

**OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE**

**ELIGIBILITY FOR THE REDUCED RECORDATION TAX RATE
FOR FIRST-TIME HOMEBUYERS IN TAX YEAR 2019**

Effective in Tax Year 2018, the recordation tax rate imposed by the city’s Recorder of Deeds on the purchase of an eligible property by a first-time District of Columbia homebuyer was reduced to 0.725%. “Eligible property” is defined as improved residential real property, including an economic interest in a cooperative unit, that qualifies for the homestead deduction and is purchased for no more than \$625,000 (D.C. Official Code § 42-1101 (17)). A “first-time District homebuyer” means a purchaser who has never owned eligible property as the individual’s principle residence and as having household income, including that of all owners, not exceeding the appropriate income limit established by the Office of Tax and Revenue for the year.

The statute establishes that beginning in Tax Year 2019 the maximum home purchase price shall be subject to an annual adjustment based on the Washington, D.C. Standard Metropolitan Statistical Area Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers.

For calendar year 2016 the Washington Area average CPI value was: 249.08
 And, for calendar year 2017 the Washington Area average CPI value was: 252.07
 Consequently, the percent change in the index values for these two time periods is: 1.20%

Therefore, after adjusting for the change in the area CPI, the purchase price for an eligible property for Tax Year 2019 (beginning October 1, 2018) shall not exceed **\$632,500.00**.

Also, the statute establishes that for Tax Year 2019 the maximum household income with respect to persons living in the household shall be the following:

Maximum Eligible Household Income by Number of Persons in Household for Tax Year 2019	
Persons in Household	Household Income Limit
1	\$147,780
2	\$168,840
3	\$189,900
4	\$210,960
5	\$227,880
6	\$244,800
7	\$261,720
8	\$278,640

Source: Derived by the Office of Tax and Revenue from “FY 2018 Income Limits Documentation System” published by the U.S. Department of Housing and Urban Development.