
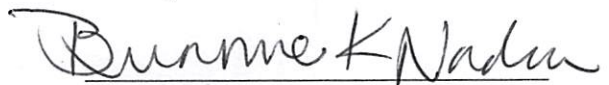
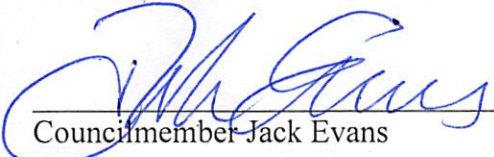


1 
2 Councilmember Elissa Silverman


Councilmember Brianne K. Nadeau

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6 Councilmember Jack Evans


Councilmember David Grosso

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12 A BILL
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15 _____
16 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
17
18 _____
19

20 To establish a Rainy Day Refund Program in the Office of Tax and Revenue to provide a means
21 for DC Earned Income Tax Credit recipients to utilize a portion of their refundable tax
22 return as a matched savings vehicle.
23

24 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
25 act may be cited as the "Rainy Day Refund Act of 2019".

26 Sec. 2. Definitions.

27 For the purposes of this act, the term:

28 (1) "OTR" means the Office of Tax and Revenue.

29 (2) "Participating taxpayer" means a taxpayer who:

30 (A) Has not requested or received an extension of the time for payment of taxes
31 under the current taxable year;

32 (B) Is eligible for the earned income tax credit provided for in section 47-
33 1806.04(f) of the District of Columbia Official Code;

34 (C) Is eligible for a refundable amount under subsection (b)(ii) in excess of \$299;
35 and

36 (D) Provides OTR with a bank account number, prepaid card information, or any
37 other information deemed necessary by the Director of OTR for the purposes of the distribution
38 of funds.

39 (3) "Rainy Day Refund Program" or "Program" means the program established pursuant
40 to section 3 of this act.

41 Sec. 3. Establishment of the Rainy Day Refund Program.

42 (a) By December 31, 2019, the Office of Tax and Revenue ("OTR") shall establish and
43 implement a Rainy Day Refund Program to allow participating taxpayers to defer payment on 30
44 % of the amount which would otherwise be refunded to such taxpayer pursuant to section 47-
45 1806.04(f) of the District of Columbia Official Code.

46 (b) A participating taxpayer may elect to defer payment of the amount described in
47 subsection (a) for a period of 180 days after receipt of the individual income tax return of a
48 participating taxpayer.

49 (c)(1) If a participating taxpayer elects to defer payment as described in subsection (b), OTR
50 shall provide an increase to the deferred payment equal to 50 % of the amount deferred as
51 described in subsection (a).

52 (2) Any amount described in paragraph (1) of this subsection shall not be
53 distributed to a participating taxpayer until the amounts described in subsection (b) have been
54 distributed to the account identified by such individual.

55 (d) OTR shall distribute the amount described in subsection (c)(1) to the participating
56 taxpayer in a manner to be determined by the Director of OTR.

57 (e) A participating taxpayer may elect to received their deferred payment amount before
58 the 180-day period has expired, at which point they will forfeit the increase described in
59 subsection (c)(1).

60 (f) Any amounts distributed to a participating taxpayer under this section, including
61 matched funds, shall be treated in the same manner as any refund made to such taxpayer
62 pursuant to section 47-1806.04(f) of the District of Columbia Official Code.

63 Sec. 4. Implementation and outreach.

64 (a) Beginning after December 31, 2019, OTR shall ensure that the election to defer
65 payment of the amount described in section 2 of this act may be claimed on D-40 and D40EZ
66 Individual Income Tax Forms for all taxable years.

67 (b) OTR shall ensure that a participating taxpayer is able to electronically verify the
68 status of the amount deferred by such taxpayer under section 2 of this act, including the savings
69 match amount and the status of distribution.

70 (c) OTR shall:

71 (1) Design educational materials for taxpayers regarding the Rainy Day Refund
72 Program;

73 (2) Publicly disseminate and distribute such materials during the first calendar
74 quarter of each taxable year; and

75 (3) Engage in outreach regarding the Rainy Day Refund Program to Volunteer
76 Income Tax Assistance sites and paid tax preparers within the District.

77 Sec. 5. Data Reporting.

78 (a) Beginning December 31, 2019, and annually thereafter, OTR shall submit to the
79 Council the following information:

80 (1) The number and share of DC EITC taxpayers who chose to participate in the
81 Rainy Day Refund Program for the prior tax year;

82 (2) The total number of DC EITC taxpayers eligible for the Rainy Day Refund
83 Program;

84 (3) Total cost of savings matches;

85 (4) Mean and median DC EITC overpayment of Rainy Day Refund Program
86 participants compared to the mean and median DC EITC overpayment;

87 (5) Mean and median match amount; and

88 (6) Basic characteristics of those who participated in the Rainy Day Refund
89 Program compared to the larger population of DC EITC recipients, including number of
90 dependents and yearly income.

91 (b) OTR shall coordinate with the Office of the City Administrator's Office of Budget
92 and Performance Management to study the impact of the Rainy Day Refund program on
93 participating taxpayers and make recommendations to the council on how the program could be
94 improved in future tax years.

95 Sec. 6. Fiscal impact statement.

96 The Council adopts the fiscal impact statement in the committee report as the fiscal
97 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
98 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

99 Sec. 7. Effective date.

100 This act shall take effect after approval by the Mayor (or in the event of a veto by the
101 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
102 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

103 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
104 Columbia Register.