

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER



**Glen M. Lee**  
Chief Financial Officer

March 4, 2026

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 306  
Washington, DC 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

***RE: Revenues from Decoupling Legislation***

Dear Mayor Bowser and Chairman Mendelson,

With the conclusion of yesterday's Legislative Meeting, the Council of the District of Columbia (Council) took no legislative action to re-couple the District's tax code with the One Big Beautiful Bill Act (OBBBA) in response to recent congressional action. Contrary to statements made by elected leaders, as Chief Financial Officer of the District of Columbia, it is my responsibility, pursuant to the Home Rule Act, to administer the District's taxes based on applicable law. Therefore, I do not have the unilateral authority to re-couple the District's tax code to OBBBA without changes to District tax law.

This past fall, the Council approved emergency legislation that decoupled the District's tax code from certain provisions of the OBBBA. The Council passed virtually identical temporary legislation that is in effect until late September 2026.

Last month, both the U.S. House of Representatives and the U.S. Senate passed a disapproval resolution – Joint Resolution 142 – to revoke the District's temporary decoupling law. President Trump signed the disapproval resolution on February 18, 2026.

Given these events, I asked Attorney General Brian Schwalb to opine on the law establishing District taxpayer's tax year 2025 obligations. In his opinion, the Attorney General determined that the emergency law, upon which Congress did not act, is the appropriate law governing tax year 2025 tax liabilities. Importantly, the Attorney General concluded that the tax liabilities created by the emergency law survive its expiration on March 3, 2026.

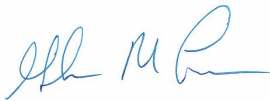
Therefore, without legislative action to repeal the emergency law, the Office of Tax and Revenue (OTR) will continue to process tax returns for tax year 2025 on the basis of that law. This means that taxpayer's tax obligations to the District for tax year 2025 do not reflect the impact of the OBBBA on District tax law. However, neither the emergency nor the temporary legislation passed by Council impact tax obligations after tax year 2025. Therefore, OTR will administer the District's taxes for tax years 2026 and beyond consistent with the OBBBA.

There is considerable risk and uncertainty, from litigation or other actions, to the revenues associated with the District's decoupling legislation. Consistent with the OCFO's ongoing practice related to uncertain revenue collections, the OCFO will continue to defer including decoupling revenues from the revenue estimates.

I am happy to meet with you and the Attorney General to discuss this matter and the appropriate path forward as soon as possible.

If you have any questions, I can be reached at (202) 727-2476.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glen M. Lee".

Glen M. Lee  
Chief Financial Officer

cc: All D.C. Councilmembers  
Attorney General Brian Schwalb