VINCENT C. GRAY
MAYOR

The Honorable Pat Tiberi
Chairman
U.S. House of Representatives
Ways and Means Subcommittee
on Select Revenue Measures
1101 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Tiberi:

Thank you for your interest in ensuring that American businesses and taxpayers have a tax code that helps to promote their commercial activities. Your commitment to this issue has truly made a difference and it does not go unappreciated.

The District of Columbia Enterprise Zone has increased employment, diversified the tax base, and enhanced the long-term fiscal health of our nation's capital. It is a vital tool to encouraging economic development in the District of Columbia and I urge you to extend the program as quickly as possible.

The District of Columbia Revitalization Act of 1997 (Act) authorized certain federal tax expenditures to encourage private investment in businesses and residents within the Enterprise Zone. Today, I can report that the availability of these tools has made a significant difference:

- Zero percent capital gains treatment of investment earnings has helped to attract major new commercial initiatives, and development to major corridors in the District;

- The $5,000 first-time homebuyer tax credit has helped boost District home sales dramatically, with single family home sales rising by several thousand units;

- Enterprise Zone employer tax credits have created a business environment that has helped to attract and retain thousands of District jobs and increase business profitability;

- $156 million of Enterprise Zone bond proceeds have leveraged approximately a billion dollars of private investment capital and generated thousands of District jobs; and

- More than $700 million of bonds has been issued to finance a dozen elementary and secondary schools, including traditional and public charter schools.

Put simply, the District of Columbia Enterprise Zone has been a consistent and continued success. I greatly appreciate your support on this issue and urge you to ensure that Congress takes prompt and favorable action on this critical initiative.

Sincerely,

Vincent C. Gray
Mayor

CC: The Honorable Richard Neal, Ranking Member
The Honorable Eleanor Holmes Norton, Delegate