

District of Columbia Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

The basis of tax for real property is estimated market value, and for personal property it is full and true and current value (Sec. 47-802, D.C. Code, Sec. 47-1523, D.C. Code). Estimated market value is 100% of the most probable price at which the property would be expected to sell on the market under prevailing market conditions, computed as of July 1 of the tax year. Any factor that might have a bearing on the market value is taken into account including such considerations as (Sec. 47-821, D.C. Code) (1) sales information on similar types of real property, (2) mortgage or other financial considerations, (3) reproduction cost less accrued depreciation because of age, condition, and other factors, (4) income earning potential, (5) zoning, and (6) government-imposed restrictions. Full and true value, the basis for the personal property tax, is the original cost in an arm's-length transaction, computed as of July 1 of the tax year (Sec. 47-1523,). Current value is the full and true value less a reasonable allowance for straight-line depreciation. Property with a useful life of a year or less is reported at cost. Current value personal property other than qualified technological equipment may not be reported at less than 25% of cost. The estimated fair market value (FMV) of residential multi-unit income property must be determined exclusively by its actual use as of the valuation date. The assessment process must take into consideration the impact of any government-imposed restrictions on rental income, the reported historic operating expenses, and the cost to remedy any adverse property conditions that may be required by District housing code provisions. (Sec. 47-821(a)(5), D.C. Code.

Real Property Defined

Real property means real estate identified by plat on the records of the District of Columbia Surveyor according to lot and square, together with improvements on that real estate (Reg. Sec. 305.2). Improvements are taxed as real property or as personal property, depending upon the circumstances (Reg. Sec. 702.1). Improvements that do not become an integral part of the realty are subject to the personal property tax. An improvement is subject to personal property tax if it meets the following conditions: (1) its primary function is distinct and different from the functions ordinarily performed by the realty; (2) it is devoted primarily to the functions of the business conducted by the person who made the



annexation; (3) it can be removed without material injury to the real property or to the improvement itself; and (4) it is not intended to be affixed permanently to real property by the person who makes the annexation at that time.

Personal Property Defined

All personal property used in business in the District (Sec. 47-1522, D.C. Code) is subject to property tax unless exempted.

Intangible Property Taxes

Exempt.