PRESS RELEASE

For Immediate Release **November 7, 2016**

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HAWDC Rejects a Tax Increase to Fund Paid Leave

(Washington, D.C.) "No Chairman Mendelson, most District businesses will not 'come around' to supporting a tax increase to pay the District government to run an employee benefit program wholly subsidized by the private sector," says Solomon Keene, President & CEO.

HAWDC urges the District Council to act responsibly and not pass a new tax to fund the most generous paid family leave program in the country. The current draft of the "Universal Paid Leave Act of 2016" calls for a 1% payroll tax on all District employers. Estimated to cost roughly $400 million a year, no consideration is being given to how this tax would impact District employers' ability to remain competitive with regional businesses or their ability to hire and retain additional employees.

HAWDC understands the concept of providing paid family and medical leave to employees. We have joined several other businesses in the District to propose an alternative "employer mandate" approach. This approach allows employers to provide leave to their employees in a manner that best suits the nature of their workforce and complements other employee benefits offered by that employer. District businesses are better suited than the government to determine how to fund and manage leave programs that meet the needs of their business and employees.

While well intended, the current proposal is flawed in that it creates a hugely expensive and inefficient government bureaucracy to apply a one size fits all approach to employee leave policies in the District. This bill puts the District government in charge of managing and determining eligibility for an employee's leave. The current approach ignores the myriad of scenarios in which an employer and employee have greater insight and ability to determine the most appropriate leave mechanism to apply to that employee's needs.

"The notion that businesses that already provide competitive paid leave benefits are being asked to subsidize employee benefits for businesses that don't, many of whom are their competitors, is absurd. This bill is bad for District business," says Solomon. HAWDC urges the Council to reject the proposed tax increase to fund this proposal.

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Established in 1906, the Hotel Association of Washington, DC (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) 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.