

My name is Rob Wohl, and I'm a Ward 6 resident. Although I've only lived here for just over two years, I've found DC to be a great place to live, and I feel like I've found a warm welcome in this city. However, I'm deeply concerned that as DC makes room for privileged, educated people like myself, long term, lower income residents are being pushed out. This concern is shared by many other young newcomers I know. So I'm here tonight to testify in support of numerous proposals that have been made to make our tax code more progressive, and which would help insure that economic development lifts all boats.

In DC, like the rest of the county, we are facing a huge disparity in income and wealth. I doubt I'll be the only person tonight to note that over the last 40 years, the richest 1% of Americans has captured the huge majority of our economic growth leading to income inequality greater than any time since before the Great Depression. And the disparity is wider in DC than almost any other city in the country. As of the last census, the richest 5 percent of households make \$473,000 a year on average, while their counterparts in other large cities make an average of \$292,000. Meanwhile, a fifth of our fellow district residents are living in poverty, with an average income below \$10,000 a year. The average household in the top fifth is making almost 30 times as much as the average household in the bottom fifth -- the ratio is less than 20% in most cities, according to the DC Fiscal Policy Institute.

DC is already a city of haves and have-nots, but as wages remain stagnant and the cost of living rises, only the haves may be able to remain here. With rents skyrocketing, DC lost half of our units of low-cost housing between 2000 and 2010, and the incomes of most working families have failed to keep pace with rising housing costs. Unless we confront the rising time of economic inequality, more and more people are going to be driven out DC, including long-term residents who stuck with this city in the toughest times. As a newcomer here, I think that's a really tragic failure on the part of our policymakers.

If we want to get serious about making economic development inclusive, we can smooth out economic inequality with a progressive tax code that requires everyone to contribute what we can afford. Progressive taxation is an issue of basic fairness: those of us making \$400,000 can obviously afford to part with more of our incomes than those making \$40,000, or \$10,000

Rather than working to close the gap between the rich and the rest, the District government is exacerbating the disparity . Our deeply-skewed tax code places the greatest burden on moderate income DC residents. The middle fifth of taxpayers pay 11% of their income in DC taxes, while the wealthiest 1% pay less on 6.3% of their incomes. Even the poorest fifth are paying a greater share of their income in taxes than the 1%.

We need to rebalance our tax code so the heaviest burdens aren't falling on those who can least afford it. I would strongly urge this commission to recommend reforms to make taxation in DC more equitable, like increasing the personal exemption and standard deduction and expanding the earned income tax credit for single workers. Meanwhile, we should be making our taxes more progressive by creating more brackets for households making between \$40,000 and \$350,000. D.C.'s strong fiscal position has been hard won, and we shouldn't be sacrificing revenue we need for essential public services.

DC has the opportunity to roll back some of the income inequality that plague our nation and neighborhoods, putting at risk the communities that make the District vibrant. Now is not the time to talk about cutting the taxes that fall on the wealthiest, like the estate tax and the top income tax bracket. DC is a boom town. It's time to rethink the argument that we need to cut taxes to increase competitiveness.

DC has been great to me, and like many of my peers, I'm hoping to settle here and raise a family. But I want to live in a community that's committed to equity, and I hope that policymakers are ready to craft a tax code that reflects those values.