

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**Office of the Budget Director**  
**Fiscal Impact Statement**

**Jennifer Budoff – Budget Director**

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**LEGISLATIVE MEETING:**

May 16, 2023

**SHORT TITLE:**

Fiscal Year 2024 Budget Support Act of 2023

**TYPE:**

BSA Amendment

**REQUESTING MEMBER:**

Councilmember Zachary Parker

**FISCAL IMPACT:**

Funds are sufficient



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**Conclusion**

This amendment has a fiscal impact of \$134,000 in Fiscal Year 2024 and \$59,547,000 across the financial plan. Funds are sufficient in the budget and financial plan contingent on passage of Parker Amendment #1 to the Fiscal Year 2024 Local Budget Act of 2023 (B25-203).

**Background**

Starting in tax year 2024, this amendment would establish a refundable Child Tax Credit for personal income taxpayers that can be taken as a lump sum.

Taxpayers are eligible for the credit based on the taxpayer's filing status and adjusted gross income (AGI). The credit is \$500<sup>1</sup> per qualifying child under the age of 12 claimed as a dependent on the taxpayer's return.<sup>2</sup>

The \$500 credit per dependent is capped at 3 dependents and phases out by \$20 for each additional \$1,000 of AGI on the taxpayer's return over a certain threshold as follows:

Filing Status	Credit Per Dependent	Credit Phaseout Begins (AGI)	Phaseout Complete for 1 Dependent (AGI)	Phaseout Complete for 2 Dependents (AGI)
Joint filer	\$500	\$145,000	\$170,000	\$195,000
Single filer	\$500	\$100,000	\$125,000	\$150,000

This amendment would have the following fiscal impact, including administrative costs at the Office of the Chief Financial Officer and lost revenues:

Fiscal Year	Costs & Lost Revenue
FY 2024	\$134,000
FY 2025	\$19,318,000
FY 2026	\$19,781,000
FY 2027	\$20,314,000
<b>TOTAL</b>	<b>\$59,547,000</b>

<sup>1</sup> The credit amount is indexed for inflation

<sup>2</sup> Note: A qualifying child for this credit is different than for the federal Child Tax Credit.

