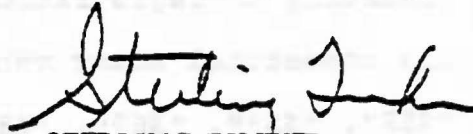


COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act (PL 93-198)(the Act), the Council of the District of Columbia adopted Bill No. 1-47 on first and amended first readings April 15, 1975, and June 1, 1975; on second reading June 24, 1975, and reconsideration of second reading on July 11, 1975. Following the signature of the Mayor on July 23, 1975, this legislation was assigned Act No. 1-34, published in the August 6, 1975, edition of the D. C. Register, and transmitted to both Houses of Congress for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional review period has expired and, therefore, cites the following legislation as D. C. Law No. 1-23, effective October 21, 1975.



STERLING TUCKER
Chairman of the Council

D. C. Law No. 1-23

In the Council of the District of Columbia

October 21, 1975

To provide additional revenue for the District of Columbia, and for other purposes.

Be it enacted by the Council of the District of Columbia, That this act may be cited as the "Revenue Act of 1975".

TITLE I -- REGISTRATION FEES AND EXCISE TAXES

FOR MOTOR VEHICLES

Sec. 101. Section 3 of Title IV of the District of Columbia Revenue Act of 1937, approved August 17, 1937 (D.C. Code, sec. 40-103), is amended as follows:

(1) The paragraph designated "Class A" of subsection (b) (relating to registration fees for passenger motor vehicles) is amended by striking out "\$30" and "\$50", and inserting in lieu thereof "\$40" and "\$67", respectively.

(2) The paragraph designated "Class B" of subsection (b) (relating to registration fees for trucks, tractors and certain commercial motor vehicles) is amended by striking out "\$53", "\$59", "\$69", "\$80", "\$91", "\$99", "\$112", "\$128", "\$163", "\$191", "\$229", and "\$269", and inserting in lieu thereof "\$71", "\$79", "\$92", "\$107", "\$122", "\$132", "\$150", "\$171", "\$218", "\$225", "\$306", and "\$359", respectively.

(3) The paragraph designated "Class C" of subsection (b) (relating to registration fees for trailers), is amended by striking out "\$11", "\$16", "\$27", "\$43", "\$61", "\$80", "\$99", "\$123", "\$163", "\$203", and "\$243", and inserting in lieu thereof "\$15", "\$22", "\$36", "\$58", "\$82", "\$107", "\$132", "\$164", "\$218", "\$271", and "\$323", respectively.

(4) The paragraph designated "Class D" of subsection (b) (relating to registration fees for motorcycles, motor bicycles, motor tricycles and motor wheels) is amended by striking out "\$12", and inserting in lieu thereof "\$16".

(5) The paragraph designated "Class E" of subsection (b) (relating to registration fees for antique motor vehicles) is amended by striking out "\$5" and inserting in lieu thereof "\$7".

(6) The paragraph designated "Class F" of subsection (b) (relating to registration fees for dealer's identification tags) is amended by striking out "\$30", and "\$10", and inserting in lieu thereof "\$40", and "\$14", respectively.

(7) Subsection (d) of such section 3 is amended to read as follows:

"(d) Twenty-five per centum of the gross proceeds from fees payable under this title shall be paid into the Metrobus Fund established under section 103 of the District of Columbia Revenue Act of 1975. The remainder of the proceeds from fees payable under this title shall

be divided between the General Fund and the Highway Fund. The Council of the District of Columbia shall determine the percentage of such remainder which shall be deposited to the credit of the General Fund of the District of Columbia, except that the percentage of such remainder deposited to the credit of the General Fund shall be not less than forty-two per centum or more than forty-seven per centum of such remainder. The amounts of such remainder not deposited to the credit of the General Fund, along with specified moneys collected from the motor-vehicle-fuel tax, and specified amounts of fees charged for the titling of motor vehicles and trailers, including specified amounts of fees charged for the issuance of permits to operate motor vehicles, shall be appropriated and used solely and exclusively for -

"(1) construction, reconstruction, improvement, and maintenance of public highways, including the necessary administrative expenses in connection therewith;

"(2) the expenses of the office of the director of vehicles and traffic incident to the regulation and control of traffic and the administration of the same; and

"(3) the expenses necessarily involved in the police control, regulation, and administration of

traffic upon the highways, except that the total amount to be expended under this item shall not exceed 15 per centum of the total payment appropriated for pay and allowances of officers and members of the Metropolitan Police force."

Sec. 102(a) Section 6(j) of the District of Columbia Traffic Act, approved March 3, 1925 (D.C. Code, sec. 40-603(j)) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

(b) Notwithstanding any other provision of law, not less than one-sixth of the proceeds collected under section 6(j) of the District of Columbia Traffic Act, 1925 (D.C. Code, sec. 40-603(j)) shall be deposited into the Metrobus Fund established by section 103 of this title, together with such additional proceeds collected under section 6(j) as the Mayor of the District of Columbia may, in his discretion, deem to be appropriate and necessary.

Sec. 103(a) There is hereby established a special fund to be known as the "Metrobus Fund" (hereinafter in this section referred to as the "Fund"). The Fund shall consist of amounts paid into it, from time to time, from the revenue collected as follows:

(1) Twenty-five per cent of the amounts collected under Title IV of the District of Columbia Revenue Act of 1937 (D.C. Code, sec. 40-101 et seq.).

(2) At least one-sixth of the amounts collected under section 6(j) of the District of Columbia Traffic Act, 1925 (D.C. Code, sec. 40-603(j)).

(3) The amounts collected under section 125(1) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47-2602) (imposing a tax on the gross receipts from parking).

