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TAX POLICY BLOG

FEBRUARY 24, 2010

D.C. Subsidizing Parking Through the Tax Code

by [Joseph Henchman](#)

On New York Avenue, NE, just north of Union Station here in Washington, DC, a new development is springing up around [the \\$200 million headquarters](#) of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). It looks [like lots of neat things](#) are clustering there, including a relatively new on-site Metro station, 750 apartments, a grocery store, 5000 employees, and 17,000 square feet of retail.

The grocery chain involved signed a 20-year lease, but for whatever reason successfully got the D.C. government to provide tax incentives for the store's 150 parking spaces. [Tad DeHaven at the Cato Institute](#) puts it well:

The District of Columbia is providing [tax incentives for a parking garage](#) at a new Harris Teeter grocery store. This follows a District subsidized [parking garage boondoggle](#) that opened at a Columbia Heights mall in 2008. Whether it's a parking garage, [bike rack](#), or any other commercial transportation activity, government should remain neutral. If Harris Teeter believes a 150-car parking garage is in the best interests of the company's bottom line, it should pay for it itself. Taxpayers shouldn't be on the hook. If the District or any other city wants to encourage economic development, it should seek lower taxes across the board, and remove costly regulatory barriers.

I couldn't agree more. I'd add that subsidizing parking through the tax code is less transparent

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The Tax Foundation - D.C. Subsidizing...
than doing it through the appropriation process,
where at least it would be pitted against other local
spending priorities.

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