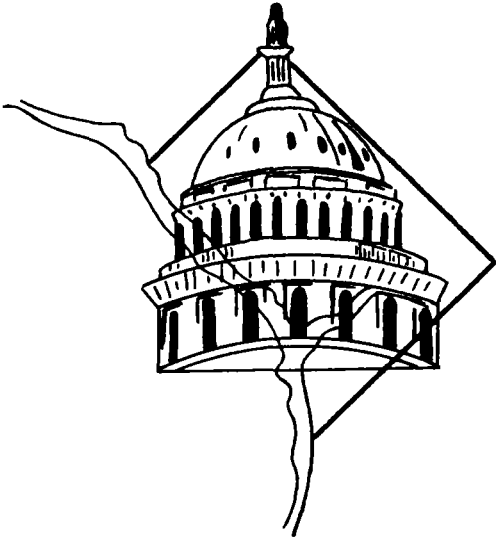


**Government of the District of Columbia**

**REAL ESTATE  
TAX ASSESSMENT  
INFORMATION**



**Fiscal Year  
1980**

**Department  
of Finance  
and Revenue**



# **REAL ESTATE TAX ASSESSMENT IN THE DISTRICT OF COLUMBIA**

This brochure has been prepared to familiarize District taxpayers with the most significant features of the District's real estate tax and its administration.

All taxpayers should read this brochure carefully to obtain important information relating to the following: (1) D.C. property tax relief programs; (2) how to appeal your real estate tax assessment; (3) where and how to obtain information on your D.C. real estate; (4) the D.C. real estate valuation programs; (5) how your D.C. real estate tax liability is determined; and (6) the real estate tax calendar.

## **PROPERTY TAX RELIEF**

There are several types of property tax relief available to those who qualify.

### **1. PROPERTY TAX CREDIT:**

If you owned a home or rented an apartment in the District during all of 1978 and the total household gross income of all members of your household was \$20,000 or less, you may be entitled to claim on your 1978 income tax return (filed between January 1 and April 16, 1979) a credit or refund of up to \$750 for a portion of your property taxes paid or rent paid constituting property taxes which is in excess of a certain percentage of your household gross income.

Only one person per household is entitled to claim the property tax relief. Homeowners should pay their property taxes when they become due and renters should continue to pay their full rent. Fifteen percent of rent paid is used by renters as constituting property taxes. The 1978 D.C. income tax return will contain detailed instructions on how to claim the credit and a section of the return is devoted to the property tax credit. Persons eligible for property tax relief who are not required to file a D.C. income tax return should call 727-6170 to obtain a copy of the application form. Ask for the form known as "Schedule H".

To obtain assistance filing or for further information, call 727-6103.

## **2. HOMESTEAD EXEMPTION:**

If you are the owner of single-family residential property containing five or less dwelling units which is your principal place of residence, you may qualify for property tax relief in the form of a "homestead exemption". Owners of condominium units are also eligible for the exemption if they occupy their units as their principal place of residence. The amount of the exemption, \$9,000 for the tax year beginning July 1, 1979 and ending June 30, 1980, is deducted from the estimated market value of the property. Your real estate tax liability is then determined by multiplying this reduced assessed value by the tax rate. Special provisions apply to cooperative housing associations.

In order to receive the exemption you must complete the Affidavit of Ownership which will be mailed to you in a separate envelope. Remember that the affidavit *must be signed*. The completed affidavit must be returned to the Department of Finance and Revenue by June 1, 1979. If you purchase property after June 1 but before July 1, 1979, you may apply before July 1 for an exemption. If you do not receive an affidavit of ownership by May 1, 1979, you may obtain one by calling 727-6410.

## **3. PROPERTY TAX DEFERRAL PROGRAMS:**

You may be eligible to defer payment of a part of your real property taxes if:

(a) Your total household adjusted gross income is **\$20,000 or less**, your real estate tax bill increased by more than 10% over the previous year, and you otherwise qualify under current law; or if

(b) Your total household adjusted gross income exceeds \$20,000 and you otherwise qualify under current law, you may defer the

amount of real property tax attributable to an increase by more than 25% in any one year over the assessment of the previous year.

