How we can work for a more just DC budget, promote progressive taxes, empower the struggle for DC Statehood by confronting the Trump selection

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Update, the struggle for DC Statehood
The Process

1982 Constitution

Draft Constitution submitted to DC Council last Fall

Elected Delegated Convention, 45 members voting (5/Ward, 5 At-Large, as provided by voter-Statehood Commission voting on approved draft Constitution, those testifying to this Commission were not elected, had no vote)

Self-selected process, 5 member New Columbia Statehood Commission voting on approved draft Constitution, those testifying to this Commission were not elected, had no vote

The 1982 Constitution is the only constitution for DC Statehood that has been created by an Elected Delegated Constitutional Convention, and ratified by voters!
The Advisory Referendum on DC Statehood

Despite lobbying the DC Council by DC Statehood advocates from every Ward to either eliminate reference to a Constitution or to have separate votes on each item on the ballot, **voters get only one vote, Yes or No, on all 4 items:**

To ask the voters on November 8, 2016, through an advisory referendum, if the Council should petition Congress to enact a statehood admission act to admit the State of New Columbia to the Union. Advising the Council to approve this proposal would establish that the citizens of the District of Columbia (“District”) (1) agree that the District should be admitted to the union as the State of New Columbia; (2) approve a Constitution of the State of New Columbia to be adopted by the Council; (3) approve the State of New Columbia’s boundaries, as adopted by the New Columbia Statehood Commission on June 13, 2016; and (4) agree that the State of New Columbia shall guarantee an elected representative form of government.

(Note: June 13, 2016 was changed to June 28, 2016 in the DC BOE approved text for the ballot)
A comparison

1982 Constitution

Preamble
“We, the people of the free and sovereign State of New Columbia, seek to secure and provide for each person: health, safety and welfare; a peaceful and orderly life; and the right to legal, social, and economic justice and equality.”

Bill of Rights
Provisions for freedom from discrimination based on race, color, religion, creed, citizenship, national origin, sex, sexual orientation, poverty, or parentage, and disabilities (Section 3), right to employment or for those unable to work an income sufficient to meet basic human needs (Section 20) and equal pay for equal and comparable work (Section 21).

The Constitution passed by DC Council, October 18, 2016

No mention of justice and equality

These issues not discussed, text limited to Federal Bill of Rights
1982 Constitution

The Constitution passed by DC Council:
*Education is not addressed*

Education

“Recognizing the distinct and unique heritage of its diversified population, the State is committed in its educational goals to the preservation of cultural integrity and to the promotion of equality of opportunity for every individual to develop fully. The State shall guarantee equality of educational opportunity in public educational institutions to all residents regardless of race, sex, religion, color, national origin, citizenship, condition of disability, and other individual characteristics. [bold added]

The State may be sued for default of this guarantee. The House of Delegates shall provide penalties for any individual who violates this guarantee.”

(Article VI. EDUCATION Section 1. Provision For Education).
ARTICLE XI. HEALTH, HOUSING, AND SOCIAL SERVICES

Section 2. Housing. The State shall have the power to provide low and moderate income families with assistance in obtaining decent, sanitary, and safe housing and to develop or rehabilitate substandard areas. The exercise of this power is deemed for public use and purpose.

Section 3. Social Services.
(A) Unemployment and Workers Compensation The State shall have the power to provide an adequate system of unemployment compensation and workers compensation benefits for employees, including provisions for compensating employees absent from work because of pregnancy, childbirth, or the need to care for newborn or young children.
(B) Public Sector Jobs and Welfare The State shall have the power to create jobs and to provide transfer payments for the purpose of meeting basic human needs.
(C) Day Care Centers The State shall provide and maintain public day care centers as provided by law and shall establish standards for publicly and privately operated day care centers.
ARTICLE XII. LABOR

Section 1. Collective Bargaining. Persons in private and public employment shall have the right to organize and bargain collectively, through representatives of their own choosing. The right to strike is fundamental and is an inherent part of the right to organize and bargain collectively. The right of public employees to strike shall not be abridged unless the abridgement serves a compelling governmental interest and is narrowly drawn so as to serve that interest, and it is clear that no alternative form of regulation is possible.

Section 2. Minimum Wages, Equal Pay, Health and Safety. The House of Delegates shall provide for minimum wages, equal pay for equal work and equal pay for comparable work, and a safe and healthy workplace. Minimum wages established shall apply to all employees covered thereby. The House of Delegates may enact other laws to enhance and promote the dignity and general welfare of labor, but no laws shall be enacted which impair the ability of collective bargaining organizations to carry out their lawful functions.

