



# chairman's update

## the NEWSLETTER of DC Council Chairman Phil Mendelson

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### Council Adopts Major Tax Reform

On June 24<sup>th</sup> the Council gave final approval to the fiscal year 2015 budget, a major component of which is a comprehensive tax revision package based on the recommendations of the DC Tax Revision Commission (TRC) chaired by former Mayor Anthony Williams. Though Mayor Gray attempted to veto the Council's approved budget—relying primarily on a false narrative about the adequacy of streetcar funding—the Council voted overwhelmingly to override the veto on July 14<sup>th</sup>.

The broad tax relief in the approved budget I advocated for ensures our tax system is more progressive and more compassionate. For example, District residents will, on average, pay hundreds of dollars less in income taxes when the cuts are fully implemented. In addition, low-income wage earners and seniors will see an increase in available credits. Likewise, businesses will see a 17 percent reduction in the franchise tax.

While the tax reform package I proposed ultimately puts more money in the pockets of District residents, much of the public debate has focused on the expansion of the sales tax to previously tax-exempt services—such as yoga classes.

As I have repeatedly argued, and as has been articulated by the TRC and other notable tax policy organizations, expansion of the sales tax to services makes our tax code more equitable and revenues more stable.

As other jurisdictions are discovering, a tax system that taxes only goods—take baby diapers as an example—is not sustainable because consumer spending has steadily shifted away from goods toward services. As such, broadening our tax base to include services ties sales tax more closely to consumption; this makes for a fairer, more reliable, tax system.

Consider also that a broad-based tax system provides greater stability to the tax rate—negating the need to raise the District's sales tax (on baby diapers, among other things) to raise additional needed revenue.

While there are some opponents of the broad-based tax system adopted by the Council, the overall package provides relief to District families struggling with the high cost of living, and ensures that tax savings are reinvested into our neighborhood businesses.

### Constituent Services Corner

A constituent posted on a listserv that several street signs along Western Avenue, NW were missing. Pepco had taken down the signs in order to replace the electrical poles, and left the signs on the ground to be re-hung once work was completed. Days later the signage apparently had become the possession of some very opportune souvenir hunters.

My office reached out to the constituent immediately. We discovered that the sign theft extended for several blocks along Western Ave, where utility workers had neglected to repost signs taken down during construction, leaving an entire neighborhood without appropriate signage.

My staff contacted Pepco and was able to get the utility to quickly remedy the situation. Because of our efforts Pepco also met with DDOT officials to develop new pole work procedures for the proper handling of street signs.

When navigating District government has you lost, all signs point to contacting Chairman Mendelson.



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## Local Autonomy Under Fire

Several members of Congress have recently sought to interfere in local District affairs by attempting to prohibit—by way of budget riders—enforcement of our duly adopted laws. Representative Massie (R-KY), for example, succeeded this month in convincing the House of Representatives to approve a budget rider that seeks to prevent the use of funds in enforcement of our local gun laws. Likewise, an amendment proposed by Representative Harris (R-MD) would prevent the District from using funds to enforce a recently enacted statute decriminalizing possession of marijuana. Both amendments impede on the will of District voters and the authority of locally elected officials to decide purely local matters; both amendments also appear to be an effort to score political points with constituencies back home.

This meddling in local affairs is contrary to the express authority Congress provided the District when it granted Home Rule. It is also contrary to the local control that proponents of these amendments profess to support. Often, the proponents of these types of amendments drop their personal political philosophies when the opportunity avails to use the District for personal political gain. Whatever the motive for this type of interference by members of Congress in local affairs, it goes against the democratic principles inherent in our form of government.

Also problematic is the inattentive drafting that typically accompanies efforts to undo large areas of local law. The Massie amendment, for example, actually *increases* certain penalties for gun possession and makes it more difficult to keep firearms out of the hands of those with mental illnesses. The lack of knowledge about local matters, and the inattention to detail, means that the Massie amendment, in many respects, makes matters worse for lawful gun owners.

While approval of these two budget riders is far from certain, they highlight the need for District officials and residents to remain engaged. District residents who care about autonomy for the District should make their voices heard. We should also look to the continued support of our friends in these efforts, such as the constant vigilance of Congresswoman Norton and the President's recent declaration of support for Statehood.

## Upcoming Hearings of the Committee of the Whole

**PR 20-918, Historic Preservation Review Board Joseph Taylor Confirmation Resolution of 2014;** and **PR 20-919, Historic Preservation Review Board Rauzia Ruhana Confirmation Resolution of 2014**  
*Public Hearing scheduled for Friday, September 19, 2014 at 12:00 p.m. in Hearing Room 412*

**PR 20-971, DC Commemorative Works Committee Christopher Magnuson Confirmation Resolution of 2014;** and **PR 20-972, DC Commemorative Works Committee Barbara Deutsch Confirmation Resolution of 2014**  
*Public Hearing scheduled for Friday, September 19, 2014 at 12:30 p.m. in Hearing Room 412*

**Regular Meeting of the Committee of the Whole**  
*Committee Meeting scheduled for Tuesday, September 23, 2014 at 10:00 a.m. in the Council Chamber*

**Bill 20-722, Percy Battle Way Designation Act of 2014;** **Bill 20-831, D.C. No Taxation Without Representation Way Designation Act of 2014;** and **Bill 20-893, D.C. Statehood Now Boulevard Designation Act of 2014**  
*Public Hearing scheduled for Thursday, October 16, 2014 at 9:30 a.m. in Hearing Room 412*

To sign up to testify, or for more information, contact the Committee at (202) 724-8196.