

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to amend section 47-802 of the District of Columbia Code to provide support during a public health emergency for certain businesses that host performing artists, to give the Mayor the authority to implement a tax rebate for performing arts venues, and to make other clarifying changes.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Performing Arts Promotion Tax Rebate Clarification Emergency Declaration of 2022”.

Sec. 2. (a) In 2018, the District of Columbia Council passed the Performing Arts Promotion Amendment Act of 2017 to provide a tax rebate to small performing arts venues that host at least 48 hours of performing artists at the venue per month. The goal of the program is to support small, local venues that host performances of local performing artists so that the District can sustain and expand our vibrant local music culture, including our Jazz and Go-Go cultures.

(b) The original legislation was supported by small venues, but applicants found it challenging to apply for the rebate. At the time that Council approved the legislation, the Office of the Chief Financial Officer estimated that 25 venues would apply. But in the

35 first year of the program only 5 venues applied for the tax rebate, and in the second year,  
36 only 2 venues applied. While the COVID-19 pandemic may explain some of the lack of  
37 demand, venues have reported that the application process has been extremely  
38 challenging. Currently, the Office of Tax and Revenue (OTR) manages the application  
39 process, and while the venues have reported that OTR has been helpful and responsive,  
40 they are not the best suited agency to interface with small performing arts venues, which  
41 have unique challenges.

42 (c) Venue owners identified another model that they would prefer in which  
43 another agency, the Office of Cable Television, Film, Music, and Entertainment  
44 (OCTFME), manages the application process, certifies that the information is correct, and  
45 submits it to OTR. OTR would then calculate and issue the rebate. OCTFME is in a  
46 better position to understand what information small venues are able to provide and how  
47 to verify that small venues meet the eligibility requirements. The model is based on a  
48 similar program providing a tax abatement to urban farms. The Office of Urban  
49 Agriculture manages the application process, certifies which farms are eligible, and  
50 submits the information to OTR.

51 (d) Emergency legislation is necessary to give OTR and OCTFME time to put the  
52 new application process in place so that venues can apply for the rebate in property tax  
53 year 2022.

54 (e) Additionally, the legislation extends emergency legislation that Council passed  
55 in response to the COVID-19 pandemic and the public health emergency because all  
56 performances were canceled for several months, and no venue would have qualified for  
57 the rebate. The proposed measure amends the definition of “qualified business” to permit

58 qualification for the property tax rebate for any tax year in which a public health  
59 emergency has been declared if the business hosts live performances for 48 hours per  
60 month during the months of the tax year during which there was not a declared public  
61 health emergency.

62 (f) Without Council action, venues will continue to struggle to apply for this tax  
63 rebate, which is important to the financial well-being of these creative small businesses  
64 and achieving the goal of supporting local venues.

65 Sec. 3. The Council of the District of Columbia determines that the  
66 circumstances enumerated in section 2 constitute emergency circumstances making it  
67 necessary that the Performing Arts Promotion Tax Rebate Clarification Emergency  
68 Amendment Act of 2022 must be adopted after a single reading.

69 Sec. 4. This resolution shall take effect immediately.