

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: October 25, 2016

SUBJECT: Fiscal Impact Statement – “Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016”

REFERENCE: Bill 21-696, Committee Print provided to the Office of Revenue Analysis on October 21, 2016

Conclusion

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will reduce sales tax revenues by \$3.3 million in fiscal year 2017 and \$14 million in fiscal year 2017 through fiscal year 2020.

Background

The bill exempts feminine hygiene products and diapers from sales taxes.¹ The bill defines feminine hygiene products to include sanitary napkins, sanitary towels, tampons, menstrual cups and sanitary pads. It defines diapers as any absorbent incontinence product, washable or disposable, worn by someone, regardless of age, who cannot control bladder or bowel movements.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will reduce sales tax revenues by a total of \$3,305,395 in fiscal year 2017 and \$14,013,621 in fiscal year 2017 through fiscal year 2020.

Fiscal Impact of Bill 21-696 Feminine Hygiene and Diapers Sales Tax Exemption Amendment Act of 2016 FY 2017 through FY 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Reduced Sales Tax Revenue	\$3,305,395	\$3,440,621	\$3,567,841	\$3,699,764	\$14,013,621

¹ The District’s sales tax rate on these items is 5.75 percent. See D.C. Official Code § 47-2002.