

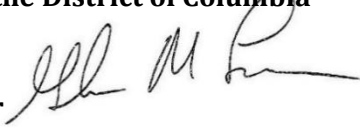
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: March 31, 2026

SUBJECT: Fiscal Impact Statement – Transfer and Recordation Tax Appeals
Amendment Act of 2026

REFERENCE: Bill 26-396, as provided to the Office of Revenue Analysis on March 6,
2026

Conclusion

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Background

When real property is transferred for no or nominal consideration, the Office of Tax and Revenue's Recorder of Deeds must compute the deed transfer tax and the recordation tax based on the fair market value for the property.¹ The Recorder of Deeds has by regulation defined "nominal consideration" as an amount that bears no reasonable resemblance to the fair market value of the property transferred and provided further that consideration paid which equals less than 30% of the fair market value of the property is deemed to be nominal. In these cases, the Recorder of Deeds uses the assessed value of the property for the current tax year as the estimate of the property's fair market value and computes the transfer and recordation taxes accordingly.

The bill amends the District of Columbia Real Estate Deed Recordation Tax Act and the transfer tax law so that in cases where property transfers for no or nominal consideration, the transferor or transferee may appeal the fair market value used for calculation of the transfer and recordation taxes to the Office of Tax and Revenue (OTR). The bill specifies an appeal must be filed within 45 days of the transfer. Subsequent to the Office of Tax and Revenue issuing a notice of final determination on

¹ D.C. Official Code § 42-1103(a)(1)(B)(iii) and § 42-1104(a) and § 47-903(a)(1)(B) and § 47-904.

The Honorable Phil Mendelson

FIS: Bill 26-396, "Transfer and Recordation Tax Appeals Amendment Act of 2026," Draft Committee Print as provided to the Office of Revenue Analysis on March 6, 2026

the administrative appeal, the transferor or transferee has 45 days to appeal the determination to the Real Property Tax Appeals Commission (Commission). The bill also allows a transferor or transferee to appeal a Commission determination to the Superior Court within 45 days of the determination. The transferor or transferee can only appeal a fair market value assessment if no other petitions or appeals of the assessed value or classification of the property have been filed.

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. OTR and the Recorder of Deeds can implement the bill's new procedures, including processing any appeals brought by transferors or transferees, without additional resources.