Section 3. Administration of Labor Relations. The House of Delegates shall establish an agency or agencies within one of the principal executive departments to administer and enforce all laws, regulations, and programs concerned with collective bargaining and the general welfare of labor.
<table>
<thead>
<tr>
<th>1982 Constitution</th>
<th>The Constitution passed by Council</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The number of legislators in the House of Delegates</strong></td>
<td><strong>“Legislative Assembly”</strong></td>
</tr>
<tr>
<td>40</td>
<td>21, a ratio of legislators to population one half that of Delaware, one fourth that of South Dakota and one fifth that of Wyoming.</td>
</tr>
</tbody>
</table>
1982 Constitution

By House of Delegates and Voter Initiative for both Amendment and convening of Constitutional Convention, subject to voter ratification

Draft Constitution from Commission

**Amendment Process**

Only by House of Delegates, with possible, but not required convening of Constitutional Convention 5 years after achieving Statehood, but by the rules set by House of Delegates, hence could be same process that created this draft Constitution!; *this provision has revised by the DC Council, see following slides.*
Many Statehood Advocates supported the requirement for an elected delegated Constitutional Convention, with the name of our state to be likewise determined by this Convention.

We didn’t get all we wanted,

but still a major victory for Democracy!

On October 18, 2016 the DC Council approved by a 8 to 5 vote two amendments that required the convening of an elected delegated Constitutional Convention to create a Constitution by a real democratic process, with this reconsideration of the approved Constitution to occur no later than two years after achieving statehood.

(Further, the new Constitution created by this process would be considered for ratification directly by the electorate by majority vote.)
80% of voters said YES to DC Statehood on November 8, 2016!

But an authentic Constitutional Convention should be convened by DC Council legislation or if necessary by the Initiative process before there is a likely vote approving a Statehood Bill in Congress.

Forward to self-determination, the Douglass Commonwealth!
Confronting the Trump selection:

Challenges to our DC Budget, especially the prospects of cuts in federal funds for health care and income support
Progress Amidst Uncertainty:  
Making the Most of DC's 2018 Budget

**Date:** Tuesday, January 31, 2017  
**Location:** Public Welfare - True Reformer Building  
1200 U Street, NW, Washington, DC 20009-4443  
**Time:** 9 am to 12 pm  
Breakfast will be served from 9 am to 9:30 am  
Space is limited. (RSVP needed)

**Co-sponsors include:**

- DC Fiscal Policy Institute  
- Fair Budget Coalition  
- Jews United for Justice  
- Metropolitan Washington Council, AFL-CIO
Home Rule is a Colonial Shackle, 
Push it to its Limits, it will Break!

Our DC government has not pushed hard enough!

And any attempt by Congress to suppress our self-determination must be resisted! DC Council/Mayor/Residents should be like the “Energizer Bunny”, relegate, defy, generate mass civil disobedience.

All of these gains are achievable within Home Rule:

A living wage for all workers, including tipped workers
A progressive DC tax structure better able to meet essential needs
Stronger Rent Control, truly affordable housing
A DC Public Bank accountable to our residents, not to Wall Street
DC Public Bank
(http://www.dcpublicbanking.org/)

Use DC’s revenue to partner with local banks to promote:

- Environmental Sustainability
- Affordable Housing
- Small business expansion, jobs (especially union!)
The Fair Budget Coalition Sign-On Letter to Mayor Bowser

Tax & Revenue selection:

Increase corporate tax rates for multi-national and multi-state corporations operating in the District;

Withdraw all subsidies and abatements from developers and corporations doing business in the District who are not complying with local hiring and affordable housing requirements or wage and other labor laws;

Eliminate District subsidies for housing providers and property owners who operate housing units with substandard or unlawful living conditions;

Increase taxes on developers building luxury and high-end condominiums;

Revisit the tax cut triggers that automatically spend any increased revenue over 3% on tax cuts;

Reconsider subsidized development projects that do not meet basic resident needs like the streetcar, soccer stadium, and Wizard’s practice facility;

Consider using money from the fund balance and reserve;

**Raise taxes on wealthy individuals and families, particularly those whose federal income tax rates may be lowered in the next federal budget;**

For full letter go to: [http://fairbudget.org/blog.html](http://fairbudget.org/blog.html)
Who Pays? DC Taxes in 2015, ITEP

District of Columbia Taxes in 2015
Shares of family income for non-elderly taxpayers

For all 50 states, plus DC go to: http://www.itep.org/whopays/full_report.php#State By State Pages
ITEP Simulation of the Fiscal Year 2015 Support Act of 2014 (B20-750), passed by the Council (June 24, 2014)

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Lowest 20%</th>
<th>Second 20%</th>
<th>Middle 20%</th>
<th>Fourth 20%</th>
<th>Top 20%</th>
<th>Next 4%</th>
<th>Top 1%</th>
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<tbody>
<tr>
<td>Income Range</td>
<td>Less than $22,000</td>
<td>$22,000 - $36,000</td>
<td>$38,000 - $62,000</td>
<td>$62,000 - $105,000</td>
<td>$105,000 - $250,000</td>
<td>$250,000 - $1,453,000 or more</td>
<td></td>
</tr>
</tbody>
</table>

| Average Income in Group | $12,600 | $26,600 | $50,200 | $80,200 | $150,100 | $469,400 | $2,359,500 |

