



D.C. Tax Revision Commission

MEETING MINUTES

Subject: D.C. Tax Revision Commission October 1, 2012 Meeting
Date: October 1, 2012
Time: 3:00 p.m. to 6:00 p.m.
Location: 1101 4th Street, SW, Suite 250, Washington, DC

Members Present:

Anthony Williams	Fitzroy Lee
David Brunori (by phone)	Teresa Hinze (by phone)
Catherine Collins	Pauline Schneider
Mark Ein	Stefan Tucker
Tracy Gordon	Nicola Whiteman
Ed Lazere	

Invited Speakers:

Yesim Yilmaz, Office of Revenue Analysis, Office of the Chief Financial Officer
Steve Swaim, Office of Revenue Analysis, Office of the Chief Financial Officer
Jim Spaulding, Office of Budget and Planning, Office of the Chief Financial Officer

Staff:

Kevin Clinton
Robert Ebel

I. Call to Order (Commission Chairman)

Mr. Williams, Chairman of the D.C. Tax Revision Commission (the "Commission"), called the meeting to order.

II. Approval of Minutes of September 10, 2012 Meeting

The minutes for the September 10, 2012 meeting were approved.

III. Continuation of Business from September 10, 2012

Criteria for Judging a Tax System

Mr. Clinton presented the updated Criteria for Judging a Tax System, revised to reflect comments at the previous meeting. In the revised document, the concept of fiscal architecture was removed as one of the criteria and incorporated as an overarching organizing principle for the work of the Commission. The Commission approved the revised document with the following areas specified as Criteria: (1) certainty, (2) neutrality (efficiency), (3) competitiveness, (4) fairness in apportionment of revenues (equity), (5) accountability, and (6) simplicity in taxpayer compliance and revenue administration.

D.C. Tax Revision Commission Research Agenda

Mr. Clinton presented the updated Research Agenda, revised to reflect comments at the previous meeting. Members of the Commission requested additional time to review the revised Research Agenda and a discussion of the revised agenda was tabled until the next meeting.

IV. D.C. Fiscal Structure Briefing

D.C.'s Fiscal Structure and Fiscal Turnaround

Ms. Yesim Yilmaz made a presentation to the Commission entitled "Fiscal Turnaround of the District of Columbia through Federal-Led Adjustment Program" which addressed the governance structure of the District of Columbia and its economic and demographic characteristics; the roles and responsibilities of the District of Columbia vis-à-vis the federal government and its legal authorities; and the District of Columbia's fiscal structure including lessons learned from the control period.

D.C.'s Revenue System

Mr. Steve Swaim presented an "Overview of D.C. Taxes and Revenues" to the Commission. His presentation addressed the following topics: (1) trends in tax revenues since 1984; (2) specific trends in revenues since 1998, the last time a Commission examined D.C.'s tax structure; (3) the impact of the Great Recession and subsequent recovery on D.C. taxes, (4) taxes and other sources of funding over the past ten years, and (5) tax factors impacting debt financing.

D.C.'s Revenue System

Mr. Jim Spaulding made a presentation to the Commission entitled "General Fund Expenditure Trends, FY 2001 – FY 2011, and Looking Forward". His presentation summarized trends in D.C. expenditures over the last ten years in the general fund operating budget and the capital budget. Topics included key areas of budget growth such as education, health and Medicaid, human services, public safety and financing costs. His presentation also looked ahead to the key areas of importance on the horizon including the continued growth in education costs at DCPS and charter schools, public safety, Medicaid which will be dependent on the impact of the Affordable Care Act, debt service, Metro, pensions and the impact of sequestration.

V. Other Business Before the Commission

Extension of Commission Deadline.

The Commissioners agreed to request an extension of the deadline for the Commission's work to September 2012. The Commission agreed that this additional time may not be necessary but that it should be requested to provide assurances.

VI. Adjournment (Commission Chairman). The meeting was adjourned.