



## Doing Business in DC Survey Results

### September 2013

Do you or your clients do business in the District of Columbia?

| Answer                   | 0% | 100% | Number of Response(s) | Response Ratio |
|--------------------------|----|------|-----------------------|----------------|
| Yes, I do                |    |      | 54                    | 32.7 %         |
| Yes, my clients do       |    |      | 25                    | 15.1 %         |
| Both I and my clients do |    |      | 59                    | 35.7 %         |
| No                       |    |      | 24                    | 14.5 %         |
| No Response(s)           |    |      | 3                     | 1.8 %          |
| <b>Totals</b>            |    |      | <b>165</b>            | <b>100%</b>    |

To what degree have you or your clients experienced frustration or difficulty with the following in your business dealings in the District?

1 = Very frustrating/difficult, 2 = Somewhat frustrating/difficult, 3 = neutral, 4 = Fairly easy, 5 = No issues/very easy

| Answer   | 1 | 2 | 3 | 4 | 5 | Number of Response(s) | Rating Score* |
|--|---|---|---|---|---|-----------------------|---------------|
| Navigating licensing, permits and corporate registration rules |   |   |   |   |   | 93                    | 1.8           |
| Dealing with DC tax issues or forms                            |   |   |   |   |   | 96                    | 1.9           |
| Finding information about regulatory or tax changes            |   |   |   |   |   | 94                    | 2.0           |
| Getting questions answered by District agencies                |   |   |   |   |   | 95                    | 1.7           |
| Unfavorable District labor laws                                |   |   |   |   |   | 92                    | 2.5           |
| Higher fees and/or taxes than neighboring jurisdictions        |   |   |   |   |   | 93                    | 2.2           |
| Navigating the DC contracting/procurement process              |   |   |   |   |   | 88                    | 2.6           |
| Charitable solicitation or other nonprofit specific issues     |   |   |   |   |   | 92                    | 2.8           |
| Other?   |   |   |   |   |   | 52                    | 2.9           |

\*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Have these impediments caused you/your clients to divert business activity from the District?

| Answer             | 0%  | 100% | Number of Response(s) | Response Ratio |
|--------------------|---|------|-----------------------|----------------|
| Yes, when possible |  |      | 50                    | 53.7 %         |
| No                 |  |      | 43                    | 46.2 %         |
| <b>Totals</b>      |   |      | <b>93</b>             | <b>100%</b>    |

What could make doing business in DC easier or more appealing for you or your clients?

45 Response(s)

What best describes your business?

| Answer                            | 0%  | 100% | Number of Response(s) | Response Ratio |
|-----------------------------------|---|------|-----------------------|----------------|
| CPA firm                          |  |      | 50                    | 30.3 %         |
| Other consultant/service provider |  |      | 13                    | 7.8 %          |
| Industry-Corporate                |  |      | 9                     | 5.4 %          |
| Industry-Nonprofit                |  |      | 29                    | 17.5 %         |
| Other                             |  |      | 8                     | 4.8 %          |
| No Response(s)                    |  |      | 56                    | 33.9 %         |
| <b>Totals</b>                     |   |      | <b>165</b>            | <b>100%</b>    |

|   |
|---|
| <b>TEXT ANSWERS</b>   |
| <b>To what degree have you or your clients experienced frustration or difficulty with the following in your business dealings in the District? - Comments</b>   |
| <b>Answer</b>   |
| The Tax Dept needs to hire people with experience or to train their representatives to assist the public. Right now it seems that the representatives are there to antagonize with the public.  |
| Getting interest paid to a client on an overpayment that was not refunded for two years was impossible.   |
| The customer service at the District agencies are horrible! The customer service representatives need training on how to talk to customers and listen and answer questions.   |
| It appears DC will force all employers with less than 50 employees into the health exchange. Not sure if this will be a good or bad experience, but based on history will probably not be good.   |
| Very frustrating trying to get erroneous tax notices corrected and have DC tax office personnel follow through with what they say they will do.   |
| DC is the worst both administratively and tax -wise. I advise clients to stay out of DC if at all possible. Very difficult to have a conversation with a knowledgeable DC tax rep about anything at all.  |
| Simplify the ball park fee and require payment with the d30 or d20 or d 65  |
| <b>INCORRECT POSTING OF MULTIPLE PAYMENTS TO MULTIPLE ACCOUNT</b>   |
| You need a choice saying 'no experience; we haven't tried'  |
| Working with the DC government agencies is a truly frustrating challenge- incompetency, lack of communication, right hand not knowing what the left hand is doing, etc.   |
| DC Tax Department is the worst. They change taxpayer's tax returns and never communicate that to the taxpayer. Horrible to deal with and get information from them.   |
| Most problems relate to DC employees not returning calls or willing to help even if they can. We've had to resort to going to the respective DC office several times just to get someone to acknowledge us and get situations resolved.   |
| The level of ineptness in the DOR in DC is staggering. I tell all my new business clients to not register in DC until it is absolutely necessary. And once a business moves out of DC, DOR refuses to process their own change notices or the information placed on a tax form.   |
| The labor law questions assumes that the district's are "unfavorable". Define "unfaforable".  |
| Other: implementation of the Affordable Care Act. I gave testimony before the city council to voice my opposition to the closure of the private insurance market to companies with 50 or fewer employees. I'd love for the private market to remain open. If the exchange is in fact better, we'll go there.  |
| The online statement of taxes does not agree with what they send and that does not agree with the actual. Unemployment sends out invoices sometimes 2 months after the fact and then marks you as paying late even though you paid in their window. Finding someone who can correct your account is also very difficult. We submitted a correction for our sales tax return for September 2012 and it still has not been done, despite their admission that they recieved it. |
| The legal system for enforcing contracts is horrible.   |

