



October 7, 2024

Members of the DC Tax Revision Commission,

As the Committee prepares to take a vote on the Chairman’s Mark, our coalition would again like to express our firm opposition to proposals that would tax digital advertising and consumer data.

For more than a year, we have warned this committee about the significant economic disruption and pain proposals like these would create for businesses of all sizes in Washington D.C.

Arguments suggesting that these taxes would only impact large technology companies are far from the truth. Businesses of all sizes, from startups to local restaurants, would feel negative consequences. Now more than ever, businesses are relying on data to improve efficiency, better serve their customers, and remain competitive. A tax on data collection will impact small businesses and the District tremendously – hindering innovation, discouraging businesses to grow, and harming Washington D.C.’s economic competitiveness.

From past experiences we know this to be true: taxes on digital advertising and data are passed on to consumers, increasing costs on entrepreneurs and job creators. Small businesses already facing hardships should not be forced to shoulder the burden of choosing whether to lay off staff, reduce services, or even worse to afford a new tax.

A guiding principle the Commission is “to advance growth and prosperity for all residents” - a tax on digital advertising and consumer data will only achieve the opposite of this. More taxes on job creators does nothing to advance prosperity. More jobs advance prosperity. Focusing on policies that would drive more investment and businesses to Washington D.C. would grow the economy, create more opportunity, and expand the tax base.

There is a better path forward to build a more prosperous Washington D.C., and that does not include tax policies that make it more difficult for businesses to operate and for people to find work.

For these reasons, we urge the Committee to reject item #40 of the Chairman’s Mark.

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