
LETTER TO THE COUNCIL OF THE DISTRICT OF COLUMBIA: STICK TO YOUR COMMITMENT TO FAIR AND COMPETITIVE TAXES

May 15, 2017

We, the undersigned business owners, employers, and residents of the District of Columbia strongly support a thriving city. We believe that a resilient and growing economy is the only way the District can serve its growing population, meet its infrastructure needs, and provide a robust safety net for its most vulnerable residents. As businesses, employers, and residents, we do our part by working hard, creating jobs, and paying our taxes. **The District government must do its part now and follow through on its commitment to fully implement the Tax Reform that began in 2014.**

The tax reductions scheduled to go into effect will help the District become more competitive.

The District is a small, open economy. Every day, we compete with businesses in the larger Metropolitan Area for customers, talent, and investors. We have historically worked under a regulatory framework that is far more burdensome than neighboring jurisdictions. **When the Tax Reform is fully implemented, the District of Columbia will have equivalent business taxes to Maryland for the first time in memory, allowing our businesses to compete on their savvy and strength, their talent and hard work, without being handicapped by unequal tax treatment.**

The Government should not add more uncertainty to an already difficult business climate.

We face a lot of risk, some of it inherent in running a business, but also uncertainties created by government policies and actions, including regulatory impositions developed with little feedback from businesses, and ever-increasing property tax assessments. **The Tax Reform package has been one highlight in recent times that made it less burdensome to live, work, and run a business in the District.**

The promised Tax Reform has been evoked time and time again.

When the District considered a minimum wage increase, the response to employers' concerns was that we shouldn't worry—after all, our taxes would be going down. We heard the same thing when the City considered scheduling restrictions, and again throughout the paid leave debate. In each case, we were told that the Tax Reform package was already law, and therefore would counterbalance the negative economic effects of these initiatives. **Now that all these policies are in place, the Council should stick to its commitment to the residents and the business community without hesitation, and fully implement the Tax Reform package.**

The District Government should treat businesses as partners, not as antagonists unworthy of a better business climate.

The most disconcerting rhetoric from some groups is that "District Values" do not support the full implementation of the Tax Reform package. They imply that the Tax Reform is inherently a handout to the rich at the expense of the most vulnerable residents. The taxes we pay already support an extraordinary array of services for our vulnerable residents; in fact, **D.C. is a leader in anti-poverty policies** when compared to other large cities—and we are proud of this stellar record. While more can and should be done, any successful anti-poverty strategy needs the foundation of a stable and strong business environment.

As employers and residents, we not only are the District's tax base, we also provide the jobs necessary to be on a true path out of poverty. **Supporting a competitive business climate should therefore be a "District Value" important to our representatives at the D.C. Council.**

The Tax Reform Package overwhelmingly supports low- and moderate-income families and will help grow jobs.

It is critical to remember that the Tax Reform emphasized fairness with significant reductions of tax burdens on low- and middle-income families. When fully implemented in 2018, the package will cost \$187 million, after accounting for \$79 million in revenue raisers (higher taxes for high-income residents, and expanded sales and franchise tax bases.) **Hence, the total tax relief is \$266 million, and of this, \$161 million goes to low- and moderate-income families.**

Even then, businesses had to wait for their turn. The priority list adopted in the Fiscal Year 2015 budget ranked many income tax reductions well ahead of franchise and estate tax reductions. Yes, even in this final leg of implementation, nearly 60 cents of every dollar of the tax cuts go directly to low- and moderate-income District families. Another 28 cents of every dollar of tax cuts will help grow jobs in D.C. and create important opportunities for inclusive prosperity; business franchise tax relief will help local and small businesses grow and thrive, while growing jobs by making D.C. more attractive regionally. Finally, just 12 cents go to reducing the estate tax, which can help keep more families (and their spending and tax payments) in the city. **And the Mayor's Fiscal Year 2018 budget proposal already accounts for all of this.**

The total cost of the Tax Reform Package is low, but the impacts of its interruption are high.

