

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF TAX AND REVENUE



## Real Property Taxes Fact Sheet

### Real Property Tax Administration

The Office of Tax and Revenue (OTR) Real Property Tax Administration assesses annually all properties within the District of Columbia, levies and collects real property, recordation and transfer taxes, and conducts the annual tax sale of delinquent property, through the following divisions:

- **The Assessment Division** - assesses/values all real property for ad valorem tax purposes, conducts assessment appeals, maintains the assessment roll and parcel maps, and administers the real property exemption laws.
- **The Assessment Services Division** – semiannually levies and collects real property taxes, conducts the annual real property tax sale, administers tax relief programs, and collects other taxes and fees as required by law.
- **The Recorder of Deeds Division** - serves as the official repository of land records for the District of Columbia, accepts for recordation various instruments (including deeds), and levies and collects recordation and transfer taxes.

### Assessments

**What is an assessment?** An assessment is the estimated market value of real property for tax purposes. The District of Columbia is required to assess real property at 100% of its estimated market value.

Cooperatives are assessed at 65% of the value of the owners' stock minus the value of non-real property assets, such as cash reserves.

**What is estimated market value?** The term "estimated market value" means 100% of the most probable price at which a particular piece of real property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would be expected to transfer under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other. DC Code § 47-802(4).

**When is my property assessed?** Real property is assessed annually as of January 1. The assessment is the basis for calculating taxes for the subsequent tax year.

**When does the District notify property owners of assessments?** Property owners are notified by mail on or before the March 1st preceding the tax year, as required by DC Code § 47-824.

**How is my real property assessed?** The Assessment Division uses the mass appraisal process, based on real property data, using standard methods and allowing for statistical testing. The process incorporates one or more of the following approaches:

- Sales Comparison Approach
- Cost Approach
- Income Approach

### **Appeals Process**

**Why is there an appeal process?** The appeal process provides an opportunity for the property owner to question the assessment determined by the Assessment Division. The process begins at the 1st Level-Administrative Appeal. Property owners should base their appeal on any of the following criteria:

1. Valuation
2. Tax classification
3. Property damage or condition
4. Errors in property records
5. Unequal values of properties of the same size and use in the same area.

Include any facts, appraisals, photographs, sales data, and income-expense statements that support your appeal.

**How do I file my appeal?** You must file your appeal on or before April 1. We have an Electronic First Level Assessment Appeal Filing at [www.taxpayerservicecenter.com](http://www.taxpayerservicecenter.com). There is also option to download the Appeal Application , or call (202) 727-4TAX (4829) to request one by mail. Send your application and documents to:

Government of the District of Columbia  
Real Property Tax Administration  
Attn: Appeals Section  
PO Box 71440  
Washington, DC 20024  
Fax: (202) 442-6796

**1st Level—Administrative Appeal:** This is an informal process. The appraiser will review your statements and documents, compare them with OTR's records, and make a change in assessment, if warranted. You should receive the appraiser's Notice of Final Determination of Assessment by August 1.

**2nd Level—Real Property Tax Appeals Commission (RPTAC):** The Council established a commission to conduct second-level appeals beginning in Tax Year 2012 (October 1, 2011). Information about the appeal process including filing dates and requirements are forthcoming. Call Real Property Tax Appeals Commission (RPTAC) at 727-6860.

**3rd Level—DC Superior Court:** - If you are not satisfied with the decision of RPTAC, you may file a complaint with the Superior Court of the District of Columbia by September 30 of the tax year.

### **Paying Your Taxes**

How is real property taxed? A real property's assessed value is taxed by applying a tax rate based on its classification. Classification is the grouping of properties based on similar uses. Properties in different classes are taxed at different rates.

A tax rate is the amount of tax on each \$100 of the assessed value of the property. The rates are established by the Council of the District of Columbia and may change from year to year.

**How is real property tax computed?** The amount of tax due is determined by dividing the assessed value of the property by \$100, and then multiplying that amount by the rate for the class associated with the property.

For example, assume your property is classified as Class 1 (which means your tax rate is \$0.85 per \$100 of value) and your house is assessed at \$100,000. To determine the tax, divide \$100,000 by 100. That amount is \$1,000. Then multiply \$0.85 by \$1,000. Your annual tax is \$850 (before application of the assessment cap credit, homestead deduction, senior citizen or disabled tax relief, trash credit, and other relief).

