

**ORAL TESTIMONY OF NEIL WILLIAMS
BEFORE THE D.C. TAX REVISION COMMISSION
PUBLIC HEARING
JUNE 24, 2013**

Thank you for the opportunity to speak before the D.C. Tax Revision Commission. I represent a grassroots group consisting primarily of retired seniors who oppose a tax on out-of-state municipal bonds. This group formed spontaneously by word-of-mouth, community networking, listservs, and other media involvement. Because the time available for public comments is very limited several other members will not be able appear in person today. They have submitted more detailed testimony in writing and ask you to consider it as if they had been present.

The group has been working hard to repeal the tax on out-of-state municipal bonds that was suddenly enacted in May 2011 without any hearings or testimony. After strong opposition arose, implementation was delayed twice through 2013. The Mayor proposed, and the D.C. Council recently approved, the "Fiscal Year 2014 Budget Request Act of 2013," and the "Fiscal Year 2014 Budget Support Act of 2013," which would eliminate the tax on out-of-state municipal bonds effective January 1, 2013.

The group's written testimony describes why this tax would fail to achieve each of the five objectives of the Commission. For example, you can read how the tax would not support D.C.'s needs to raise revenue or issue new bonds as some expect. Instead it would: fall disproportionately and inequitably on seniors and retirees; significantly disadvantage investors in D.C. compared with local jurisdictions in MD, VA and the United States; discourage those on fixed incomes from residing here; complicate and decrease the transparency of the D.C. tax code; and impose a costly regulatory burden on taxpayers and the D.C. government.

Therefore the group asks the Commission to support the recent decisions of the Mayor and the Council and to recommend that taxing out-of-state municipal bonds be rejected as a future option.