


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: June 13, 2019

SUBJECT: Fiscal Impact Statement – Mypheduh Films DBA Sankofa Video and Books Real Property Tax Exemption Act of 2019

REFERENCE: Bill 23-75, Committee Print provided to the Office of Revenue Analysis on June 5, 2019

Conclusion

Funds are not sufficient in the fiscal year 2019 through fiscal year 2023 budget and financial plan to implement the bill. The real property tax abatement will cost \$33,022 in fiscal year 2020 and \$142,329 over the four-year budget and financial plan.

Background

The bill exempts the property at 2714 Georgia Avenue, N.W.¹ from real property taxation beginning October 1, 2019 through September 30, 2029. To maintain the exemption, the property must continue to be owned by Mypheduh Films Inc.², DBA Sankofa Video and Books, and operate as a video store, bookstore, or cafe. Additionally, at least 51 percent of permanent jobs at the store must be filled by District residents, and 30 percent of those jobs must be reserved for residents of Ward 1. All apprenticeships at the store must be reserved for District residents, with a preference given to Ward 1 residents. The Mayor must certify the property's eligibility annually to the Office of Tax and Revenue.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2019 through fiscal year 2023 budget and financial plan to implement the bill. The real property tax abatement will cost \$33,022 in fiscal year 2020 and \$142,329 over the four-year budget and financial plan.

¹ For tax and assessment purposes the property is known as Lot 884, Square 2885.

² For more background on the business and the proposed abatement see the OCFO's Tax Abatement Financial Analysis on this bill dated April 24, 2019. (<https://cfo.dc.gov/node/1400096>)

The Honorable Phil Mendelson

FIS: "Mypheduh Films DBA Sankofa Video and Books Real Property Tax Exemption Act of 2019," Bill 23-75,
Committee Print provided to the Office of Revenue Analysis on June 5, 2019.

Fiscal Impact of Bill 23-75						
Mypheduh Films DBA Sankofa Video and Books Real Property Tax Exemption Act of 2019						
Fiscal Year 2019 – Fiscal Year 2023						
(\$000s)						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced real property tax revenue	\$0	\$33	\$35	\$36	\$38	\$142