### Current classes and rates

CLASS	TAX RATE <i>PER \$100</i>	DESCRIPTION
1	\$ 0.85	Residential real property, including multifamily
2	\$1.65  \$1.85	For the first \$3 Million of value  All value over \$3 Million Commercial and Industrial real property, including hotels and motels
3	\$5.00	Vacant real property
4	\$10.00	Blighted property

**When are property tax bills mailed?** Bills are mailed twice a year. The first-half of your bill is mailed in February, and the tax payment is due March 31. The second-half of your bill is mailed in August, and the tax payment is due September 15.

**What happens if I am late making a payment?** Penalty and interest will be added to the amount owed. The penalty for late payment of real property tax is 10% of the tax, and the interest for late payment is 1.5% per month or part thereof.

**What happens if I do not pay my real property taxes?** Your property can be sold at tax sale to satisfy your tax liability. You then have the right to redeem your property up to the date the court issues a final order foreclosing your right of redemption and granting to the tax sale buyer the right to the deed. To redeem your property, you must pay all taxes, assessments, fees, and costs due to the District of Columbia and expenses (including reasonable legal fees) due to the tax sale purchaser.

### Tax Relief Programs

District of Columbia property owners may be eligible for real property tax relief. The District offers several programs to assist property owners and first-time homebuyers. These include:

- **The Assessment Cap Credit**

The assessment cap credit generally provides that a real property may not be taxed on more than a 10% increase in the property's taxable assessment each year. This credit does not reduce the assessed value of your property on the tax roll or the assessment notice, but it will appear as an automatic credit on your real property tax bill. The property must be receiving the homestead deduction in order for this credit to be automatically applied.

- **DC Government Employer-Assisted Housing Program**

DC government employees who are first-time homeowners and live in their homes may be eligible for a sliding-scale real property tax credit. To apply, please call Housing Counseling Services, Inc. at (202) 667-7006.

- **First-Time Homebuyer Individual Income Tax Credit**

This federal income tax credit is available to first-time homebuyers in the District of Columbia. The credit may be as much as \$5,000 if single, married filing jointly, head-of-household, or qualifying widow(er), or \$2,500 if married filing separately.

Income restrictions and other qualifications may apply. This program is subject to renewals by Congress and may be discontinued; please contact the Internal Revenue Service (IRS) or consult with your tax advisor. You must file IRS Form 8859 to claim the credit on your IRS Form 1040. For more information, contact IRS at (800) 829-1040, or visit IRS.GOV.

- **Historic Properties Program**

For information on special District programs for historic real properties, please contact the DC Office of Planning - Historic Preservation Division at 1100 4<sup>th</sup> Street SW or at (202) 442-7600.

- **Homestead Deduction**

The homestead deduction is limited to owner-occupied residential property for which a properly completed and approved application is on file. Domicile and principal place of residence requirements apply.

- **Homeowner/Renter Property Tax Income Tax Credit**

The Homeowner/Renter Property Tax Income Tax Credit reduces the DC individual income tax liability of eligible homeowners and renters based on your household's total income threshold.

To apply, file a Schedule H (Property Tax Credit Form) with your Form D-40 (Individual Income Tax Return). These forms are available on our Web site in the "Tax Forms/Publications" section under "Individual Income."

- **Limited-Equity Cooperatives (LEC)**

The assessed value of residential real property owned by LECs is the lesser of the following three approaches to value:

1. The aggregate estimated market value of proprietary lease, stock, or other interests in the co-op association as of January 1 preceding the date of assessment;
2. The estimated market value of the property assessed as if it were a condominium (under the comparable sales approach), multiplied by 70%; or
3. The annual amount residents pay in carrying charges (excluding subsidies), divided by an appropriate capitalization rate as determined by OTR.

If property ceases to be an LEC, then it will be assessed under either (1) or (2) above.

- **Lower Income Homeownership Tax Abatement**

Eligible homeowners, cooperative housing associations, non-profit housing organizations and owners under a shared equity agreement may receive a real property tax abatement for up to five years and be exempt from paying recordation and transfer taxes. The abatement period for the Lower Income Home Ownership Tax Abatement begins on October 1, after your deed was recorded and you applied for the abatement.

If you qualify, submit a Lower Income/Shared Equity Home Ownership Exemption Application and Claim for Exemption from Real Property Recordation and Transfer Tax when you record your deed. These forms can be found on our Web site in the “Forms Center” section of the “Recorder of Deeds.” For more information, call the Recorder of Deeds at (202) 727-5374.

- **Lower Income, Long-Term Homeowners Income Tax Credit**

The Lower Income, Long-Term Homeowners Income Tax Credit eases the effect of rising assessments and taxes on low-income residents who have lived in their homes for seven consecutive years or more. Schedule L must be filed by December 31 to claim the credit. Interested homeowners should call (202) 727-4TAX (727-4829) for more information.

