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**Testimony of Ed Lazere, Executive Director
At the Public Hearing on
Bill 22-0577, The Performing Arts Promotion Act of 2017
DC Council Committee on Finance and Revenue
October 30, 2018**

Chairman Evans and members of the committee, thank you for the opportunity to submit this written testimony. My name is Ed Lazere, and I am the Executive Director of the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes budget choices to reduce economic and racial inequality and build widespread prosperity in the District of Columbia through independent research and thoughtful policy recommendations.

The intent of this bill is to support small performing arts venues that struggle to survive amidst DC's gentrification and rising commercial rents. This is an important goal and a recognition that a growing economy makes it hard to maintain smaller but culturally important arts organizations. In my Brookland neighborhood, we benefit greatly from Alice's Jazz and Cultural Society, with \$10 jazz shows twice a week. I doubt that this venue could continue to survive in this accessible community format if it faced a large rent increase.

Yet for several reasons, I am not confident that this bill is the best approach to meet its intended purpose. First, as a tax credit against business income taxes, it would not apply at all to non-profit venues, like Alice's, that do not pay such taxes. The tax credit also would not benefit for-profit businesses that make too little to owe taxes in any given year. Finally, it is not clear that the \$10,000 maximum credit would be sufficient to make a significant difference in a venue's viability.

Instead, DCFPI recommends directing support for small performance venues through the DC Commission on Arts and Humanities. The commission is able to take a comprehensive view of the best way to support the arts and arts education in the District, including the types of arts institutions, the level of funding needed, and the institutions that would benefit the most from support. Keeping most or all support for the arts under the commission also makes it easy to assess the full range of supports for arts institutions through the District.

Thank you for the chance to submit this testimony.