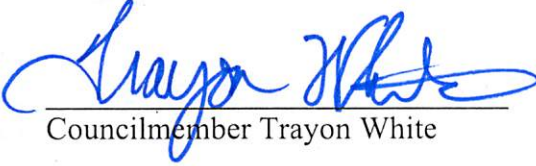




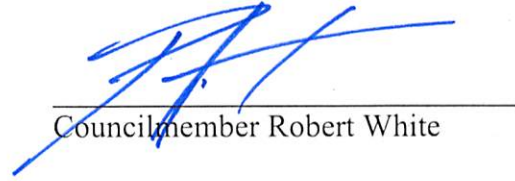
Councilmember Elissa Silverman



Councilmember Brianne K. Nadeau



Councilmember Trayon White



Councilmember Robert White

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Rainy Day Refund Act of 2018".

Sec. 2. Definitions.

For the purposes of this act, the term:

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

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

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

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

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

and

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

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

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

39 (a) By December 31, 2018, the Office of Tax and Revenue ("OTR") shall establish and
40 implement a Rainy Day Refund Program to allow participating taxpayers to defer payment on 30
41 % of the amount which would otherwise be refunded to such taxpayer pursuant to section 47-
42 1806.04(f) of the District of Columbia Official Code.

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

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

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

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

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

57 Sec. 4. Implementation and outreach.

58 (a) Beginning after December 31, 2018, OTR shall ensure that the election to defer
59 payment of the amount described in section 2 of this act may be claimed on D-40 and D40EZ
60 Individual Income Tax Forms for all taxable years.

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

64 (c) OTR shall:

65 (1) Design educational materials for taxpayers regarding the Rainy Day Refund
66 Program;

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

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

71 Sec. 5. Data Reporting.

72 Beginning December 31, 2019, and annually thereafter, OTR shall submit to the Council the
73 following information:

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

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

78 (3) Total cost of savings matches;

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

81 (5) Mean and median match amount; and

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

85 Sec. 6. Fiscal impact statement.

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

89 Sec. 7. Effective date.

90 This act shall take effect after approval by the Mayor (or in the event of a veto by the
91 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
92 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
93 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
94 Columbia Register.