

D.C. TAX REVISION COMMISSION

Overview, Workplan and Timeline, October 2022 – December 2023

I. Overview

About the Commission. The D.C. Tax Revision Commission is appointed every ten years to bring deep expertise in taxation and economic issues and reflect a diversity and breadth of perspectives to recommend ways to improve the District’s tax system. The Mayor and Council Chair have each appointed five members, with the Chief Financial Officer serving ex officio. The 11 members of the 2022-23 Commission, along with its dedicated staff, include experts on the DC tax system and on the economic and fiscal trends facing the District.

Policy objectives. Based on the [statutory charge](#) from the Council and Mayor and on widely recognized principles of sound tax policy, the Commission’s recommendations will ensure that the tax system

- Can raise enough money – now and in the future -- to provide a level of services that will allow its residents and businesses to thrive;
- Distributes taxpaying responsibilities fairly and equitably, when possible reflecting ability to pay and without favoring or disfavoring individual communities, with particular attention to racial equity;
- Adapts to trends in the DC economy and supports the District’s economic development; and
- Is administered efficiently and transparently.

How the Commission is doing its work. After carefully considering testimony, research, and perspectives from a range of experts and the general public, Commission members will work together to develop a package of recommendations to the Mayor and Council in the fall of 2023. A key goal for the Commission is to provide District policymakers, residents and businesses with a better understanding of our tax system and what it pays for and what the options are for improvement. To expand its perspective, the Commission is soliciting input from outside experts, interest groups, and District residents and businesses. The work of the Commission is governed by the District’s Open Meetings requirements and by a spirit of transparency and civic engagement; members of the public can attend Commission meetings and review finished work products and materials via its website. In addition, the Commission is planning several public input sessions and other opportunities to contribute to the Commission’s work.

II. Timeline

Note: This timeline is achievable but ambitious. Risk factors include contracting delays, the availability of Commissioners to participate in deliberations, and the potential need for additional, unplanned research as issues emerge.

Phase I: Research, October 2022 – March 2023

- Produce a series of short (two-page) policy backgrounders, providing basic facts on the DC tax system
- Host a series of video briefings with tax policy experts on key topics
- Host public-input/civic engagement sessions to garner insights and ideas from DC residents and businesses
- Launch deep-dive research into a small number of key topics

Phase II: Options development, April-May 2023

- Review results of deep-dive research
- Discuss Commission priorities and criteria
- Develop policy options for consideration
- Work with ORA staff to cost-out options
- Share options with public for comment

Phase III: Deliberations and decisions, June-September 2023

- Review and discuss policy options
- Identify priorities
- Undertake additional research as needed to refine options or address emergent questions
- Develop a package of recommendations for public review

Phase IV: Recommendations, October-December 2023

- Formally approve recommendations and submit to Council
- Conduct briefings and issue report to Council that explains recommendations

III. Planned work products *(subject to change)*

Short backgrounders, providing basic explanation and data on key dimensions of DC tax system, drawing mostly on existing research and resources:

General background (key features, revenue trends, and incidence and distribution)

- Personal income tax
- Corporate income tax
- Sales tax
- Property tax
- Excise taxes
- Estate taxes
- Fines, fees, and other own-source revenues

Analytic perspectives and background for briefings

- Racial equity implications of tax proposals
- Tax implications of the post-COVID economy
- Tax expenditures
- Tax changes enacted since 2013 (TRC and others enacted)
- Untaxed/untaxable income and property

- Tax administration
- Using tax policy to advance equity and economic opportunity
- Regional tax comparisons and economic competition
- Tax resiliency and sustainability
- Other topics as needed

Research papers

1. **Baseline fiscal analysis.** Assess the medium- to long-term drivers of spending growth in the District and provide a multi-year basic expenditure baseline that can be compared to revenue forecasts.
2. **Emerging challenges for tax administration.** Identify new/emerging challenges for tax administration in the District, such rising use of digital currency and assets and the growth of remote work, and recommend options to respond.

IV. Expert Briefings and Public Input

During the Research phase, the Commission will hear from experts and the general public on a variety of topics.

- The first Tuesday of each month will be a regular in-person Commission meeting that includes both a brief update on Commission business and an expert briefing/discussion or public input session.
- Additional expert briefings will be scheduled typically on the third Tuesday of each month and typically held via video call.
- Public input sessions will be scheduled throughout this time, with specific prompts in order to inform Commission deliberations. Public input sessions will include both (a) opportunities for the general public and organizations to share their perspectives on the Commission’s work periodically throughout the process and (b) structured opportunities to engage with key questions on which the Commission is seeking feedback. Staff are still exploring options and opportunities for public input, and welcome suggestions.

Note: topics and dates subject to change, based on Commission interest and speaker availability.

November:

- Tax implications of the post-COVID economy
- Commission private dinner/training

December:

- Assessing racial equity implications of tax proposals
- Tax resiliency and a strong tax base
- Tax expenditures and untaxed/untaxable income and property
- Launch civic engagement process

January:

- Tax administration for efficiency and transparency

- Using tax policy to advance equity and economic opportunity

February:

- Regional tax comparisons and economic competition
- Tax incentives and economic development
- Energy taxes and tax-based incentives for energy efficiency and renewables

March:

- Emerging challenges in tax policy (research paper presentation)
- Baseline fiscal analysis (research paper presentation)
- Results of civic engagement process

TBD:

- Additional sessions on topics that may arise in the course of discussion