



**\*\*\*PRESS RELEASE\*\*\***

**For Immediate Release**

**November 30, 2016**

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**HAWDC and DCBIA Urge DC Council to Vote "NO"  
on a Major Tax Increase to Fund Untested Paid Leave Program**

**(Washington, D.C.)** "Imposing a tax increase on District businesses to administer a government-run paid leave program is bad for both District businesses and District employees," says Solomon Keene, President & CEO of HAWDC.

HAWDC and DCBIA support the concept of providing paid family and medical leave to employees. However, we cannot support a new tax increase, especially during a time of increased economic uncertainty.

HAWDC and DCBIA continue to urge the District Council to act responsibly and not pass a new tax to fund this untested, enormous, and complex government-run program. The current draft of the "Universal Paid Leave Amendment Act of 2016" calls for a .62% payroll tax on all District employers - an estimated \$250 million new, annual tax - to District employers. This tax would be on top of the city's corporate franchise tax of 9.4%, the highest in the DC metro region, and gives no consideration as to how it would impact District employers' ability to remain competitive with regional businesses or their ability to hire and retain additional employees.

Moreover, the majority of the proposed benefits of the bill would go to non-District residents. The District Council's priority must be to its residents to support full employment, not setting up a government administered fund to cut checks to non-District residents! In fact, \$40 million will be also taken from the District's budget just to pay for administrative and IT costs to run the program. District dollars should be used for District residents!

"I am shocked that our Council continues to promote a bill that does not have DC residents, its constituents, as its top priority," said Lisa Mallory, CEO of DCBIA. "I am equally surprised that the Council has ignored every proposal made by the business community to create a more responsible paid leave program in the District. It's time to get back to the drawing board."

While well intended, the current proposal continues to be seriously flawed. "This tax increase is bad for District business. It is unreasonable to mandate that District businesses, many of whom already provide competitive paid leave benefits, be taxed to create a government-run fund in charge of managing and determining eligibility for leave benefits for private-sector employees," says Solomon.

HAWDC and DCBIA urge the Council to vote "No" on the bill and reject the proposed tax increase to fund this untested proposal.

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*Established in 1906, the Hotel Association of Washington, DC ([www.hawdc.com](http://www.hawdc.com)) is a non-profit trade association representing the interests of member hotels in the District of Columbia on a variety of governmental and public affairs issues.*

*AH&LA ([www.ahla.com](http://www.ahla.com)) is a 93-year-old federation of state lodging associations throughout the United States with some 11,000-property members worldwide, representing more than 1.5 million guest rooms. AH&LA provides its members with assistance in operations, education, and communications, and lobbies on Capitol Hill to provide a business climate in which the industry can continue to prosper. Individual state associations provide representation at the state level and offer many additional cost-saving benefits.*

*The District of Columbia Building Industry Association (DCBIA) is real estate development. We build leaders, community, economy and partnerships for our vibrant city through content-rich programs, networking, and advocacy. With a membership of over 500 member companies representing thousands of real estate development industry professionals, including developers, general contractors, subcontractors, architects, engineers, lenders, attorneys, brokers, title companies, utility companies, community development organizations and other real estate development industry professionals, DCBIA members are sought-after experts in the DC real estate development industry.*