The total cost of all the reforms are relatively small—about 13 cents of every dollar of revenue growth between fiscal years 2014 and 2019. To put this in context, during this period, District revenue is projected to increase from \$7.1 billion to \$8.6 billion: that is, on average, the city has been collecting \$3,000 more for each of its growing number of residents, after fully factoring in the tax cuts.

The Tax Reform Package received overwhelming support for being prudent and progressive.

The Tax Reform packages was passed in 2014 on a Council vote of 12 to 1 based on recommendations **from** the D.C. Tax Revision Commission. The Commission was a broad "**blue ribbon**" group that included representatives of businesses, residents, advocates, tax policy experts, economists, and government officials, among others.

Importantly, a wide-ranging coalition came together behind the Commission's recommendations. The DC Fiscal Policy Institute joined the Federal City Council, the DC Chamber of Commerce, and others in issuing a joint letter of support, **declaring that** "We support the D.C. Council's actions to endorse the recommendations of the D.C. Tax Revision Commission through wide-ranging tax reform that makes District of Columbia tax policy fairer and more competitive."

The City also received praise nationally from an astounding array of think tanks and scholars. The Institute for Taxation and Economic Policy (ITEP) **praised** the Tax Reform package as good progressive reform. The National Taxpayers Union (NTU) called it "**pro-growth reform done**

the right way.” Grover Norquist’s Americans for Tax Reform called it “**historic.**” Experts from the Cato Institute, **Vox.com**, the Center on Budget and Policy Priorities (CBPP), and Citizens for Tax Justice (CTJ) **chimed in with their own positive statements.**

Noting the unprecedented accord among these disparate groups, the Daily Caller proclaimed that “**hell had frozen over.**” and said “hats off” to the D.C. Council for enacting the package. Moody’s, Fitch, and Standard & Poor’s said **the package reduced revenue in a manageable way** and was not a credit concern. The Tax Foundation **gave an award** to D.C. Council Chair Phil Mendelson **for his leadership on the Tax Reform initiative.**

The D.C. Council should stick to its commitment to the residents, workers, businesses, and employers of the District of Columbia.

The 2014 Tax Reform Package was a milestone in the District’s history and represents a thoughtful, balanced, progressive approach to tax reform that earned the city national respect. We continue to build our businesses in the District on the good faith of these tax cuts trusting the Council would keep its word. **We ask you to uphold the current law, stick to your commitment to a fair and competitive tax system, and implement the Tax Reform.**

Signed

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| 1. 18th Street Associates and P Street Associates
Stephen Greenleigh | 5. Access Green |
| 2. A Baked Joint and Baked and Wired
Tessa Velazquez | 6. Adam's Inn Bed & Breakfast
Adam Crain |
| 3. abbott development group llc
Doug Abbott | 7. Agility Construction
Stacie Shifflett |
| 4. Abdo Development
Jim Abdo | 8. Akridge
David Tuchmann |
| | 9. Allyson Capital
Lynn Hackney |

