MEMORANDUM

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

FROM: Fitzroy Lee
Chief Financial Officer

DATE: July 12, 2022


REFERENCE: Bill 24-352, Committee Print as provided to the Office of Revenue Analysis on July 12, 2022

Conclusion

Funds are sufficient in the fiscal year 2022 budget and fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill.

Background

The bill provides a property tax exemption for property and improvements at 2737 Martin Luther King, Jr., Ave., S.E.\(^1\) so long as the property is owned by GST LLC and operated as Georgena’s Restaurant (also known as Players Lounge). The exemption is retroactive to October 1, 2019 and ends on September 30, 2026.

Financial Plan Impact

Funds are sufficient in the fiscal year 2022 budget and fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The exemption will reduce real property tax revenue and has a cost to refund amounts paid by the taxpayer. The total cost is $49,426 in fiscal year 2023, and $79,696 over the four year financial plan. Council included funding for these costs in the approved fiscal year 2023 through fiscal year 2026 budget and financial plan.

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\(^1\) Known for tax and assessment purposes as Lot 46, Square 5982.

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<table>
<thead>
<tr>
<th>Players Lounge Tax Exemption Amendment Act of 2022</th>
<th>Total Cost</th>
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<tbody>
<tr>
<td></td>
<td>FY 2023</td>
</tr>
<tr>
<td>Retroactive tax exemption (October 1, 2020 through September 30, 2022)</td>
<td>$39,519(a)</td>
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<tr>
<td>Prospective tax exemption</td>
<td>$9,907</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$49,426</strong></td>
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</tbody>
</table>

**Table Notes**

(a) $18,000 of this cost has been budgeted in agency code AT0 for refunds of amounts taxpayer has paid.