

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
1350 Pennsylvania Avenue, NW
Washington, DC 20004

MEMORANDUM

TO: Public and Witnesses

FROM: Blaine Stum, Deputy Committee Director

DATE: September 15, 2026

RE: **Fair Share Amendment Acts (Individual Income Tax Proposals)**

Background

Like most states in the country, the District of Columbia imposes a tax on the income received by individual residents.¹ The District's individual income tax system can be categorized as a graduated rate system whereby individuals with higher taxable incomes are subject to higher marginal tax rates.² Table 1 shows what the District tax brackets have been since 2021.³

Table 1. Tax Brackets and Rates in the District

Taxable Income	Tax Rate
Not over \$10,000	4% of Taxable Income
Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5% of the excess over \$40,000
Over \$60,000 but not over \$250,000	\$3,500, plus 8.5% of the excess over \$60,000
Over \$250,000 but not over \$500,000	\$19,650, plus 9.25% of the excess over \$250,000
Over \$500,000 but not over \$1,000,000	\$42,775, plus 9.75% of the excess over \$500,000
Over \$1,000,000	\$91,525, plus 10.75% of the excess over \$1,000,000

In the Mid-Atlantic region, every jurisdiction except Pennsylvania has a graduated rate system, though brackets and rates vary significantly.⁴ For example, in Virginia, tax rates range from 2% for filers with taxable income of less than \$3,000 to 5.75% for filers with a taxable income of more than \$17,000.⁵ Meanwhile, in New York, tax rates range from 3.8% for filers with a taxable income of less than \$17,150 to 10.9% for filers with taxable income of more than \$25 million.⁶

In Fiscal Year 2025, the individual income tax raised approximately \$3.605 billion in revenue for the District, accounting for nearly a third (32.6%) of the District's gross tax revenue.⁷

¹ Only nine states do not have an individual income tax.

² The marginal tax rate is the amount of additional taxes paid for every additional dollar earned as income.

³ See *supra* note 1. Prior to 2021, the District had five tax brackets with rates that ranged from 4% to 8.95%.

⁴ For more information on brackets and rates in the Mid-Atlantic region and beyond, see, Janelle Fritts and Katherine Loughhead, "State Individual Income Tax Rates and Brackets, 2026" The Tax Foundation, Feb. 17, 2026 (<https://taxfoundation.org/data/all/state/state-income-tax-rates-2026/>).

⁵ Code of Virginia § 58.1-320.

⁶ New York Tax Law § 601(a)(1)(A)(viii).

⁷ Office of the Chief Financial Officer, June 2026 Revenue Estimates, June 30, 2026, pg. 3.

The Office of the Chief Financial Officer has forecasted that revenues from the individual income tax will grow each year of the financial plan, but revenue growth from income taxes is forecasted to be particularly small in Fiscal Year 2027.⁸

The Committee attaches two proposals to this brief.

Proposal #1

The first draft proposal is a simple 0.5% increase in the marginal tax rates for individuals and households with a taxable income of over \$250,000, as shown in Table 3. All other tax rates would remain the same as they are today.

Table 3. Proposal #1 – Tax Rate Changes

Taxable Income	Tax Rate
Not over \$10,000	4%
Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5% of the excess over \$40,000
Over \$60,000 but not over \$250,000	\$3,500, plus 8.5% of the excess over \$60,000
Over \$250,000 but not over \$500,000	\$19,650, plus 9.75% of the excess over \$250,000
Over \$500,000 but not over \$1,000,000	\$42,775, plus 10.25% of the excess over \$500,000
Over \$1,000,000	\$91,525, plus 11.25% of the excess over \$1,000,000

Note: Red text indicates changes from current tax rates.

Proposal #2

The second draft proposal creates a new bracket for individuals and households with a taxable income of over \$60,000 but not over \$125,000. This new bracket would have a marginal rate of 7.5%, a percentage lower than what these taxpayers currently pay. Individuals and households with a taxable income of over \$125,000 but not over \$250,000 would be subject to the same marginal tax rate that they are today. The second proposal also incorporates the 0.5% increase in the marginal tax rates for individuals and households making over \$250,000 from the first proposal.

Table 4. Proposal #2 – Income Bracket and Tax Rate Changes

Taxable Income	Tax Rate
Not over \$10,000	4% of Taxable Income
Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5% of the excess over \$40,000
Over \$60,000 but not over \$125,000	\$2,850, plus 7.5% of the excess over \$60,000
Over \$125,000 but not over \$250,000	\$3,500, plus 8.5% of the excess over \$125,000
Over \$250,000 but not over \$500,000	\$19,650, plus 9.75% of the excess over \$250,000
Over \$500,000 but over \$1,000,000	\$42,775, plus 10.25% of the excess over \$500,000
Over \$1,000,000	\$91,525, plus 11.25% of the excess over \$1,000,000

Note: Red text indicates changes from current tax rates.

⁸ *Ibid.*

To amend Section 47-1806.03(a) of the District of Columbia Official Code to increase the marginal tax rate on filers with \$250,000 or more in taxable income.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Fair Share Amendment Act of 202X”.

Sec. 2. Section 47-1806.03(a) of the District of Columbia Official Code is amended by adding a new paragraph (12) to read as follows:

“(12) In the case of taxable years beginning after December 31, 2027, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

Not over \$10,000	4% of the taxable income
Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5% of the excess over the \$40,000
Over \$60,000 but not over \$250,000	\$3,500, plus 8.5% of the excess over \$60,000
Over \$250,000 but not over \$500,000	\$19,650, plus 9.75% of the excess over \$250,000
Over \$500,000 but not over \$1,000,000	\$42,775, plus 10.25% of the excess over \$500,000
Over \$1,000,000	\$91,525, plus 11.25% of the excess over \$1,000,000

.”.

22 Sec. 3. Fiscal impact statement.

23 The Council adopts the fiscal impact statement in the committee report as the fiscal
24 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
25 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

26 Sec. 4. Effective date.

27 This act shall take effect following approval by the Mayor (or in the event of veto by the
28 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
29 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
30 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
31 Columbia Register.

To amend Section 47-1806.03(a) of the District of Columbia Official Code to adjust the District's income tax brackets and increase the marginal tax rate on filers with \$125,000 or more in taxable income.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fair Share Amendment Act of 202X".

Sec. 2. Section 47-1806.03(a) of the District of Columbia Official Code is amended by adding a new paragraph (12) to read as follows:

"(12) In the case of taxable years beginning after December 31, 2027, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

Not over \$10,000	4% of the taxable income
Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5% of the excess over \$40,000
Over \$60,000 but not over \$125,000	\$2,850, plus 7.5% of the excess over \$60,000
Over \$125,000 but not over \$250,000	\$3,500, plus 8.5% of the excess over \$125,000
Over \$250,000 but not over \$500,000	\$19,650, plus 9.75% of the excess over \$250,000
Over \$500,000 but not over \$1,000,000	\$42,775, plus 10.25% of the excess over \$500,000
Over \$1,000,000	\$91,525, plus 11.25% of the excess over \$1,000,000

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