

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE**



December 16, 2016

OTR NOTICE 2016-05

**TAX CHANGES PURSUANT TO THE TAX REVISION COMMISSION
IMPLEMENTATION ACT BEGINNING JANUARY 1, 2017 FOR INCOME TAX
RETURNS FILED IN 2018**

In accordance with the D.C. Official Code § 47-181, the Fiscal Year 2017 Budget Support Act of 2016, and the February 2016 and September 2016 Revised Fiscal Revenue Estimates for 2016-2020 certified by the Chief Financial Officer, the following new tax policy changes are effective beginning January 1, 2017, for income tax returns filed in 2018.

(1) The standard deduction is raised from \$5,200 to \$5,650 for singles, \$6,500 to \$7,800 for Head of Households, and \$8,350 to \$10,275 for married couples. *See* D.C. Official Code § 47-1801.04(44).

(2) The unincorporated and incorporated business franchise tax rate is reduced from 9.2 percent to 9.0 percent. *See* D.C. Official Code § 47-1803.03(a)(6).

(3) For decedents dying after December 31, 2016, the zero bracket amount for the portion of an estate not subject to tax is increased from \$1 million to \$2 million. *See* D.C. Official Code § 47-3701(14).

For additional information, please contact the Office of Tax and Revenue's Customer Service Center at (202) 727-4TAX (4829).