- **Property Tax Deferral Programs for All Homeowners, Low-Income Homeowners and Low-Income Senior Homeowners**

For each of these programs, the homeowner must apply, the deferred tax (plus interest) may not exceed 25% of the property’s assessed value, and interest at the rate of 8% accrues on the deferred tax. If a properly completed and approved application is filed

from October 1 to March 31, the property will receive the deferral for the entire tax year (and for qualified tax years in the future). If a properly completed and approved application is filed from April 1 to September 30, the property will receive one-half of the deferral reflected on the second half tax bill (and full deferral for qualified tax years in the future).

To qualify for the all homeowner tax deferral, you must have owned and occupied the home for at least 1 year. Only the amount of tax in excess of 110% of the prior year's taxes may be deferred.

To qualify for the low-income tax deferral program, you must be a District resident living in your owner-occupied house or condominium and have an annual household adjusted gross income less than \$50,000. As a qualified low-income applicant, you may only defer the increase in your real property taxes.

To qualify for the low-income senior tax deferral program, you must:

1. Be a District resident living in your owner-occupied house or condominium;
2. Be 65 years of age or older;
3. Own at least 50% of the house or condominium;
4. Have an annual household adjusted gross income less than \$50,000; and
5. Have completed home equity conversion mortgage counseling as prescribed by statute.

As a qualified low-income senior, you may defer all of the real property taxes due.

- **Real Property Tax Exemption**

Properties owned by qualified non-profit, educational, charitable, and religious organizations may be exempt from real property tax. To receive an exemption, a property must be owned by a qualified non-profit and used for an exempt purpose. See DC Code § 47-1002.

If you believe that your property may qualify for an exemption, file an application for Exemption from DC Real Property Tax (FP-300).

- **Resale Restricted Properties**

A resale restricted property may qualify for an alternative assessment. To qualify, a resale restriction must be imposed by the United States government, the District of Columbia government, or a tax-exempt organization for a period of not less than five years that is intended to preserve affordability for low or moderate income purchasers. Other requirements apply.

The assessed value is determined each year by adjusting the initial year's base assessed value by the consumer price inflation index for the Washington-Baltimore Metropolitan Area. The original base assessed value is the amount paid by the current owner, less any grants received that may not be repaid. The property owner must apply for this assessment program.

- **Senior Citizen or Disabled Real Property Owner Tax Relief**

To qualify:

1. You must be aged 65 or older or disabled;
2. You must own 50% or more of the property or cooperative unit, and live in the property; and
4. The total adjusted gross income of everyone living in the property or cooperative unit, excluding tenants, must be less than \$125,000 for the prior calendar year.

If a properly completed and approved application is filed from October 1 to March 31, the property will receive the tax relief for the entire tax year (and for tax years in the future). If a properly completed and approved application is filed from April 1 to September 30, the property will receive one-half of the tax relief as reflected on the second installment (and full tax relief for tax years in the future).

- **Trash Credit**

Any real property owners who pay for garbage collection instead of receiving city garbage service may qualify for the credit.



**For More Information**

Visit our Web site at [www.taxpayerservicecenter.com](http://www.taxpayerservicecenter.com) and click on the Real Property Service Center link. Check your class, tax status, and property records; download forms; and research your property or sales information.

