for the Project is to be allocated between the K and L Street Buildings based on the square footage dedicated to residential units in each building. The proposed legislation would not alter that abatement amount but would change the allocation requirement to provide the Project owner with discretion over the allocation between the two buildings.

The Honorable Vincent C. Gray

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### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation would change the allocation formula of the current real property tax abatement for the Wax Museum project but would not alter the abatement amount. Thus there would not be a fiscal impact.