

**Fact Sheet
September 2006**

District of Columbia Per Therm Delivery Tax

- The District of Columbia government approved legislation that changed the 10% gross receipts tax on residential customers' bills (or 11% gross receipts tax on non-residential customers' bills) to a per therm tax on natural gas delivered as of the December 2005 billing cycle.
- For sales included in bills rendered after September 29, 2006, the number of therms delivered will be taxed at a rate of (number of therms times) \$.0707 for residential accounts, or (number of therms times) \$.07777 for non-residential accounts.
- With the per therm tax, if the price of natural gas increases, the tax on customers' bills will *not* increase as a function of the increased cost -- as it would have under the gross receipts tax. The new per therm tax is based only on how many therms of natural gas are delivered.
- The per therm tax will be billed, collected and remitted to the District of Columbia by Washington Gas regardless of which energy company provides service to the customer.
- The difference between the residential and non-residential tax is \$.00707 per therm. It goes to the Ballpark Fund as required by law (to finance the new baseball stadium in the District of Columbia).
- The per therm delivery tax on a customer's natural gas bill is similar to the way that electric bills in D.C. are taxed on a per kilowatt-hour of electricity delivered basis.

