

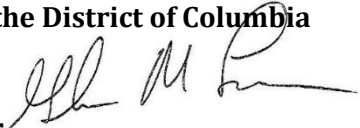
Government of the District of Columbia
Office of the Chief Financial Officer



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: October 18, 2022

SUBJECT: Fiscal Impact Statement – Performing Arts Promotion Tax Rebate
Clarification Amendment Act of 2022

REFERENCE: Bill 24-940, Committee Print as provided to the Office of Revenue
Analysis on October 11, 2022

Conclusion

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

Background

Entertainment venues that lease real property in the District and are liable for a share of the property tax under the lease are eligible to receive a real property tax rebate of up to \$15,000 annually. An eligible venue must host live performance artists at least 48 hours per month and have a seating capacity under 300 guests to be eligible.

The bill allows these eligible venues to continue receiving the tax rebate during periods when the Mayor has declared a public health emergency¹ and the venues may be temporarily suspending live performances. The bill also requires an eligible venue to apply for the tax rebate to the Mayor, who will then certify the venue's eligibility to the Chief Financial Officer (CFO), rather than the eligible venue directly applying to the CFO.

¹ Declared pursuant to section 5a of the District of Columbia Public Emergency Act of 1980, effective October 17, 2002 (D.C. Law 14-194; D.C. Official Code § 7-2304.01).

The Honorable Phil Mendelson

FIS: Bill 24-940, "Performing Arts Promotion Tax Rebate Clarification Amendment Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on October 11, 2022

These changes are currently in effect under emergency legislation.²

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The approved budget and financial plan account for forgone revenue from entertainment venue tax rebates and there are no additional costs or revenue impacts associated with maintaining these rebates during periods when the Mayor has declared a public health emergency. The Mayor can absorb any costs associated with approving applications for eligible venues and certifying their eligibility with the CFO who will continue to process the rebates.

² Performing Arts Promotion Tax Rebate Clarification Emergency Amendment Act of 2022, enacted July 27, 2022 (D.C. Act 24-523; 69 DCR 9903).