Taxes deferred bear interest compounded annually at a rate equal to the average U.S. Treasury bill interest rate for the preceding twelve months. Taxes shall no longer be deferred when the deferred tax plus interest exceeds twenty percent of the current assessed value of your property. The deferred taxes, including interest, constitute a preferential lien upon your property and must be paid by the seller whenever the property is refinanced or conveyed in any manner.

To receive additional information on this program or to obtain the Tax Deferral Application Form, please call 727-6415.

#### **4. INCENTIVES FOR THE PRESERVATION OF HISTORIC PROPERTIES:**

If you are the owner of a certified historic building (certified by the Joint Committee on Landmarks of the National Capital) and enter into an agreement with the District of Columbia for a period of at least twenty years to use and maintain in a manner that will assure the continued maintenance and preservation of the building as an historic property, you are eligible for this tax benefit program. As a result, your property will be assessed on the basis of current use of land and improvements. If such an assessment is less than the estimated market value assessment, the lesser assessment shall be the basis of your tax liability. For further information, please call 727-6478.

#### **APPEAL OF REAL ESTATE TAX ASSESSMENTS**

An appeal of your proposed real estate tax assessment may be made to the Board of Equalization and Review if you feel that the assessment is incorrect. The Board is an independent administrative body composed of 15 members appointed by the Mayor with the approval of the City Council to hear real estate tax assessment appeals.

A taxpayer wishing to appeal his assessment must file an appeal form to the Board on or before April 15. Notification of the date and time of the hearing will be given to the taxpayer by the Board of Equalization and Review.

The Board is required to raise or lower the assessment of any real property that it finds to be more than 5 percent above or below the estimated market value of the property as determined by the assessor. Evidence relating to the value of the property is required to settle a dispute over an assessment. Some examples of the tools that may be used by taxpayers to support an appeal include an appraisal made by a competent appraiser, comparable sales, records of assessments of similar properties, and the income produced by a property when applicable.

Decisions of the Board of Equalization and Review may be appealed to the Superior Court of the District of Columbia by April 1 of the following year.

Taxpayers wishing to file an appeal with the Board of Equalization and Review can obtain the appeal forms by calling 727-6860 or 727-6861, or by writing to the Board of Equalization and Review, District Building, Room 202, 14th and E Streets, N.W., Washington, D. C. 20004. Appeal forms may also be obtained from any public library and Room 2000, Municipal Center, 300 Indiana Avenue, N.W., Washington, D. C.

## **RECORDS AND INFORMATION**

The Office of Assessment Administration maintains records on each property in the District of Columbia, showing the details of interior construction, lot size and shape. This information is used by the assessor in the valuation process and is reviewed and updated during periodic site inspections of the property. Interior inspections are made on properties where building permit activity, such as remodeling or renovation, has occurred, and efforts are made to inspect both the interiors and exteriors of properties sold throughout the year. Often the home-owner is asked about the

characteristics of his property to this office in maintaining accurate information on which to base real estate tax assessments. Information is also solicited from commercial and multi-family residential property owners regarding income and expenses and is used in the valuation of these types of properties.

Other records, including the preliminary and final assessment rolls, maps, plats and field books are maintained by the Office of Assessment Administration. Copies of these and other records are available to the public during normal business hours. Records of individual properties including any notes or memoranda and any statement indicating the basis upon which the real property has been assessed are also available for inspection by the taxpayer.

As a convenience to the taxpayer, the preliminary assessment roll may also be inspected at the District Building, the Martin Luther King Library and at a library in each of the eight wards of the city.

## **VALUATION OF REAL ESTATE**

The estimated market value of real estate is determined by valuation techniques which may differ depending on the type and use of the property.

Single family residential property is valued primarily by the comparable sales approach to value. This approach produces an estimate of value by comparing the subject property with similar properties that have recently sold. Sales are analyzed to determine their degree of comparability with the property to be assessed. Other factors of consideration are also analyzed such as location, size, use and condition of the property. Appropriate units of comparison, including the square footage of building area and the number of rooms are often used to assist in the valuation of the property. The replacement cost less depreciation approach may also be used for valuing single family residential property.

