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 JJJ M F

DATE: October 19, 2022

SUBJECT: Fiscal Impact Statement - Whitman-Walker Entities at St. Elizabeth's

Tax Rebate Amendment Act of 2022

REFERENCE: Bill 24-894, Committee Print as provided to the Office of Revenue

Analysis on October 11, 2022

Conclusion

Funds are not sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. It will cost \$1.3 million in fiscal year 2023, and \$5.5 million over the four-year financial plan to refund real property tax collections on the property.

Background

The bill provides a rebate of real property taxes on space leased and paid for by Whitman-Walker Health at the newly constructed Max Robinson Center on the former St. Elizabeth's campus in Ward 8.¹ The rebate begins tax year 2023 (October 1, 2022) and remains in effect for a minimum of 15 years and a maximum of 25 years, provided Whitman-Walker Health still occupies a portion of a building. Whitman-Walker must apply for the rebate by September 15 each tax year showing the taxes were paid.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. It will cost \$1.3 million in fiscal year 2023, and \$5.5 million over the four-year financial plan to refund real property tax collections on the property.

 $^{^{\}rm 1}$ The building is located at Square 5868 S, Lot 0965, for tax and assessment purposes.

The Honorable Phil Mendelson

FIS: Bill 24-894, "Whitman-Walker Entities at St. Elizabeth's Tax Rebate Amendment Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on October 11, 2022.

Please refer to the separate Tax Abatement Financial Analysis² for findings and a review of the full term of the proposed rebate.

Whitman-Walker Entities at St. Elizabeth's Tax Rebate Amendment Act of 2022 Fiscal Year 2023 through Fiscal Year 2026 Total Cost (\$ thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Real Property Tax Rebate	\$1,324	\$1,350	\$1,391	\$1,432	\$5,497

² Whitman-Walker at St Es TAFA_rev.pdf (dc.gov)