

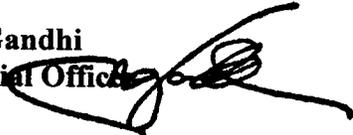
**Government of the District of Columbia
Office of the Chief Financial Officer**



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: APR -1 2008

SUBJECT: Fiscal Impact Statement: "Omnibus Domestic Partnership Equality Act of 2007"

REFERENCE: Bill Number 17-135 (Draft Committee Print)¹

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Implementation of the proposed bill would not have an impact on the District's budget and financial plan. No additional staff or resources would be required. Although the proposed legislation may impact estate tax collections, the impact to District of Columbia tax collections is estimated to be negligible.

Background

The proposed legislation would amend current District law to grant domestic partners rights and responsibilities similar to those granted to spouses, including, but not limited to:

- Status as step-parent, household member, dependent, and/or immediate family member;
- Equity in retirement benefits;
- Status as a relative under the District of Columbia Government health insurance, disability compensation and retirement plans;
- Immunity from testimony against one's partner;

¹ Dated March 11, 2008.

- Status as survivor in the event of the death of one's partner;
- Treatment identical to spouses for purposes of administering the District of Columbia tax law; and
- Exclusion from privilege from testimony concerning the welfare of or the removal of parental rights of a neglected child.

The proposed legislation would also clarify the process for dissolution of a domestic partnership. There are currently 871 domestic partnerships registered in the District of Columbia.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Implementation of the proposed bill would not have an impact on the District's budget and financial plan. No additional staff or resources would be required. The proposed legislation may have some impact on the estate tax collections of the District of Columbia; however, given the small number of registered domestic partnerships – less than three-tenths of one percent of individual income tax filers – the impact is estimated to be negligible.²

Under current D.C. tax law, assets that are transferred to a surviving spouse at death are fully deductible for purposes of calculating the estate tax. Under the proposed legislation, decedent transfers to domestic partners would also become exempt from taxation under the District of Columbia estate tax, and may therefore result in a negative impact on the budget and financial plan.

Data are not available to reliably estimate this impact; however, given the limited percentage of the population that registers as domestic partners (less than three-tenths of one percent of individual tax filers), it is likely to be negligible. .

² The proposed legislation would also change the treatment of fire, police, and teacher pensions. Data are not available with which to reliably estimate the effects of this change. However, as there are currently fewer than 100 District employees claiming existing domestic partner health benefits, it is not expected that the change in treatment of pensions will have a material effect on the District's budget and financial plan.