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| <p>10. American Management Corp.
Brett Greene</p> <p>11. Amsterdam Falafelshop
Arianne Bennett</p> <p>12. Anacostia Economic Development Corporation
Stanley Jackson</p> <p>13. Apart. & Office Bld. Assoc. of Metro Washington
Margaret "Peggy" Jeffers, Esq.</p> <p>14. Arnold & Porter Kaye Scholer LLP
Amy Rifkind and Michael Goodwin</p> <p>15. Assoc. Builders and Contractors of Metro Washington
Debbie Livingston</p> <p>16. Atlantic Real Estate Partners
Greg White</p> <p>17. Atlantic Service Group
Joe Leightner</p> <p>18. Audio Now
Elan Blutinger</p> <p>19. BBMG
Nick Giordano</p> <p>20. BBQ Bus Smokehouse
Che and Tadd Ruddell-Tabisola</p> <p>21. BCG Companies
Vernon Holleman</p> | <p>22. BConstrux
Bernadette Harvey</p> <p>23. Ben's Chili Bowl</p> <p>24. Bernstein Management Corporation
Joshua B. Bernstein</p> <p>25. Blake Real Estate Inc.
Owen Billman</p> <p>26. BohlerDC
Mike O'Hara</p> <p>27. Bolana Capitol Enterprise, Inc</p> <p>28. Borger Management Inc.
G. Thomas Borger</p> <p>29. BridgePoint Hospital Capitol Hill
Jim Linhares</p> <p>30. BridgePoint Hospital National Harbor
Kevin Chavez</p> <p>31. Brookfield Property Partners
Greg Meyer and David Bevirt</p> <p>32. Bundy Development Corporation
Pamela Bundy</p> <p>33. Busboys & Poets including Brookland, 14th & V and 5th & K locations
Andy Shallal</p> |
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| <p>34. Business Promotion Consultants, Inc.</p> <p>35. CAS Riegler Companies
Robin Bettarel</p> <p>36. CH2MHill
Kathleen Linehan</p> <p>37. Children's National Health System
Kurt Newman</p> <p>38. CIH Properties, Inc.
Kevin O'Malley</p> <p>39. CityBridge Education
Katherine Bradley</p> <p>40. cityinterests, LLC
Peter Farrell and Alan Novak</p> <p>41. Clark Enterprises, Inc
Robert J. Flanagan</p> <p>42. Clear Real Estate Services
Chip Ranno and Mark Strandquist</p> <p>43. Club Timehri
C. Jonathon Wells</p> <p>44. Clyde's Restaurant Group including Clyde's of Gallery Place, Clyde's of Georgetown, Old Ebbit Grill and 1789 Restaurant
David Moran, John Laytham, Ginger Laytham and Jeff Owens</p> <p>45. CohnResnick
James Martinko</p> | <p>46. Colonial Parking
Andrew Blair</p> <p>47. Communty Three
Grant Epstein</p> <p>48. Compass Rose
Rose Previtte</p> <p>49. Connections Media and Old School Hardware
Phil Lepanto</p> <p>50. Consortium of Universities of the Wash. Metro Area
John Cavanaugh</p> <p>51. Convivial
Saied Azali</p> <p>52. Core DC
Dale Stewart</p> <p>53. Cork Wine Bar and Cork Market and Tasting Room
Diane Gross</p> <p>54. Corrections Consulting</p> <p>55. Courembis Companies
Louis Courembis</p> <p>56. Crystal Insurance
Margarita Dilone</p> <p>57. Cultural Tourism DC, Inc.
Steven Shulman</p> |
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| <p>58. Dangerously Delicious Pies
Sandra Basanti</p> <p>59. Dantes Partners
Buwa Binitie</p> <p>60. Davis Planning Associates, Inc.
Joseph L. Davis</p> <p>61. DC Building Industry Association
Lisa Mallory</p> <p>62. DC Chamber of Commerce
Vincent Orange</p> <p>63. DC Fray
Robert Kinsler</p> <p>64. DC Hospital Association
Jacqueline D. Bowens</p> <p>65. DC IHOPS
Tyoka Jackson</p> <p>66. DC Insurance Federation
Wayne McOwen</p> <p>67. Devon & Blakely
Sara Burke</p> <p>68. Doggett's Parking
Cherrie Doggett</p> <p>69. E&G Group
Jim Edmonson</p> <p>70. Entrusted Development, LLC
Kevin Breckenridge</p> | <p>71. Eric Colbert and Associates, PC
Eric Colbert</p> <p>72. Estelle Mathis Lloyd & Associates</p> <p>73. Eversheds Sutherland (US) LLP
Jerome B. Libin</p> <p>74. Eye Street Cellars
Pankaj Malhotra</p> <p>75. Federal City Council
Anthony Williams</p> <p>76. Federal Management Systems, Inc.
Aubrey Stephenson</p> <p>77. Finn Partners
Margaret Dunning</p> <p>78. Floyd E. Davis Company
Floyd E. Davis,III</p> <p>79. Forge Company
Rusty Lindner</p> <p>80. Gelberg Signs
Jean-Luc Brami</p> <p>81. GeoCapitol Engineering LLC
Daniel Gradishar</p> <p>82. Georgetown McDonough School of Business
W. Edward Walter</p> <p>83. Geo-Technology Associates, Inc.
Daniel Wilhelm</p> |
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84. **Gotham Urban Ventures LLC**
Desa Sealy
85. **Greater Wash. Hispanic Chamber of Commerce**
Alfredo Casta
86. **Greater Washington Board of Trade**
Jim Dinegar
87. **Greening Urban LLC**
Chris Earley
88. **Greenstein DeLorme & Luchs, P.C.**
Gilbert E. DeLorme
89. **Health IT 2 Business Solutions, LLC**
Dash Kiridena
90. **Hines**
William B. Alsup, III
91. **Hotel Association of WDC**
Solomon Keene
92. **Howard & Hoffman Insurance Agency**
Scott Hoffman
93. **Howard University Hospital**
James Diegel
94. **HRGM CORP**
Ramesh Butani
95. **HS Solutions, LLC**
Jack Hsin
96. **Ideal Electric**
Cora Williams
97. **IDI Group**
Giuseppe Cecchi
98. **Industrial Bank**
B. Doyle Mitchell, Jr.
99. **International Limousine Services, Inc.**
Richard P. Kane
100. **J Street Companies**
Bruce Baschuk
101. **Jack Rose Dining Saloon**
William Thomas
102. **James V Page**
Page After Page Business Solutions, Inc.
103. **Joseph J. Magnolia Inc. and Magnolia Plumbing Inc.**
John D. Magnolia
104. **KBS Realty Advisors**
Marc DeLuca
105. **Knightsbridge Restaurant Group including 701 Restaurant, Bibiana Osteria Enoteca, The Oval Room Restaurant, Rasika, The Bombay Club, NOPA Kitchen + Bar and Bindaas**
Ashok Bajaj

