


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



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** November 6, 2017

**SUBJECT:** Fiscal Impact Statement – Business Improvement Districts Tax  
Exemption Emergency Amendment Act of 2017

**REFERENCE:** Draft bill provided to the Office of Revenue Analysis on October 30,  
2017

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**Conclusion**

Funds are sufficient in fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

**Background**

The bill exempts Business Improvement Districts (“BIDs”) from most District taxes including sales, use, franchise, gross sales or receipts, income, personal or real property, transfer, or excise taxes. The exemption is retroactive to May 29, 1996, the date BIDs were established<sup>1</sup>. BIDs must still pay all employment and withholding taxes. The exemption codifies what has been existing practice.

**Financial Plan Impact**

Funds are sufficient in fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. Current practice has been to treat BIDs as tax exempt organizations, so the bill has no impact on expected revenues.

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<sup>1</sup> Business Improvement Districts Act of 1996, effective May 29, 1996 (D.C. Law 11-134; D.C. Official Code § 2-1215.02(4)).