



October 16, 2023

DC Tax Revision Commission

**Subject: SE1, Consumer data excise taxes proposal**

The Insights Association (IA), the leading nonprofit trade association for the market research and data analytics industry, writes to express our strong opposition to your consideration of SE1, the proposal for consumer data excise taxes in the District of Columbia.

Our more than 160 members in Washington, DC (and more than 7,600 members overall) are the world's leading producers of intelligence, analytics and insights defining the needs, attitudes and behaviors of consumers, organizations and their employees, students and citizens. With that essential understanding, leaders can make intelligent decisions and deploy strategies and tactics to build trust, inspire innovation, realize the full potential of individuals and teams, and successfully create and promote products, services and ideas.

Consumer data excise taxes are severely misguided. Rather than primarily targeting "big tech" companies, they would primarily hurt most small businesses that operate in the District.

As you may recall, the DC City Council proposed an advertising and data tax in 2020 that would have hurt every user and practitioner of market research, big or small, for-profit or nonprofit. The Council ultimately realized this, and ultimately did not pass it into law. What the DC Tax Revision Committee is currently considering would have the same catastrophic impacts.

A tax on consumer data would fall on insights service providers, resulting in increased costs to conduct market research studies, resulting in fewer companies and organizations seeking to purchase studies in DC or conduct them there. This would also neuter the District's voice in the development of products, services and ideas. All manner of organizations rely on the insights generated by these studies to understand the wants and needs of their consumer / customer / stakeholder bases. The new tax would increase the cost of planning and decision-making, disincentivizing the insights essential to economic growth and bouncing back from crises.

IA urges the DC Tax Revision Commission to reject these proposed taxes or to carve data used for market research<sup>1</sup> purposes from such taxes.

Sincerely,

Howard Fienberg, Senior VP, Advocacy, Insights Association

---

<sup>1</sup> "The collection, use, maintenance, or transfer of personal data as reasonably necessary to investigate the market for or marketing of products, services, or ideas, where the information is not: (i) integrated into any product or service; (ii) otherwise used to contact any particular individual or device; or (iii) used to advertise or market to any particular individual or device," as defined by the model federal privacy legislation put forward by Privacy for America in Part I, Section I, R - <https://www.privacyforamerica.com/overview/principles-for-privacy-legislation-dec-2019/> and in the federal consumer data privacy bill (ADPPA) passed out of House committee in 2022.

P R O T E C T ◆ C O N N E C T ◆ I N F O R M ◆ P R O M O T E