

**Testimony before the DC Tax Revision Commission**

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Good Evening Tax Revision Commissioners and Staff! My name is Jim Schulman. I am a registered architect and a sustainability advocate, and I live and work in Ward 6. I am pleased to be able to comment upon one of the tax policy options listed in your chart dated September 26<sup>th</sup> of this year – namely the split-rate property tax.

I believe we all would agree that it makes sense to tax at higher rates those things we want as a society to discourage and reduce taxes on those things we would like to encourage. Back in the late 1990's I testified before an earlier incarnation of this body on behalf of the Citizens for Socially Responsible Tax Reform, arguing that splitting the land and improvement portions of the property tax was both a common sense antidote to rampant real estate speculation and at the same time a strong financial inducement for property-owners to improve their holdings. More than a decade down the road, I argue even more strongly for the District to adopt such a common-sense policy, as have many communities in Pennsylvania. It can be done on a revenue-neutral basis, or it can be carefully adjusted with caps so as to raise higher revenues in a manner that protects property-owners on low fixed-incomes.

The split-rate property tax is similar to other types of taxes that encourage socially beneficial behaviors such as the clean air compliance fee or public service access fees.

I urge the Tax revision commission to think boldly towards the future in addressing the issues you have identified of enhancing business growth, broadening the tax base, increasing fairness, improving competition, modernizing, simplifying and building transparency in how we collect and pay for government services. Splitting the property tax would be fairly straightforward. I would happily swap out the business use tax for this minor change to how we pay property taxes any day!

I thank you for this opportunity to share my views, and I would be happy to attempt to answer any questions.