Multi-family residential properties and commercial and industrial properties are valued principally by the income approach to value. This approach, applied primarily to investment or income-producing properties, employs the capitalization method, whereby a series of anticipated future periodic installments of net income are converted (capitalized) into present value. Future net income is derived by subtracting expected future operating expenses and vacancy and rent loss from expected future gross economic income.

District law requires that owners of income-producing properties complete an "Income and Expense Form". This form will be sent to such owners during the month of January. The law states: *"If an owner of real property in the District of Columbia fails to submit such information within the time and in the form prescribed, there shall be added to the real property tax levied upon the property in question for the next ensuing tax year the amount of ten (10) percentum of said tax. . ."*

Special purpose properties and many tax exempt properties are most often valued by the replacement cost approach. This method, applied to properties for which there is a limited market, produces an estimate of value by adding the land value of the property as determined by sales activity and the current cost of replacing the existing improvements less accrued depreciation.

## **REAL ESTATE TAX LIABILITY**

Real estate tax liability is determined by two factors: the assessed value of the property and the tax rate.

Real estate in the District of Columbia is assessed for tax purposes on the basis of its estimated market value. The value that appears on the Notice of Assessment is the proposed assessment for your property.

District law requires that all 148,796 parcels of real estate be reassessed annually.

The real estate tax rates are established each year by the City Council. The tax rates are set in July of the tax year after receipt of recommended rates by the Mayor and the holding of a public hearing by the City Council. The tax rate expressed in dollars per \$100 of assessed value, is applied to the amount of the assessment to determine your annual real estate tax bill. The tax rates which will be set in July, 1979 are the rates which, when applied to the proposed assessment shown on the accompanying Notice, will produce your property tax liability for the tax year beginning July 1, 1979.



# REAL ESTATE TAX CALENDAR

- |   |                             |
|---|-----------------------------|
| 1. Annual Assessment Review Program   | January 1 –<br>December 31  |
| 2. Notice of Proposed Assessment  | On or before<br>March 1     |
| 3. Printing of Preliminary Assessment Roll  | On or before<br>March 1     |
| 4. Filing Period for Appeal of Assessment   | January 1 –<br>April 16     |
| 5. Last Day for filing Homestead Exemption  | June 1                      |
| 6. Effective Date of Tax  | July 1                      |
| 7. Establishment of Tax Rate by City Council                                      | July                        |
| 8. First Half Tax Bills Mailed  | August 15                   |
| 9. First Half Tax Payments Due  | September 15                |
| 10. Tax Deferral Filing Deadline  | September 15                |
| 11. Property Tax Credit Filing Period   | January 1 –<br>April 16     |
| 12. Second Half Tax Bills Mailed  | March 1                     |
| 13. Second Half Tax Payment Due   | March 31                    |
| 14. Appeal of Board of Equalization & Review Decisions to the D.C. Superior Court | April 1                     |
| 15. Tax Delinquent Bills Mailed   | May 31                      |
| 16. Notice of Tax Sale Mailed to Owners Whose Taxes are Delinquent                | October                     |
| 17. Real Estate Tax Sale  | Third Tuesday<br>in January |

**Room and Phone Number** the Office of Assessment Administration located at 300 Indiana Avenue, N.W.

**Municipal Center**

	<b>Room</b>	<b>Phone</b>
Valuation and Proposed Assessment Information	2152	727-6460
Tax Records, Billing and Ownership Information	2000	727-6440
Assessment Roll	2000	727-6410
Delinquent Tax Sale Information	1176	727-6415
Tax Deferral Program	1176	727-6415
Historic Property Program		727-6478
Affidavit of Ownership Forms (Homestead Exemption)	2000	727-6410
Property Tax Credit Information	3001	727-6103

**District Building  
14th & E Streets, N.W.**

Appeal Forms and Filing Information	202	727-6860
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