



The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog

www.dcfpi.org

May 16, 2013

Funding Schedule H Reforms Will Help Seniors!

By Jessica Fulton

There's been a lot of talk at the John A. Wilson Building about how to give financial assistance to one of our city's most treasured assets: our seniors. Yet instead of debating new proposals, the Council should first fund a proposal they have already passed, which would give property tax assistance to fixed-income seniors who need it the most.

That legislation, which was approved but not funded late last year, is known as Schedule H. It is a property tax credit that helps low-and-moderate income residents who pay a large percentage of their income on property taxes or have substantial rent burdens, such as seniors on a fixed-income.

This past December, the DC Council took an important step toward making this credit reach more residents who need it -- they raised the maximum income from \$20,000 to \$50,000; raised the maximum tax credit from \$750 to \$1,000; increased the property tax equivalent for renters from 15 percent of rent paid to 20 percent of rent paid; and simplified complex rules that make it difficult for people sharing housing to qualify.

There was only one problem with what the Council did: they didn't fund it! Instead, they passed the legislation "subject to appropriation," meaning that they didn't put dollars behind these great policy changes.

So as the budget deliberations come to an end, the Council can accomplish tax relief for seniors by funding Schedule H. It will not only help the older generation of DC residents, but some of their children and grandchildren, too. In fact, once all of the changes to the property tax credit are phased in, it is estimated to reach a maximum of 125,000 residents across the city.

By funding reforms to DC's Schedule H property tax credit, the DC Council can direct resources towards those residents, both seniors and otherwise, who are most impacted by property taxes.