



April 18, 2023

To the Tax Revision Commissioners:

On Tax Day 2023, we are urging DC's Tax Revision Commission (TRC) to make racial equity the goal of all its recommendations to the mayor and the Council. We face an alarming and callous budget proposal from the mayor that not only fails to address, but will also worsen, the significant struggles of Black and brown working-class residents in our unaffordable city. Policymakers have failed to center racial equity in our revenue policy, leaving significant wealth untapped and maintaining a bias toward the comfort of the wealthy. The current proposed austerity budget and the harm it will do to the most vulnerable residents is wholly avoidable with revenue policies that advance racial equity.

Our organizations work in solidarity with and/or in service to DC's Black and brown residents with low incomes. The [legislation](#) that created this commission lists as its very first purpose to "Provide for fairness and equity in the apportionment of taxes and promote progressivity." As such, the TRC's recommendations should advance a tax system that is progressive—with the wealthiest paying the greatest share of their income in taxes relative to households with middle and low incomes—and advances racial equity.

Tax policy is a powerful tool for [fighting poverty](#) and building more just and racially [equitable communities](#). It allows us to raise the collective resources we need to meet growing needs, provide public services that enable all DC residents to thrive, and to make public investments that dismantle structural barriers to opportunity for residents of color. By centering equity—and specifically [racial equity](#)—in its work, the TRC can help create a future where everyone can share in the District's prosperity.

While the District has taken important steps to reduce the taxes paid by households with the lowest incomes, DC's tax and revenue system continues to exacerbate racial and economic inequity. The tax system overwhelmingly benefits wealthy—disproportionately White—residents: advantageous treatment of inherited wealth, capital gains, dividends, corporate and non-corporate business income, and property ownership, among other things, allows higher-income residents to build more wealth, increase the value of existing assets, and increase the wealth they pass to future generations.

Although DC has a disproportionate [concentration of extreme wealth](#) compared to most other states, the wealthiest residents still pay a [smaller share](#) of their income in taxes than do middle-income earners, who are more likely to be Black or other people of color. By protecting wealthy, mostly White individuals, DC has failed to raise sufficient revenue to meet the needs of the Black and brown communities that are experiencing financial hardship, facing eviction, and carrying the trauma of sickness and death in their communities, who are disproportionately Black and brown.

When unexamined and unaddressed, state tax policies [exacerbate](#) racial inequities. While the DC tax system does not speak to race explicitly, “[race neutral](#)” tax and revenue policies have both contributed to and worsened racialized poverty, exclusionary economics, and opportunity hoarding by White elites. Too often, racial and wealth inequities are accepted as an unintended consequence of policies meant to promote “competitiveness,” but research [does not support](#) the theory that lowered tax rates for corporations lead to economic growth. We insist on a shift in this narrative.

DC’s extreme racialized inequality [limits economic growth](#) overall and demands policies that address the exclusion of Black and brown people from DC’s prosperity. Consider two stark examples of this racialized inequality: a typical White household in DC has [81 times](#) the wealth of a typical Black household; and the expected lifespan in Ward 3, which has the highest percentage of White residents in DC, is [15 years longer](#) than for a resident of Ward 8, the ward with the highest percentage of Black residents.

The TRC has many resources at its disposal for making the strongest, evidence-based recommendations possible for achieving a racially just tax system and an equitable economy. Expertise exists within the mayor’s Office on Racial Equity and the DC Council’s Office of Racial Equity. Numerous organizations, such as ITEP, Washington Center for Equitable Growth, and Center on Budget and Policy Priorities, present ideas, analysis, and recommendations for states hoping to improve the racial equity of their fiscal policies. Of course, the TRC already heard from the brilliant Dr. Dorothy Brown of Georgetown University, author of *The Whiteness of Wealth: How the Tax System Impoverishes Black Americans—and How We Can Fix It*.

Unfortunately, in spite of the clear mandate to center racial equity in the TRC purposes and outcomes, commissioners have made concerning public comments that demonstrate an unwillingness to increase taxes on the wealthy, antipathy for business regulations, and contempt for DC residents that struggle to make ends meet. Labor and grassroots organizations are missing completely from representation on the commission, while powerful business interests are at the table and overrepresented. Notably, the two TRC meetings dedicated to equity and race (“How Does the D.C. Tax System Affect Racial Equity?” in December 2022 and “Equity and Opportunity in DC” in January 2023) had the lowest attendance among commissioners of all other TRC meetings, according to the meeting minutes. This makes us wonder if all commissioners are equally prepared to make recommendations that will truly fulfill their task as laid out in the authorizing legislation.

Another concern relates to the timeline for accepting public input. More than 6 months passed before the TRC website was improved to be more transparent and user friendly.

And though the website improvements include a much better portal for accepting public input, the TRC still has not announced or scheduled any public hearings.

We make the following demands of the Tax Revision Commission:

- Ensure all final recommendations meet the criterion of advancing racial equity, as a top priority.
- Demonstrate that each TRC recommendation has been analyzed using a racial equity rubric or framework and document the research examined in your analysis.
- Ensure that the criterion of competitiveness never be prioritized as more important than racial equity when assessing a recommendation, given the history of tax policies promoting economic competitiveness causing harm to Black and brown residents.
- Host at least three open, well-advertised hearings (with at least one month advance notice for each) that give the public the opportunity to testify to the TRC, with both in-person and virtual settings as well as interpretation (including ASL) for those requesting it.
- Hold a special listening session with community members with lived experience of poverty, economic exclusion, and/or other relevant conditions.

We stand ready to provide any additional input to make it easier for the TRC to meet its commitment to center fairness and equity, especially racial equity, in its eventual recommendations.

Very sincerely,

Fair Budget Coalition
Just Recovery DC
Amy Jacques Garvey Institute
Beacon House
Chesapeake Climate Action Network
Chi Bornfree, Inc.
Coalition on Long Term Care
DC Action
DC Coalition Against Domestic Violence
DC for Democracy
DC Greens
DC Justice Lab
DC Kincaid Alliance
DC Statehood Green Party
District of Columbia Behavioral Health Association
Diverse City Fund
Empower DC
EmpowerEd
Everyone Home DC
Friendship Place
Girls on the Run - DC

Harriet's Wildest Dreams
Healthy Babies Project Inc.
Herb & Temple
Iona Senior Services
Jews United for Justice
Laurenti LICSW, LLC
Legal Aid DC
Legal Counsel for the Elderly
Mothers Outreach Network
ONE DC
People for Fairness Coalition
Platform of Hope
Resource Generation DC Chapter
SMYAL
SPACeS in Action
The Festival Center
Tzedek DC
United Planning Organization
Washington Lawyers' Committee for Civil Rights and Urban Affairs
Washington Legal Clinic for the Homeless