

BEFORE THE
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 533

IN THE MATTER OF:

Served October 7, 1965

Determination of D. C. Real Estate)
Tax Exemptions for D. C. Transit)
System, Inc., as Required by Public)
Law 84-757, for the Real Estate)
Taxes Assessed July 1, 1964, and)
for the Second-Half Payment of)
Real Estate Taxes Assessed)
July 1, 1963.)

Public Law 84-757, approved July 24, 1956, which granted a franchise to D. C. Transit System, Inc., provides in Sec. 9(g)(1):

. . . the Corporation shall not be required to pay real estate taxes upon any real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations to the extent that the Commission has determined under such rules and regulations as it may issue that the Corporation's net operating income in the previous year was insufficient, after giving effect to the tax relief provided in the preceding subsections D. C. Motor Vehicle Fuel Tax Exemption to afford it a 6-1/2 per centum rate of return.

In compliance with the above, the Commission has made a determination regarding the exemption of D. C. Transit System, Inc., from D. C. real estate taxes. The pertinent calculations and detailed supporting schedules of real estate taxes appear in Exhibits A and B, and Schedules A and B, attached.

Findings and Notification to the Commissioners
of the District of Columbia

As to Real Estate Taxes Assessed July 1, 1964

Order No. 419, served December 11, 1964, certified to the Commissioners of the District of Columbia that the net operating revenue for the twelve month period ended August 31, 1963 ("the previous year"), after giving effect to the D. C. Motor Vehicle Fuel Tax exemption certified in such Order, was \$1,381,764.92. This is "insufficient...to afford...a 6-1/2 per centum rate of return," by \$556,091.63.

D. C. Transit System, Inc., accordingly, qualifies for exemption from real estate taxes assessed July 1, 1964, on "real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations," per Exhibit A and Schedule A, attached, in the amount of \$133,376.26.

As to Real Estate Taxes Assessed July 1, 1963

Public Law 88-212, approved December 18, 1963, transferred the responsibility for determining the tax exemption, if any, from the D. C. Public Utilities Commission to the Washington Metropolitan Area Transit Commission. Prior to the operation of this Law, by P.U.C. Order No. 3679-63B, dated November 27, 1963, that agency certified to the Commissioners of the District of Columbia that D. C. Transit System, Inc., was exempt from the payment of the first half installment of D. C. real estate taxes assessed July 1, 1963, and payable in September, 1963. Such exemption was based on net operating revenue for the twelve-month period ended August 31, 1962 ("the previous year"), which was found to be \$1,620,744, after giving effect to the D. C. Motor Vehicle Fuel tax exemption for that period. Such net operating revenue was found to be "insufficient...to afford...a 6-1/2 per centum rate of return," by \$293,229.

Based on the above data pertaining to the twelve-month period ended August 31, 1962, the Washington Metropolitan Area Transit Commission finds, and so notifies the Commissioners of the District of Columbia, that D. C. Transit System, Inc., qualifies for exemption from the second-half installment of D. C. real estate taxes assessed July 1, 1963, on "real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations," per Exhibit B and Schedule B, attached, in the amount of \$74,848.37.

FOR THE COMMISSION:


DELMER ISON
Executive Director