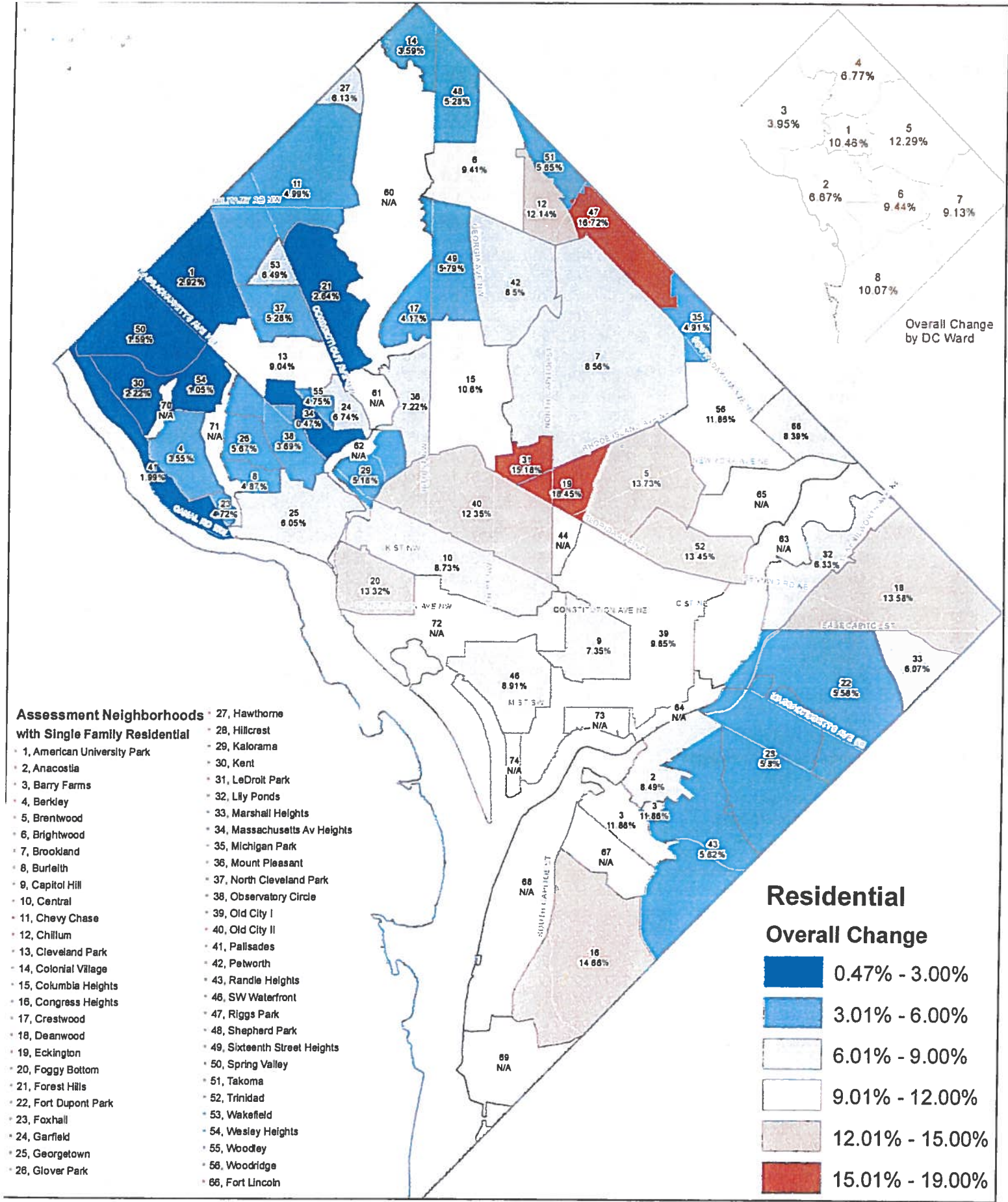
Visit us:

