


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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** December 15, 2011

**SUBJECT:** Fiscal Impact Statement – “Retirement Distribution Withholding  
Emergency Act of 2011”

**REFERENCE:** Draft shared with the Office of Revenue Analysis on December 13, 2011

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**Conclusion**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the proposed resolution.

**Background**

Subtitle VIII (L) of Fiscal Year 2012 Budget Support Act of 2011<sup>1</sup> amended the District’s tax code<sup>2</sup> to allow withholding of District tax at the highest income tax rate on early distributions residents receive from various retirement accounts. The proposed resolution clarifies these amendments to the tax code to ensure that taxpayers understand which distributions are subject to D.C. income tax withholding. Specifically, the proposed resolution clarifies that withholding requirements apply to all distributions from applicable plans, so long as the said distributions are subject to withholding of federal taxes.

**Financial Plan Impact**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the proposed resolution. The revenue impact of the amendments to the tax code is already incorporated into the budget and financial plan. The proposed resolution is a technical change that aligns the code with the intent of the Council and the Mayor.

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<sup>1</sup> Effective September 14, 2011 (D.C. Law 19-21, 58 DCRM 6226).

<sup>2</sup> D.C. Official Code § 47-1812.08, *Withholding of Tax*.