

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:** October 7, 2010

**SUBJECT:** Fiscal Impact Statement – “Ballpark Fee Clarification Act of 2010”

**REFERENCE:** Bill Number 18-899 – Draft Committee Mark-up received by OCFO on October 6, 2010

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**Conclusion**

Funds are not sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation would allow certain eligible organizations to apply to the District for a rebate of Ballpark Fee paid. The legislation caps the cost to the District at \$50,000.

**Background**

The proposed legislation would amend Chapter 27 (Permits and Fees) of Title 47 (Taxation, Licensing, Permits, Assessments, and Fees) of the District of Columbia Official Code to allow the District to rebate certain Ballpark Fees paid by eligible organizations. Organizations eligible to apply for the rebate are entities, and their successor entities, that paid at least 80% of gross receipts to non-profit entities with the IRS 501(c)(3) designation. The total rebates available under the proposed legislation are limited to \$50,000 in the aggregate.

Currently, entities with District of Columbia gross receipts over \$5 million pay a Ballpark Fee of \$5,500 to \$16,500 annually (depending on the level of gross receipts). In order for an organization to be exempt from the Ballpark Fee, it must have received the IRS 501(c)(3) designation and not have unrelated business income over \$5 million.

**Financial Plan Impact**

Funds are not sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation amends existing law to allow for a total of up to \$50,000 in rebates of Ballpark Fee paid by certain eligible organizations. The \$50,000 rebate may be applied for within one year after enactment of the legislation, and therefore the District will likely incur its cost in FY 2011.

<b>Estimated Fiscal Impact: FY 2011 – FY 2014</b>					
	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Four Year Total</b>
Estimated Rebate Amount	\$50,000	\$0	\$0	\$0	<b>\$50,000</b>