

New Online Sales Tax Revenue Should Go to Helping DC Residents

As DC moves to implement a Supreme Court decision that allows cities and states to collect sales taxes on all online purchases, the \$20 million in newly generated revenue should go to meeting the urgent needs of DC residents—including homelessness, housing, schools, and health care. The Council should reject the proposal to use the new revenue to cut taxes for DC’s most valuable commercial properties, those worth \$10 million or more.

The DC Council Should Keep Its Promise to Use Online Sales Tax Revenue to Help Struggling DC Residents:

In 2013, when the Council anticipated federal action to allow states to collect sales taxes on all online sales, it passed budget legislation to devote the revenue to ending homelessness and supporting Metro. The current proposal to instead use new revenue for business tax cuts would be a complete reversal of the initial commitment.

New Online Sales Tax Revenue Could Provide Vital Support to DC Residents:

\$20 million could support Permanent Supportive Housing (PSH) for over 700 residents facing chronic homelessness. It could support rental assistance for 1,000 extremely low-income households; provide housing and supportive services for 500 survivors of domestic violence; fund child care expansions under the “Birth to Three for All DC” Act; enable 5,000 residents to get care through the DC Healthcare Alliance program; or implement the positive discipline supports in the Student Fair Access to School Act.

Cutting Taxes for Valuable Commercial Properties Should Not Be a Priority:

The District has set many important goals that remain unfunded: to end homelessness, broaden access to health care, create alternatives to punitive school discipline, and enhance child care and other supports for young families. As DC has growing revenue due to its expanding economy, meeting these needs should be our priority, not cutting taxes.

The choice the Council makes—investments in the needs of residents or tax cuts for large business properties—will say a lot about our leaders’ commitment to addressing DC’s racial and economic inequities.

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