<table>
<thead>
<tr>
<th>Sales &amp; Excise Taxes</th>
<th>6.6%</th>
<th>5.4%</th>
<th>4.7%</th>
<th>3.4%</th>
<th>2.5%</th>
<th>1.4%</th>
<th>0.63%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sales—Individuals</td>
<td>2.8%</td>
<td>2.3%</td>
<td>2.1%</td>
<td>1.6%</td>
<td>1.3%</td>
<td>0.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Other Sales &amp; Excise—Ind.</td>
<td>1.1%</td>
<td>0.9%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sales &amp; Excise on Business</td>
<td>2.7%</td>
<td>2.2%</td>
<td>1.9%</td>
<td>1.3%</td>
<td>0.9%</td>
<td>0.5%</td>
<td>0.26%</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>2.5%</td>
<td>1.9%</td>
<td>2.3%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>1.6%</td>
<td>1.54%</td>
</tr>
<tr>
<td>Property Taxes on Families</td>
<td>1.3%</td>
<td>1.1%</td>
<td>1.6%</td>
<td>1.7%</td>
<td>1.8%</td>
<td>1.2%</td>
<td>0.78%</td>
</tr>
<tr>
<td>Other Property Taxes</td>
<td>1.2%</td>
<td>0.8%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.76%</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>-4.4%</td>
<td>1.4%</td>
<td>3.3%</td>
<td>4.1%</td>
<td>4.7%</td>
<td>4.9%</td>
<td>6.26%</td>
</tr>
<tr>
<td>Personal Income Tax</td>
<td>-4.4%</td>
<td>1.4%</td>
<td>3.3%</td>
<td>4.1%</td>
<td>4.7%</td>
<td>4.9%</td>
<td>6.18%</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>0.0%</td>
<td>-0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total Taxes</td>
<td>4.8%</td>
<td>8.8%</td>
<td>10.3%</td>
<td>9.6%</td>
<td>9.5%</td>
<td>8.2%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Federal Deduction Offset</td>
<td>-</td>
<td>-0.0%</td>
<td>-0.1%</td>
<td>-0.8%</td>
<td>-1.3%</td>
<td>-1.1%</td>
<td>-2.10%</td>
</tr>
<tr>
<td>OVERALL TOTAL</td>
<td>4.8%</td>
<td>8.8%</td>
<td>10.1%</td>
<td>8.8%</td>
<td>8.1%</td>
<td>7.1%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

ITEP, June 17, 2014
Conclusion:

Fully phased-in, B20-750 would leave the top 1% of families, averaging $2.4 million annual income paying an effective rate of 6.3% of this income in DC taxes while families earning an average $50,200 will still pay the highest rate, 10.1%, getting tax relief equal to $351 a year, while those families earning $12,600 (average of the bottom 20%) will get relief equal to $189, leaving many if not most in poverty.

Though there are progressive triggers, the overall impact will leave DC with a regressive tax structure for families with incomes $50,000 and above, in addition to the unwarranted tax cuts for business.

For more on DC, MD and VA taxes go to: DC Citizens for Tax Justice at http://www.dcctj.org/
But we have a big opportunity to do better!

Because a Trump/Ryan federal income tax cut giveaway is very likely for wealthy residents, the DC Council can implement a DC income tax hike for the same residents, leaving them with the same overall tax liability, but generating several hundred million dollars/year more revenue for DC’s budget! (MD and VA could do likewise).
The DC Council should revisit and revise the 2014 legislation (B20-750) that implemented the Tax Revision Commission’s Recommendations, including automatic triggers. The remaining scheduled triggers include progressive increases in the DC income tax’s standard deduction and personal exemption to match the federal levels, thereby putting income into the pockets of working class residents. **These progressive triggers should be included in new legislation coupled with hikes in DC income tax rates for the wealthy.**
Details:

According to a CTJ analysis the **top 1%, averaging $1.7 million/per year, would get a tax cut of $88,410 in the Trump plan** (Source: http://ctj.org/pdf/trumprevised0926.pdf).

In 2014, the most recent data available, DC returns with adjusted gross incomes of $1 million and above had a taxable income of $4.59 billion, while those with AGI of $100,000 and above had a taxable income of $16.3 billion (IRS data, http://www.irs.gov/uac/SOI-Tax-Stats-Historic-Table-2; open DC on the map). For those with greater than $1 million income in DC (AGI), taxpayers in DC, numbering 1,850 in 2014 (the most recent data), this cut would be equivalent to a 3.6% increase in their DC income tax burden, and they would get back about 1/3 of this from their federal deduction offset. This would correspond to millionaires paying 8.8%, compared to working class residents (averaging $40-50,000/year) now paying 10.4% of their income in DC taxes, still regressive but less so than now. **A 3.6% hike in the DC income rate for millionaires would generate $165 million extra revenue.** A 1% hike for those earning over $100,000 to $1 million would generate another $117 million per year. Note: These estimates are likely lower limits for Trump’s plan since the CTJ analysis uses average income, not AGI which corresponds to the IRS data.
For Relevant Documents, including the 1982, 1987 and the recently approved Constitution go to:

http://statehood.dc.gov/page/statehood-resource-center