

November 5, 2013

The Honorable Anthony A. Williams
Chair, D.C. Tax Revision Commission
1101 14th Street SW, Suite W770
Washington, DC 20024

Dear Mayor Williams,

My name is John Graham, President and CEO of the American Society of Association Executives (“ASAE”), a 501 (c)(6) tax exempt organization founded in 1920, based in Washington, DC, and representing 21,000 members. ASAE represents more than 3,000 association executives that are located in DC who work for more than 800 organizations that are based in the District as well as many others that conduct business or have non-headquarters offices in the city.

The association community is a major economic driver of the city’s economy, and we reject outright the assertion made by Option #36 on the DC Tax Revision Committee’s Policy Options List. In the memo for this option, the commission notes, “many businesses (with numerous non-resident employees) consume city services but do not contribute to their maintenance.” During the discussion on October 21, some commissioners added “nonprofits” as a good example of this statement.

The reality is that this assertion is false. Associations incorporated in the District of Columbia do pay taxes that contribute to the infrastructure and health of the city, including sales and use taxes, franchise taxes, parking taxes, personal property tax, and licensed real estate taxes. In addition, incorporated entities also pay incorporation, license, ballpark, and filing fees to the city government to maintain their legal standing in the city.

However, limiting the financial contribution of associations to simply the taxes they pay would be a disservice to how vital they are to the city’s economy. One in every eleven private sector employees in the District works for an association, making the sector a major job creator. Many associations not domiciled in the city (and those that are) hold many business and educational meetings within city limits. According to ASAE research of its members, the average association conference attendee spends \$600 at a conference, much of which is money going into the District economy. Destination DC also estimates that for every visitor to DC, \$57 is generated in tax revenue, meaning the association community as a whole through its meetings and events are already a major source of city revenue!

The association community is a large, vibrant, and integral part of Washington, DC. All associations contribute economically through employing DC and local residents, contributing taxes and fees for their property usage, stimulating local growth through meetings and conventions, and acting socially responsible through public education campaigns and old fashioned volunteering. If the District ultimately assessed a “service” tax on associations within the city, it would not only hurt its revenue stream long-term but completely misunderstand how much of a financial commitment associations already have to the District

Sincerely,

John H. Graham IV, FASAE, CAE
President & CEO

CC: Members of the Tax Revision Commission
Members of the District of Columbia City Council