

### **DC Tax Abatement Program (Lower Income Homeownership Exemption Program)**

The District of Columbia provides qualifying individuals, non-profits, shared equity investors and cooperative housing associations an opportunity which, if qualified, will abate real property taxes for the first five (5) years after settlement which begins October 1 following the date of closing. In addition, the program provides an exemption from the 1.1% Recordation Tax charged to purchasers and offers an allowable credit from your seller(s) 1.1% of the Transfer Tax which is effectively a 2.2% exemption and credit to the buyer.

In order to qualify, the following documentation is required at the time of recording the deed (if you were not aware of this program at the time of settlement, you may apply after settlement):

1. The Lower Income Homeownership Exemption Application (FP-420);
2. Copy of the Settlement Statement (HUD-1);
3. Copy of the Sales Contract;
4. Proof of Annual Household Income (pay stubs, employment letters, Social Security Statements, unemployment compensation, tax returns and income statement (W-2).

The income requirements are as follows:

1. Purchaser price must be \$332,000.00 or less;
2. The maximum gross income must be:

PERSONS IN HOUSEHOLD	HOUSEHOLD INCOME LIMITS
1	\$54,120.00
2	61,860.00
3	69,680.00
4	77,280.00
5	83,520.00
6	89,700.00
7	95,880.00
8	102,060.00

In addition, the property must be purchased as a principal residence and the purchaser must be domiciled (DC government issued ID, register to vote in DC, file DC Personal Income Taxes – all of which can be obtained/done after the purchase)

Our offices will gladly submit these required documents on your purchaser's behalf to the DC Recorder of Deeds. Shortly after recording, you will receive a letter from the District of Columbia confirming your tax abatement.