



## **Arlington has local resistance on possible Amazon H2Q subsidies**

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August 13, 2018

With three regions in the Washington, D.C. metro area vying for the Amazon HQ2 bid, growing opposition is claiming that tax incentives or subsidies that would be given to Amazon would not pay out for taxpayers.

The three competing governments in the metro area are Washington, D.C., Arlington County Virginia, and Montgomery County, Maryland.

A group called Our Revolution Arlington has requested that Arlington County's board reject any proposed bid that would subsidize Amazon, according to [WBUR](#). Although Our Revolution Arlington started out as a progressive group, it has gained support from fiscal conservatives in its fight against monetary aid to big business.

"Amazon doesn't need the money," member Roshan Abraham said at a meeting, according to WBUR. "I mean, Jeff Bezos is the type of guy that if he saw a million dollars lying on the ground, it's not worth his time to pick it up."

Arlington, like a lot of municipalities, has kept its bid to Amazon secret and has not even revealed whether the bid would include tax credits or subsidies. However, members of the board have spoken out about what is being weighed in the development of the bid.

"Arlington would carefully assess the impact that Amazon would have on our office vacancy rate; our schools; our transportation network; our tax base; our housing costs; our environment; our work force, our diversity and more," Arlington County Board Vice Chair Christian Dorsey told [Watchdog.org](#). "The results of those assessments, which we will make public, would influence Arlington's final proposal to Amazon. We would work in tandem with Amazon to ensure that their goals align with our growth plans and projections."

Although the board would not reveal whether there would be monetary incentives, Dorsey did say that Arlington has previously used grants, tax incentives, employer programs and bond funding.

“Our commitment to our community is that any investment we would propose making in Amazon would produce a clear return in fulfilling our long-term planning goals and policies while upholding our community’s values,” Dorsey said.

To get a glimpse of what a bid might look like, some local governments have **offered** very extreme incentives to Amazon. For example, Chicago could redirect 50-100 percent of income tax from Amazon workers directly back to Amazon. New Jersey has offered \$7 billion in incentives to Amazon for the headquarters to be based there.

Virginia is already a low tax, Right to Work, employment at-will state that has “a great variety of things to do and a good school system and some of the finest universities/colleges in the world,” Mike Thompson, president of the free-market non-profit, the Thomas Jefferson Institute for Public Policy, told [Watchdog.org](http://Watchdog.org). “What more incentive is needed?”

Thompson said local governments should create a great overall environment for business instead of promoting specific businesses.

Jeffrey Miron, director of economic studies at the libertarian Cato Institute, told [Watchdog.org](http://Watchdog.org) that subsidies and tax incentives can attract certain companies and affect overall job growth. However, he also said that, ideally, policies that attract businesses should be neutral instead of promoting one industry or particular business over another.

“Picking winners and losers,” Miron said, has a negative distorting effect on the economy in which companies do not rise up simply on their merit. Miron called subsidies and tax incentives a “crony capitalist” approach that often favors well-connected businesses and said that, many times, money might be better spent elsewhere.

Miron also said that the economic impact is not the only factor that individuals consider when supporting or opposing subsidies. Rather, certain government actions will affect the size and scope of government power. If counties and states compete for business by lowering tax rates, it could make governments smaller overall; however, if they compete for businesses by increasing subsidies, then they’ll make governments larger overall.