

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: December 14, 2004

SUBJECT: Fiscal Impact Statement: "Evans Amendment to the Ballpark
Omnibus Financing and Revenue Act of 2004"

REFERENCE: Draft Proposed Legislation

Conclusion

Funds are sufficient in the proposed FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation. The proposed bill would repeal the 1 percent reduction in the public utilities and toll telecommunications tax rates for non-residential uses scheduled for January 1, 2005. The revenue retained of \$10 million in FY2005 and \$12.2 each year in FY2006-2008 will be fully offset by a reduction in the proposed Ballpark Fee.

Background

The proposed legislation would repeal the 1 percent reduction in the public utilities and toll telecommunications tax rates for non-residential uses scheduled for January 1, 2005 and these uses would be taxed at 11 percent. Gross receipts from residential customers will be taxed at 10 percent. Ten million dollars of the proceeds from the increased gross receipts tax rate would be deposited in the Ballpark Revenue Fund in FY2005 and \$12.2 million in FY2006 and subsequent years, to be used for the development, construction, maintenance and operation of the new ballpark, as well as improvements, maintenance and upgrades of the RFK Stadium related to baseball games and events. This amendment also establishes a fee schedule different from the one included in the Engrossed Original of the Bill 15-1028 as follows:

"(1) Each feepayer with annual District gross receipts of \$5,000,000 to \$8,000,000 shall pay \$5,500;

"(2) Each feepayer with annual District gross receipts of \$8,000,001 to \$12,000,000 shall pay \$10,800;

"(3) Each feepayer with annual District gross receipts of \$12,000,001 to \$16,000,000 shall pay \$14,000;

"(4) Each feepayer with annual District gross receipts above \$16,000,000 shall pay \$16,500.

Financial Plan Impact

The proposed FY 2005 through FY 2008 budget and financial plan has sufficient resources to implement the provisions of the proposed legislation. Because of higher revenue forecasts, the drop in the tax rate is automatically triggered; the funds are not needed to balance the FY2005 budget or the FY2005-2008 Financial Plan. The repeal of the drop in the tax rate, as proposed in this amendment, is estimated to generate \$10 million during FY 2005, and \$12.2 million in each year FY2006-2008 that can be dedicated to the Ballpark Fund without impact on the Budget and Financial Plan.

General Fund, Revenue Impact to the Financial Plan (\$ in Millions)

FY 2005	FY 2006	FY 2007	FY 2008	Total
0	0	0	0	0