|   |
|---|
| <p>We had a 2008 tax delinquency that was moved to a collection agency. The district last tried to contact us in 2010 by mail. We had moved. Our address and phone number was on the web.</p>   |
| <p>none at this time</p>  |
| <p>Most recently the District's Sales and Use Tax office has been extremely disappointing. They don't follow up on issues, they lose your paperwork, they send you from one person to another and then back to the first with no resolution. It takes years to resolve issues. It is like a 3-ring circus. They are not professional. Then they turn the matter over to collections because they would not take part in resolving the matter. This is unfair to residents and businesses in the District.</p> |
| <p>Dealing with the District government and many, not all, of its employees is beyond frustrating. Incompetence is more the norm than professionalism. Contracting procedures are shady at best.</p>  |
| <p>We are a television and radio broadcaster.</p> <p>We have no DC employees.</p> <p>We have a TV antenna in DC, but that is a fairly limited operation.</p>  |
| <p>Individual tax notices and penalty assessment resolution are extremely difficult to navigate. Typically, have to get the reporting hierarchy and call up the chain of command until you find a reasonable person with authority to make the right call. Seems like compliance officers at the lowest levels make up their own interpretation of D.C. tax laws.</p>   |
| <p>I am a landlord in DC and deal primarily with DCHA and DCRA - both of which are extremely frustrating to work with. If these agencies were "real" businesses they would have been out of business a long time ago.</p> <p>Rarely get emails answered. Phone messages are virtually non-existent (most voice mail boxes say "full"). Sometimes the only method is to show up in person which is much more time consuming and frustrating.</p>   |
| <p>Issues minimized in the federal sector</p>   |
| <p><b>Have these impediments caused you/your clients to divert business activity from the District? - Comments</b></p>  |
| <p><b>Answer</b></p>  |
| <p>Easier to do business in Virginia</p>  |
| <p>We recently purchased property to relocate to the District. So far, navigating the sea of paperwork and regulations has been very difficult--each department gives different answers, forms are extremely confusing (eg, need to complete some forms to obtain business license before others can be completed but the forms you need to fill out must be completed after you've relocated to the District), unclear exactly what needs to be completed when, forms seem redundant, etc.</p>               |
| <p>A few of my clients have chosen to move to Maryland or Virginia for tax reasons.</p>   |
| <p>Very simple both Maryland and DC are decouple states when it comes to estate taxes. I have and will continue to recommend my clients set up shop in Virginia. I myself as a native Washingtonian and considering moving to Virginia. Giving 16% to DC when it would be zero in Virginia above \$1Million is a lot of money for beneficiaries and heirs.</p>  |

|  |
|--|
| Other area jurisdictions have much more to offer to small businesses/firms (i.e.: Maryland and Virginia) such as gap funding/loan programs, etc. whereas the District is deficient relative to these other jurisdictions.                  |
| I have had some clients leave dc   |
| Move back office functions to the suburbs  |
| Due to the nature of what we do (advocacy) we must remain in the city. We have no other choice, but to deal with the frustration.  |
| We own our building in the District, so it's unlikely that we will move.   |
| Our only office is in the District so it would be difficult to divert activity.  |
| don't go downtown on weekends any more   |
| Yes. Many people won't move into the District because of the third world mentality in the city government.   |
| Since we and our clients are in the DC, we manage around it.   |
| DC Stadium tax in particular.  |
| We did NOT locate in DC a number of years ago because we could not get all the permits for our broadcasting equipment.   |
| The new combined reporting rules have caused my clients to avoid development activity in the District.   |
| Unfortunately, in the rental business, the property cannot be moved.   |
| <b>What could make doing business in DC easier or more appealing for you or your clients? - Responses</b>  |
| <b>Answer</b>  |
| Better customer service.   |
| More educated and helpful staff. More transparent policies.  |
| Streamlining reporting would help, DC has more reporting, more forms due annually than other jurisdictions.  |
| Unfortunately, the DC Council seems to pass new taxes or "initiatives" very often and the Office of Tax and Revenue can't keep up with the rules, so they can't answer questions when they don't know what's going on either.              |
| Their website is a catch 22 - you need a password to use the online feature but you can't get them to send you a password.   |
| Less taxes and less hassle doing business with DCRA.   |
| Good customer services, attention to detail, business friendly atmosphere and courtesy dealing with the public.  |
| More responsive and better informed staff in DC Treasurer's office who have authority to make corrections to returns.  |
| Faster response to letters.  |
| Cutting the tax rate would help.   |
| Eliminate the requirement to join the exchange. Also, DC does not always notify clients when changes are made to tax returns. If they have applied an overpayment, they frequently adjust the payment, but never send the client a notice. |
| A more consistent and focused government/administration/city council. They make big announcements about their focus on business and then little happens or moves forward. It seems like one step forward and two steps back.               |

