

WARD 3 COUNCIL CANDIDATE PLEDGE TO TAXPAYERS

This pledge represents a promise by the candidates for Ward 3 Councilmember to the Ward 3 voters who live, work, and pay taxes in the District of Columbia. By signing this pledge candidates commit to take specific steps to ensure that they will be a wise steward of the District's finances if elected to the D.C. Council.

1. If elected as the next Ward 3 Councilmember, I will not vote to raise taxes. I recognize the District of Columbia is in competition to attract residents and businesses with its surrounding jurisdictions of Maryland and Virginia. While increasing taxes may be seen by some as a solution to raise new revenue, increasing tax rates will ultimately harm the economic well-being of the District of Columbia by making us less competitive. I recognize that the high tax rates in the 1990s contributed to the District's budget deficits, junk bond status, and establishment of the Financial Control Board. As your Councilmember, I will exercise thorough oversight to ensure funds are spent wisely and expenses are covered by existing revenue streams and current tax rates.

Eric J. Goulet
Candidate Printed Name

Eric J. Goulet
Candidate Signature

9-4-06
Date

2. The District of Columbia's portion of its budget that is funded by local revenues increased by 39% over a three-year period from fiscal year 2003 to 2006. This increase far outpaced growth in income in the District, which increased between 5% and 6% annually during the same period. Soaring residential and commercial property taxes allowed the District to increase spending well above the growth rate of income. Since the real estate market will inevitably slow down, budget growth based on income is a more reliable and sustainable method of budgeting. Surplus revenues may then be used for debt reduction and tax relief. As Councilmember, absent extraordinary circumstances, I will vote against proposed District of Columbia local funds operating budgets that grow faster than the annual projected growth rate of income.

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3. The District of Columbia is currently carrying over \$3.6 billion of outstanding general obligation bonds (over \$9,000 debt per person), resulting in annual debt service payments of \$343 million. In his November 22, 2005 testimony before the Council, the District's Chief Financial Officer, Dr. Natwar Gandhi, warned that further increases to the District per capita debt could imperil the District's bond ratings, making it far more expensive for the District to borrow money. As Councilmember, I will seek to use a portion of surplus revenues to reduce the District's high debt service-to-total services expenditures ratio.

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4. All of the District of Columbia's major tax rates, with the exception of residential property, are the highest in the metropolitan region. (Check all that apply.)

A. As your Councilmember, I will seek to use a portion of surplus revenues to gradually reduce the following tax rates until they are equal to, at most, the higher of Maryland and Virginia:

- Income tax rates
- General sales tax rate
- Corporate franchise tax rate
- Deed recordation and transfer taxes
- Commercial property tax rate

B. As your Councilmember, I will seek to use a portion of surplus revenues to gradually increase the following tax benefits until they are equal to, at least, the lower of Maryland and Virginia:

- The standard deduction (will be raised from \$2,500 to \$4,000)
- The personal exemption (will be increased from \$1,250 to \$2,000)
- The exclusion for a senior's pension and other retirement income
- The estate and inheritance tax filing threshold (will be re-coupled to the federal level)

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5. Despite the recent property tax relief legislation passed by the D.C. Council, many homeowners are still feeling "house rich" but "cash poor" due to rising assessments and taxes on their homes. The impact has been particularly severe on Ward 3 seniors who are often retired and on an income that is fixed or increases at the rate of inflation. As Councilmember, I will recognize that Ward 3 homeowners need and deserve additional property tax relief, and will seek to use a portion of surplus revenues to do the following: (Check all that apply.)

- Lower the residential owner-occupied property tax cap to the rate of inflation.
- Increase the Homestead Deduction to \$65,000 and add an inflationary adjustment
- Lower the residential property tax rate shall to 90 cents per \$100 of assessed value.

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6. I recognize that in order to lead the fight for fiscal responsibility and improved oversight on the D.C. Council, I need to be a full-time Councilmember with no other outside employment. As Councilmember, I will work hard to earn my \$92,520 annual salary, and I will not work in any other employment capacity during the next four years and will be a full-time Councilmember. I realize that if I do not agree to work full-time on the Council that the schedules of my two occupations might conflict, thus possibly resulting in my failure to attend important public hearings, legislative votes, or community meetings. I am especially aware of the importance of the Council's budget process and the potential harm that having outside obligations would have when I am expected to devote as many hours as are needed to effectively represent the interests of Ward 3 residents. Ward 3 voters deserve my full-time attention and that is what I will give them if elected as their next Councilmember.

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Pledge authored by: Eric J. Goulet, Ward 3 Council candidate