

Limited-Equity Cooperative Tax Fairness
Office of Tax and Revenue
Real Property Tax Administration

Limited-equity cooperatives (LEC) are defined in the DC Official Code in § 47-802 (11) as, “one required by a government agency or non-profit to limit the resale price of membership shares to keep the housing affordable for low and moderate income buyers.” The assessed value of improved real property owned by an LEC is the lesser of the following:

1. The aggregate estimated market value proprietary lease, stock, or other interests in the co-op association as of January 1 preceding the date of assessment, or,
2. If information is insufficient, then the estimated market value of the property is assessed as if it were a condominium determined under the comparable sales approach multiplied by 70 percent, or,
3. The annual amount residents pay in carrying charges (excluding subsidies), divided by an appropriate capitalization rate as determined by the Office of Tax and Revenue (OTR).

The OTR interprets valuation method #3 to mean that it is to capitalize the total value of the resident’s portion of the gross receipts payable to the LEC in order to determine the assessed value of the property.

In order for OTR to consider valuation method #3 for the valuation of your LEC, please provide the information requested below and return it to: Office of Tax and Revenue, Real Property Tax Administration, 941 North Capitol St., NE, 4th Floor, Washington, DC 20002, or via fax at 202-442-6796.

Limited-Equity Cooperative Data Collection Sheet

Owner’s Name _____

Square _____ Suffix _____ Lot _____

Premise Address: _____

Gross receipts \$ _____

Subsides (less) \$ _____

Tenants contribution \$ _____