|   |
|---|
| They need to take concrete steps to invite the businesses in and keep them in.  |
| Hire better people  |
| Would prefer to avoid it all together.  |
| Some type of "opne stop" service - Topics could be taxes, starting a new business/licensing,school records, Medicaid/heal care assistance, licenses - fees and how to apply/where to apply, towed cars - where are they and fines due, etc.   |
| As above get out of being a decouple state in estate taxation and agree with Federal exemption of \$5Million plus.  |
| Competent, timely service from agencies.  |
| More business friendly attitudes.   |
| Most importantly more knowledgeable, better trained DC tax staff. Lower taxes. More user-friendly web-site - it's terrible for clients or tax practitioners to navigate. I could go on and on.  |
| Recognize the S corporation.  |
| Expressing a similar/more reasonable level of interest to small businesses/firms, as the District does with developers.   |
| Fewer and less fees and more helpful staff with tax notice matters. More electronic filing capabliities.  |
| The netowrking opportunities.   |
| emulating tax laws and administration in other jurisdictions with little or no frustrations   |
| More compentent staff in the offices. For example previously, and I should note that with changes in resprocity and merging my firm five years ago, that I have not had to do this within the last few years; when I got licensed in other states, they wanted to know I was in good standing in all the other states that I practiced in. I was licensed in 17 states and the District at one point, prior to the merger. The District would never send the required paperwork. Twice I have to resubmit applications because the other state said the application was now dated. So what I ended up doing when I had to get licensed in another state, is bring other work with me and come and walk this through the process so that I left with the paperwork needed in hand. |
| As I said I have not had to do this in a few years, and have not tested the normal process for say seven years. Hopefully this is a lot better.   |
| A complete change in DC personnell  |
| Competent individuals that have customer service as their number 1 priority.  |
| Lower tax rates, better customer service from government entities. Reduction of beurocracy.   |
| Better District tax and regulatory departments. Tax Department should be required to communicate with all types of taxpayers whenever a return is changed.  |
| Better attitude among DC employees. Better training for grant program officers in various agencies to know how their admin requirements fit into the schema of federal grant requirements.  |
| Fire all the people in the DOR and start over. I've personally never dealt with such lazy and inept people.   |
| They also need to upgrade all their IT equipment and software. It is so antiquated I don't see how  |

|   |
|---|
| anyone can work with it.  |
| dc must hire QUALIFIED personnel  |
| To get more helpful, trained, and informed agents.  |
| N/A   |
| It should not take a full year to get a correction processed. I do not believe their systems are adequate to keep up with the business that they are doing. I feel that someone could embezzle funds and they would never know it.  |
| Reform the legal system and make it more business firmedly and creditor friendly.   |
| A better website that directs you to the necessary resources for conducting business in the district.   |
| eliminate traffic cameras   |
| Dropping the cronyism and special deals for certain people would be a good start. When the District wanted to protect a crony they stated that they have "lost" paperwork which did not really exist in the first place, but pretending as though it did.This situation occurred in the zoning office regarding an illegal driveway. Do we really pay these high taxes to the city so they can "lose" paperwork. Surely, they are more sophisticated than that. |
| Easier licensing requirements.  |
| Tax notices that explained any changes that were made. DC often misapplies payments and does not process forms correctly. The D-30 in particular.   |
| DC employees that actually return phone calls.  |
| DC employees that were actually knowledgeable about DC laws and processes. I've had to fax tax form instructions to some DC Dept of Tax & Rev employee in order to close issues.  |
| True transparency; lower tax rates; rules and regulations that are clear and easy to follow.  |
| Get rid of combined reporting.  |
| Re-vamp websites to have links accurate & active. Outsource the phones for DCHA & DCRA to a neighboring state?  |
| Treat users as valued customers, not an inconvenience.  |
| Better access to information from the DC Government. The Web site is pretty and has a nice picture of the Mayor, but finding the information one is looking for is next to impossible.  |
| Competence in government systems and procedures.  |
| Need better response time when requesting information, especially via phone.  |
| <b>What best describes your business? - Other responses</b>   |
| <b>Answer</b>   |
| Commercial Banker   |
| Banking   |

|                    |
|--------------------|
| student            |
| Federal agency     |
| commercial bank    |
| Job Seeker         |
| Federal Government |
| Government         |
|                    |