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

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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.**

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

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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.**

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

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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.**

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

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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.**

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

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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.**

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

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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.**

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

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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.

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

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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.**

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

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

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| 10. | <b>American Management Corp.</b><br>Brett Greene   | 22. | <b>BConstrux</b><br>Bernadette Harvey  |
| 11. | <b>Amsterdam Falafelshop</b><br>Arianne Bennett  | 23. | <b>Ben's Chili Bowl</b>  |
| 12. | <b>Anacostia Economic Development Corporation</b><br>Stanley Jackson                         | 24. | <b>Bernstein Management Corporation</b><br>Joshua B. Bernstein   |
| 13. | <b>Apart. &amp; Office Bld. Assoc. of Metro Washington</b><br>Margaret "Peggy" Jeffers, Esq. | 25. | <b>Blake Real Estate Inc.</b><br>Owen Billman  |
| 14. | <b>Arnold &amp; Porter Kaye Scholer LLP</b><br>Amy Rifkind and Michael Goodwin               | 26. | <b>BohlerDC</b><br>Mike O'Hara   |
| 15. | <b>Assoc. Builders and Contractors of Metro Washington</b><br>Debbie Livingston              | 27. | <b>Bolana Capitol Enterprise, Inc</b>  |
| 16. | <b>Atlantic Real Estate Partners</b><br>Greg White   | 28. | <b>Borger Management Inc.</b><br>G. Thomas Borger  |
| 17. | <b>Atlantic Service Group</b><br>Joe Leightner   | 29. | <b>BridgePoint Hospital Capitol Hill</b><br>Jim Linhares   |
| 18. | <b>Audio Now</b><br>Elan Blutinger   | 30. | <b>BridgePoint Hospital National Harbor</b><br>Kevin Chavez  |
| 19. | <b>BBMG</b><br>Nick Giordano   | 31. | <b>Brookfield Property Partners</b><br>Greg Meyer and David Bevirt                                     |
| 20. | <b>BBQ Bus Smokehouse</b><br>Che and Tadd Ruddell-Tabisola                                   | 32. | <b>Bundy Development Corporation</b><br>Pamela Bundy   |
| 21. | <b>BCG Companies</b><br>Vernon Holleman  | 33. | <b>Busboys &amp; Poets including Brookland, 14th &amp; V and 5th &amp; K locations</b><br>Andy Shallal |

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| 34. | <b>Business Promotion Consultants, Inc.</b>  | 46. | <b>Colonial Parking</b><br>Andrew Blair                                     |
| 35. | <b>CAS Riegler Companies</b><br>Robin Bettarel   | 47. | <b>Communtty Three</b><br>Grant Epstein                                     |
| 36. | <b>CH2MHill</b><br>Kathleen Linehan  | 48. | <b>Compass Rose</b><br>Rose Previtte  |
| 37. | <b>Children's National Health System</b><br>Kurt Newman  | 49. | <b>Connections Media and Old School Hardware</b><br>Phil Lepanto            |
| 38. | <b>CIH Properties, Inc.</b><br>Kevin O'Malley  | 50. | <b>Consortium of Universities of the Wash. Metro Area</b><br>John Cavanaugh |
| 39. | <b>CityBridge Education</b><br>Katherine Bradley   | 51. | <b>Convivial</b><br>Saied Azali   |
| 40. | <b>cityinterests, LLC</b><br>Peter Farrell and Alan Novak  | 52. | <b>Core DC</b><br>Dale Stewart  |
| 41. | <b>Clark Enterprises, Inc</b><br>Robert J. Flanagan  | 53. | <b>Cork Wine Bar and Cork Market and Tasting Room</b><br>Diane Gross        |
| 42. | <b>Clear Real Estate Services</b><br>Chip Ranno and Mark Strandquist   | 54. | <b>Corrections Consulting</b>   |
| 43. | <b>Club Timehri</b><br>C. Jonathon Wells   | 55. | <b>Courembis Companies</b><br>Louis Courembis                               |
| 44. | <b>Clyde's Restaurant Group including Clyde's of Gallery Place, Clyde's of Georgetown, Old Ebbit Grill and 1789 Restaurant</b><br>David Moran, John Laytham, Ginger Laytham and Jeff Owens | 56. | <b>Crystal Insurance</b><br>Margarita Dilone                                |
| 45. | <b>CohnResnick</b><br>James Martinko   | 57. | <b>Cultural Tourism DC, Inc.</b><br>Steven Shulman                          |