106. **Lacy, Ltd.**
Benjamin Lacy
107. **Landmark Parking**
Gregory S. Hatfield
108. **LAZ Parking**
Joe Leightner
109. **Le Bustiere Boutique**
Stephanie Jacek
110. **Leftwich LLC**
Marie Johns
111. **Lewis Real Estate Services**
Freddie Lewis Archer
112. **Logan Hardware, Glover Park Hardware, Tenleytown Ace Hardware, 5th Street Ace Hardware, Woodley Park Ace Hardware Adams Morgan Ace Hardware and Frager's Hardare**
Gina Schaefer
113. **MaBak Development LLC/McNeill Baker Design Associates LLC**
Daniel Mariottini
114. **MadWolf Technologies**
Douglas Wolfire
115. **Martin's Tavern**
Billy Martin
116. **Meredian Pint, Brookland Pint, Smoke & Barrel and Rosario**
John Andrade
117. **Miles & Stockbridge, P.C.**
Thomas Petty
118. **Miller & Long Co., Inc.**
E. Brett McMahon
119. **Mindful Restaurant Group including Aqqua al 2, Ghibelina, Denson, Harold Black, Sotto, Ari's Diner, Dock FC and La Puerta Verde**
Stacy Gejdenson
120. **MRP REALTY**
James Murphy
121. **Neighborhood Restaurant Group including Birch & Barley, Churchkey, Hazel, The Sovereign, Red Apron, Red Apron Burger Bar, Iron Gate, Partisan, Blue Jacket and Eat Bar**
Michael Babin
122. **Northeast Collaborative Architects**
Synfoni Bailey-Green
123. **Oliva Consulting, Inc.**
Megan Lavin
124. **Optimal Solutions & Technology**
125. **Orangetheory Fitness**
Arees Siddiqui
126. **Parking Management, Inc.**
James H. Blondell

