

Coalition to Restore D.C.'s Pension Annuity Exclusion:

A History of Advocacy

The Coalition formed in 2016, with the immediate goal of restoring the modest tax benefit that allowed retired public servants to exclude \$ 3,000 of pension income from D.C. tax. The \$3000 benefit was repealed when the DC City Council enacted a comprehensive overhaul of the District's tax system. In our initial effort, we did the following:

- Sent letters on March 21, 2016 to targeted Council members -- including Finance Committee Chair Jack Evans and all At-Large members -- seeking renewal of the exclusion
- Emailed DC Congresswoman Eleanor Holmes Norton requesting her support, April 1, 2016
- Testified at the DC Finance and Budget Committee oversight hearing, April 25, 2016
- Met with additional Council members and/or their legislative staff, May 11, 2016
- Met with Maia Estes, Director, Office of Policy and Legislative Affairs Office of the Mayor, May 11, 2016
- Issued a press release to media outlets, May 18, 2016. Washington Time columnist Deborah Simmons responded with an article, "***DC raises taxes on military, teachers, police, other retirees,***" published May 27, 2016

The Council passed the FY2017 budget in May 2016 without restoring the tax exclusion. The Coalition began building a groundswell of support, hoping for favorable Council action in the next budget cycle. We took the following next steps:

- Presented our case to a widely attended VFW conference, June 11, 2016
- Obtained assistance from Ms. Constance Burns, President/CEO, National Association of American Veterans, Inc. (NAAV). Ms. Burns shared her Congressional contacts and wrote on our behalf to Rep. Corrine Brown (FL) and Del. Eleanor Holmes Norton (DC), June 15, 2016.
- Raised the issue with DC Council Chair Phil Mendelson in a meeting with clergy representatives.
- Developed and distributed an informational postcard to raise awareness of the issue exclusion
- Created and distributed videos urging restoration of the exclusion
- Gained the support of national Blacks in Government, who adopted a resolution supporting the Coalition position at its national conference in Atlantic City, August 2016.
- Brought the issue to the Mayor's Advisory Committee on Veterans Affairs ▪ Spoke before two local AARP chapters, September 2016

Coalition members include:
Penn-Branch Citizens/Civic Association
Fed. of Citizens Associations
Baptist Ministers Conference of DC and Vicinity
National Blacks in Government
AARP, Chapter 2414 (Ward 5)
VFW, DC Chapter
National Association of Retired Federal Employees, DC Chapter
Advisory Neighborhood Council (ANC) 3F
Mary A. Collins, Washington Teachers Union Retiree Chapter
Margaret Hicks, PhD, CPA
Del Robinson, MBA, CPA Isaac McRae, MST, EA, president, I. McRae, Inc.

Hopes raised, hopes dashed

Hopes were raised when Councilman Vince Gray, Ward 7, introduced a bill in early 2017 that provided much more sweeping relief than we had sought. Bill 22-0044, introduced on January 10, 2017, contained these provisions: Allowed retired federal and DC government employees and retired armed force personnel to exclude up to \$20,000 of pension income from DC income taxes.

Exempted longtime homeowners aged 70 and older, whose household income is \$60,000 or less, from paying DC real estate taxes.

Let seniors who have long-term care insurance policies deduct \$500 of insurance premiums from their taxable income.

Seven Council members joined Gray in sponsoring the bill, including Jack Evans, Ward 2, who as chair of the Finance Committee has a lead role in all tax legislation.

The Coalition circulated petitions, urged seniors and supporters to email the Council in support of the bill, and testified at Finance Committee hearings. All for naught. The bill never moved out of the Finance Committee and the FY 2018 budget was adopted in May 2017 without senior tax relief.

The bill was immediately reintroduced for consideration in the next budget cycle: Bill 22-0321 (identical to Bill 220044 except for its number) was introduced on June 6, 2017, again with support from a majority of the Council. Once again, the bill never came to a hearing and the budget cycle for FY 2019 concluded in May 2018 with no action on senior tax relief.

On January 8, 2019, the Council re-introduced a substantially similar bill -- the real estate tax provisions are omitted -- with a new number, 23-0060. Based on past experience, the Coalition holds out little hope for its passage, although we continue to press for its passage.

DC lags behind most states

36 states give retirees income exclusions or tax credits. Maryland recently increased its pension exclusion from \$29,000 for to 30,600. Virginia allows a per capita income exclusion of \$12,000 beginning at age 65 for single taxpayers making less than \$50,00 and married couples making less than \$75,000.

The District has the wherewithal to fund the exclusion. A majority of the Council thinks it's a good idea, as shown by their sponsorship of successive bills. All that's missing is the will. The city isn't getting any cheaper and seniors aren't getting any richer. The fight goes on.

Action on this initiative was dormant during 2020 on account of the COVID-19 pandemic. The bill to restore pension benefits was not reintroduced in the new council session in January 2021. The coalition is seeking to have the bill reintroduced and enacted.

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