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| 58. | <b>Dangerously Delicious Pies</b><br>Sandra Basanti       | 71. | <b>Eric Colbert and Associates, PC</b><br>Eric Colbert             |
| 59. | <b>Dantes Partners</b><br>Buwa Binitie                    | 72. | <b>Estelle Mathis Lloyd &amp; Associates</b>                       |
| 60. | <b>Davis Planning Associates, Inc.</b><br>Joseph L. Davis | 73. | <b>Eversheds Sutherland (US) LLP</b><br>Jerome B. Libin            |
| 61. | <b>DC Building Industry Association</b><br>Lisa Mallory   | 74. | <b>Eye Street Cellars</b><br>Pankaj Malhotra                       |
| 62. | <b>DC Chamber of Commerce</b><br>Vincent Orange           | 75. | <b>Federal City Council</b><br>Anthony Williams                    |
| 63. | <b>DC Fray</b><br>Robert Kinsler                          | 76. | <b>Federal Management Systems, Inc.</b><br>Aubrey Stephenson       |
| 64. | <b>DC Hospital Association</b><br>Jacqueline D. Bowens    | 77. | <b>Finn Partners</b><br>Margaret Dunning                           |
| 65. | <b>DC IHOPS</b><br>Tyoka Jackson                          | 78. | <b>Floyd E. Davis Company</b><br>Floyd E. Davis, III               |
| 66. | <b>DC Insurance Federation</b><br>Wayne McOwen            | 79. | <b>Forge Company</b><br>Rusty Lindner                              |
| 67. | <b>Devon &amp; Blakely</b><br>Sara Burke                  | 80. | <b>Gelberg Signs</b><br>Jean-Luc Bami                              |
| 68. | <b>Doggett's Parking</b><br>Cherrie Doggett               | 81. | <b>GeoCapitol Engineering LLC</b><br>Daniel Gradishar              |
| 69. | <b>E&amp;G Group</b><br>Jim Edmonson                      | 82. | <b>Georgetown McDonough School of Business</b><br>W. Edward Walter |
| 70. | <b>Entrusted Development, LLC</b><br>Kevin Breckenridge   | 83. | <b>Geo-Technology Associates, Inc.</b><br>Daniel Wilhelm           |

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| 84. | <b>Gotham Urban Ventures LLC</b><br>Desa Sealy                     | 96.  | <b>Ideal Electric</b><br>Cora Williams  |
| 85. | <b>Greater Wash. Hispanic Chamber of Commerce</b><br>Alfredo Casta | 97.  | <b>IDI Group</b><br>Giuseppe Cecchi   |
| 86. | <b>Greater Washington Board of Trade</b><br>Jim Dinegar            | 98.  | <b>Industrial Bank</b><br>B. Doyle Mitchell, Jr.  |
| 87. | <b>Greening Urban LLC</b><br>Chris Earley                          | 99.  | <b>International Limousine Services, Inc.</b><br>Richard P. Kane  |
| 88. | <b>Greenstein DeLorme &amp; Luchs, P.C.</b><br>Gilbert E. DeLorme  | 100. | <b>J Street Companies</b><br>Bruce Baschuk  |
| 89. | <b>Health IT 2 Business Solutions, LLC</b><br>Dash Kiridena        | 101. | <b>Jack Rose Dining Saloon</b><br>William Thomas  |
| 90. | <b>Hines</b><br>William B. Alsup, III                              | 102. | <b>James V Page</b><br>Page After Page Business Solutions, Inc.   |
| 91. | <b>Hotel Association of WDC</b><br>Solomon Keene                   | 103. | <b>Joseph J. Magnolia Inc. and Magnolia Plumbing Inc.</b><br>John D. Magnolia   |
| 92. | <b>Howard &amp; Hoffman Insurance Agency</b><br>Scott Hoffman      | 104. | <b>KBS Realty Advisors</b><br>Marc DeLuca   |
| 93. | <b>Howard University Hospital</b><br>James Diegel                  | 105. | <b>Knightsbridge Restaurant Group including 701 Restaurant, Bibiana Osteria Enoteca, The Oval Room Restaurant, Rasika, The Bombay Club, NOPA Kitchen + Bar and Bindaas</b><br>Ashok Bajaj |
| 94. | <b>HRGM CORP</b><br>Ramesh Butani                                  |      |   |
| 95. | <b>HS Solutions, LLC</b><br>Jack Hsin                              |      |   |



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

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

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