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| 127. | Passion Food Hospitality
Gus DiMillo | 140. | Providence Health System
Darcy Burthay |
| 128. | Paul Cohn
Boss Shepherd's | 141. | Quadrangle Development corporation
Bob Knopf |
| 129. | Penzance
Stephen Powell | 142. | Rand Construction Corp.
Linda Rabbitt |
| 130. | Perry's and Mintwood Place
Sayid Acular | 143. | Red Hook Lobster Pound DC
Doug Povich |
| 131. | Philos Mezze + Wine Bar
Talal Orfaly | 144. | Rent Control Consultants
John Hoskinson |
| 132. | Planned Power Systems, Inc
Omar L Biagas | 145. | Republic Properties Corporation
Steve Grigg |
| 133. | PNC Financial Services Group, Inc.
Richard K. Bynum | 146. | Restaurant Association Metropolitan Washington
Kathy Hollinger |
| 134. | Power1 Realty Group | 147. | Rippeteau Architects pc
Darrel Rippeteau |
| 135. | Prather's on the Alley
Dean Monses | 148. | Rocklands Barbecue and Grilling Company
John Snedden |
| 136. | Premium Title & Escrow
Ben Soto | 149. | RRR, LLC
Bob Hisaoka |
| 137. | PRO DESIGN DISTRIBUTION LLC
Quinn Murph | 150. | Sakuramen Ramen Bar and BUL Korean Pojangmacha
Jonathon Cho |
| 138. | Property Casualty Insurers Association of America
Micaela Isler | 151. | Saul Ewing LLP
Jeffrey Gelman |
| 139. | Property Group Partners
Robert Braunohler | | |

152. **Schlow Restaurant Group including Alta Strada City Vista, Conosci, Tico DC and The Riggsby**
Steve Uhr
153. **Shouk**
Ran Nussbacher
154. **Sibley Memorial Hospital**
Richard O. Davis
155. **Silo**
Reza Akhavan
156. **Stanley Martin Commercial, Inc**
Fred Farshey
157. **StonebridgeCarras**
Doug Firstenberg
158. **Strelmark,LLC,Business Development Consultants**
Hilary Fordwich
159. **Susan Davis International**
Karen E. Jones
160. **Texas de Brazil**
Edward Rifkind
161. **The Doggett Group (and DC Resident)**
Rosalyn Doggett
162. **The George Washington University Hospital**
Kimberly Russo
163. **The JBG Companies**
Brian Coulter
164. **The Kerry S. Pearson, LLC**
Kerry Pearson
165. **The Linsky Group**
Susan Linsky
166. **The Robert Bobb Group**
Robert Bobb
167. **The Wilkes Company**
Sandy Wilkes
168. **ThinkFoodGroup including China Chilcano, Jaleo, Beefsteak, Oyamel, Zaytinya and Minibar**
Stew Newbold & Gary Evans
169. **Tishman Speyer**
Sean Warfield
170. **Tony and Joe's, Nick's Riverside Grill, Profish and Ivy City Smokehouse**
Greg Casten
171. **Too Fierce Extensions, LLC**
Lisa Cohen
172. **Trade Center Management Associates**
John P. Drew
173. **Triden Development Group, LLC**
Michael Jones

- 174. **Tropical Smoothie Café**
Oubab Khalil

- 175. **Tryst, Open City, The Coupe and
The Diner**
Constantine Stavropoulos

- 176. **United Bankshares, Inc.**
Richard M. Adams, Jr.

- 177. **Venturehouse Group**
Mark Ein

- 178. **Veritas Law Firm**
Andrew Kline

- 179. **Verizon**
Joseph Askew, Jr.

- 180. **Washington Gas**

- 181. **Washington Parking Association**
David Julyan

- 182. **Washington REIT**
Tom Bakke

- 183. **WC Smith**
Alison Ritz

- 184. **west, lane & schlager realty
advisors, LLC**
Eric West

- 185. **Windsor Associates IV, LP**
Jon Utley

- 186. **WinnCompanies**
Brett Meringoff