

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Philip H. Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: August 31, 2012

SUBJECT: Fiscal Impact Statement – “Excise Tax Amendment Act of 2012”

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on August 10, 2012

Conclusion

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

Background

The Department of Motor Vehicles (DMV) imposes an excise tax each time it issues a certificate of title for a vehicle in the District. DMV allows certain issuances of title to be exempt from the tax. The exemptions range from vehicles owned by governmental entities (the District or the United States) to rental or commercial vehicles subject to other tax impositions.

The bill is a technical rewrite of a few components of the District of Columbia Traffic Act¹ related to excise taxes and a corresponding exception. The bill clarifies that a vehicle owned by a newly-established resident of the District would be exempt from excise taxes at the time of the title issuance if the new resident had permanently registered the vehicle in a U.S. jurisdiction before becoming a resident.

Financial Plan Impact

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill makes technical changes and clarifications to District law and there is no impact on the four year financial plan.

¹ District of Columbia Traffic Act, 1925, approved March 3, 1925 (43 Stat. 1121; D.C. Official Code § 50-2201.03(j)).