8:15 AM - 5:30 PM, Monday-Friday

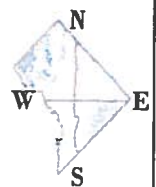
1101 4th Street, SW, Suite W270

Washington, DC 20024





TY \*2016 Single Family Residential Overall Change  
by Assessment Neighborhood



Real Property Assessment Division 2016 Residential (Class 1) Change

Neighborhood	Name	2015	2016	Difference	Overall Change	Avg Change
001	American University Park	\$2,125,811,520	\$2,187,835,240	\$62,023,720	2.92%	3.30%
002	Anacostia	\$327,193,090	\$354,963,720	\$27,770,630	8.49%	8.77%
003	Barry Farms	\$59,934,320	\$67,043,910	\$7,109,590	11.86%	11.80%
004	Berkley	\$1,228,906,960	\$1,272,501,360	\$43,594,400	3.55%	3.54%
005	Brentwood	\$177,910,470	\$202,337,850	\$24,427,380	13.73%	13.89%
006	Brightwood	\$1,515,127,504	\$1,657,649,280	\$142,521,776	9.41%	9.77%
007	Brookland	\$2,209,619,560	\$2,398,788,250	\$189,168,690	8.56%	8.58%
008	Burleith	\$774,499,427	\$812,220,270	\$37,720,843	4.87%	5.45%
009	Capitol Hill	\$2,687,408,240	\$2,884,909,520	\$197,501,280	7.35%	7.72%
010	Central	\$226,947,200	\$246,765,210	\$19,818,010	8.73%	9.44%
011	Chevy Chase	\$4,350,679,670	\$4,567,828,030	\$217,148,360	4.99%	5.28%
012	Chillum	\$327,780,330	\$367,578,660	\$39,798,330	12.14%	12.35%
013	Cleveland Park	\$1,526,425,700	\$1,664,405,090	\$137,979,390	9.04%	9.23%
014	Colonial Village	\$539,003,330	\$558,335,410	\$19,332,080	3.59%	3.92%
015	Columbia Heights	\$2,837,805,240	\$3,138,577,870	\$300,772,630	10.60%	11.13%
016	Congress Heights	\$651,694,390	\$747,213,640	\$95,519,250	14.66%	14.89%
017	Crestwood	\$667,155,140	\$694,992,420	\$27,837,280	4.17%	4.23%
018	Deanwood	\$1,066,901,650	\$1,211,797,900	\$144,896,250	13.58%	13.89%
019	Eckington	\$803,179,340	\$951,410,870	\$148,231,530	18.46%	18.95%
020	Foggy Bottom	\$203,945,620	\$231,102,340	\$27,156,720	13.32%	13.86%
021	Forest Hills	\$1,327,992,770	\$1,363,102,580	\$35,109,810	2.64%	3.97%
022	Fort Dupont Park	\$604,090,050	\$637,772,310	\$33,682,260	5.58%	5.61%
023	Foxhall	\$288,908,400	\$302,556,160	\$13,647,760	4.72%	4.96%
024	Garfield	\$540,246,790	\$576,686,400	\$36,439,610	6.74%	7.08%
025	Georgetown	\$3,893,224,690	\$4,128,945,890	\$235,721,200	6.05%	6.56%
026	Glover Park	\$743,863,870	\$786,043,680	\$42,179,810	5.67%	5.95%
027	Hawthorne	\$260,837,080	\$276,838,420	\$16,001,340	6.13%	6.74%
028	Hillcrest	\$775,540,912	\$820,560,970	\$45,020,058	5.80%	5.79%
029	Kalorama	\$1,535,439,836	\$1,615,026,360	\$79,586,524	5.18%	6.08%
030	Kent	\$1,197,276,830	\$1,223,855,220	\$26,578,390	2.22%	2.44%
031	LeDroit Park	\$780,370,000	\$898,828,810	\$118,458,810	15.18%	15.84%
032	Lily Ponds	\$242,853,460	\$258,222,990	\$15,369,530	6.33%	6.09%
033	Marshall Heights	\$241,822,790	\$256,512,230	\$14,689,440	6.07%	6.70%
034	Massachusetts Av Heights	\$721,952,480	\$725,357,530	\$3,405,050	0.47%	0.37%
035	Michigan Park	\$345,759,230	\$362,735,120	\$16,975,890	4.91%	5.08%
036	Mount Pleasant	\$1,465,075,695	\$1,570,830,610	\$105,754,915	7.22%	6.97%
037	North Cleveland Park	\$715,666,215	\$753,446,736	\$37,780,521	5.28%	5.68%
038	Observatory Circle	\$645,064,700	\$668,891,020	\$23,826,320	3.69%	4.96%
039	Old City I	\$6,742,877,883	\$7,393,654,980	\$650,777,097	9.65%	10.65%
040	Old City II	\$3,868,084,720	\$4,345,995,730	\$477,911,010	12.36%	14.28%
041	Palisades	\$957,214,790	\$976,241,510	\$19,026,720	1.99%	2.43%
042	Petworth	\$2,235,321,770	\$2,425,235,170	\$189,913,400	8.50%	8.58%
043	Randle Heights	\$588,487,790	\$621,563,830	\$33,076,040	5.62%	6.10%
046	SW Waterfront	\$190,839,190	\$207,849,360	\$17,010,170	8.91%	9.09%
047	Riggs Park	\$727,222,500	\$848,789,830	\$121,567,330	16.72%	16.95%
048	Shepherd Park	\$617,074,810	\$649,663,910	\$32,589,100	5.28%	5.44%
049	Sixteenth Street Heights	\$1,079,553,720	\$1,142,017,170	\$62,463,450	5.79%	6.21%
050	Spring Valley	\$1,566,759,245	\$1,591,679,060	\$24,919,815	1.59%	2.06%
051	Takoma	\$317,060,640	\$334,975,010	\$17,914,370	5.65%	6.21%
052	Trinidad	\$824,678,690	\$935,596,230	\$110,917,540	13.45%	13.99%
053	Wakefield	\$362,271,390	\$385,779,830	\$23,508,440	6.49%	7.12%
054	Wesley Heights	\$980,626,410	\$990,900,700	\$10,274,290	1.05%	1.96%
055	Woodley	\$281,690,870	\$295,084,240	\$13,393,370	4.75%	5.00%
056	Woodridge	\$870,398,580	\$973,670,750	\$103,272,170	11.86%	12.23%
066	Fort Lincoln	\$188,668,800	\$204,502,570	\$15,833,770	8.39%	8.51%
Total:		\$63,032,746,297	\$67,767,669,756	\$4,734,923,459	7.51%	9.32%