(4) At least one-fifth of the amounts collected under the first section of the Act of April 23, 1924 (imposing a tax on motor-vehicle-fuel), such amounts to be deposited into the Fund no sooner than July 1, 1976.

(b) The amounts in the Fund shall be available, when appropriated, to pay the District of Columbia's share of the cost of the construction and operation of the Metrobus system.

Sec. 104(a) The Mayor of the District of Columbia shall submit to the Council of the District of Columbia, no later than January 1, 1976, proposed legislation detailing a three-tier registration fee for automobiles in class A of section 3(b) of Title IV of the District of Columbia Revenue Act of 1937 (D.C. Code, sec. 40-103) to replace the existing two-tier structure, with disproportionately lower fee increases for lighter weight, compact and subcompact automobiles.

(b) The Mayor of the District of Columbia shall submit to the Council of the District of Columbia, no later than

January 1, 1976, proposed legislation detailing a restructured three-tier motor vehicle excise tax rate which provides for a substantially lower tax rate for lighter weight, compact and subcompact automobiles.

TITLE II -- MOTOR VEHICLE FUEL TAX;

DEED RECORDATION TAX

Sec. 201(a) The first sentence of the first section of the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924 (D.C. Code, sec. 47-1901) is amended by striking out "8" and inserting in lieu thereof "10".

(b) Notwithstanding any other provision of law, on and after the effective date of this section, not less than one-fifth of the proceeds collected under the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", (D.C. Code, sec. 47-1901) to which reference is made in subsection (a) of this section, shall be deposited into the Metrobus Fund established by Section 103 of title I of this act, together with such additional proceeds collected under the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold in the District of Columbia and for other purposes", (D.C. Code, sec. 47-1901) as the Mayor of the District of Columbia may, in his discretion, deem to be appropriate and necessary.

Sec. 202. The Mayor of the District of Columbia shall submit to the Council of the District of Columbia, by January 1, 1976, a thorough, documented study outlining the advisability of differential tax rates on leaded and unleaded gasoline, and weighing positive and negative health, environmental and income-class impacts of such a differential tax policy.

Sec. 203. Section 303(a) of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 2, 1962 (D.C. Code, sec. 45-723(a)) is amended by striking out "one-half of 1 per centum" and inserting in lieu thereof "1 per centum".

TITLE III -- AMENDMENTS TO THE DISTRICT
OF COLUMBIA SALES AND USE TAX
ACTS

Sec. 301. The District of Columbia Sales Tax Act is amended as follows:

(1) Paragraph (1) of subsection (a) of section 114 of such Act (D.C. Code, sec. 47-2601 14(a)(1)) is amended to read as follows:

"(1) Food or drink served, prepared for immediate consumption, or sold, in or by, restaurants, lunch counters, cafeterias, hotels, snack bars, caterers, boarding houses, carryout shops and other like places of business, and food or drink sold ready for immediate consumption from carts, and motor vehicles or any other

form of vehicle. Hot or cold sandwiches are considered prepared foods."

(2) Subsection (a) of section 114 of such Act (D.C. Code, sec. 47-2601 14(a)) is amended by adding at the end thereof the following new paragraph:

"(12) The sale of or charges made for the service of parking, storing or keeping motor vehicles or trailers. For the purposes of this paragraph 'motor vehicles' mean any vehicle propelled by an internal-combustion engine or by electricity or steam, except road rollers, farm tractors, and vehicles propelled only upon stationary rails or tracks; and 'trailer' means a vehicle without motor power intended or used for carrying property or persons and drawn or intended to be drawn by a motor vehicle, whether such vehicle without motor power carries the weight of the property or persons wholly on its own structure or whether a part of such weight rests upon or is carried by a motor vehicle."

(3) Paragraphs (4) and (7) of subsection (a) of section 114 of such Act (D.C. Code, sec. 47-2601, 14(a) (4) and (7)) are repealed.

(4) Paragraph (11) of subsection (a) of section 114 of such Act (D.C. Code, sec. 47-2601 (14) (a) (11)) is amended to read as follows:

"(11) The rental of textiles to commercial users, the essential part of such rental includes the recurring service of laundering or cleaning thereof."

(5) Section 114(b)(1)(A) of such Act (D.C. Code, sec. 47-2601) is amended by striking out "other than sales of local telephone service", and paragraph (1)(B) of subsection (b) of section 114 is repealed.

(6) Subsection (b) of section 114 of such Act (D.C. Code, sec. 47-2601 14(b)) is amended by adding at the end thereof the following new paragraph:

"(5) Food or drink sold in the same form, condition, quantities and packaging as is commonly sold in grocery type food stores, except when sold by businesses as described in paragraph (1) of subsection (a) of this section."

(7) Section 125 of such Act (D.C. Code, sec. 47-2602) is amended to read as follows:

"Sec. 125. A tax is imposed upon all vendors for the privilege of selling at retail certain tangible personal property and for the privilege of selling certain selected services (defined as retail sale and sale at retail in this title). The rate of such tax shall be 5 per centum of the gross receipts from sales of or charges for such tangible personal property and services, except that -

"(1) the rate of tax shall be 8 per centum of the gross receipts from the sales of or charges for the service of parking or storing motor vehicles or trailers;

"(2) the rate of tax shall be 6 per centum of the gross receipts from sales of or charges for (A) any room or rooms, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients; and (B) food or drink served, prepared for immediate consumption, or sold as described in section 114(a) (1); and

"(3) the rate of tax shall be 6 per centum of the gross receipts from sales of spiritous or malt liquors, beer and wines; and

"(4) the rate of tax shall be 2 per centum of the gross receipts from the sales of food and drink as described in section 114(a) (1) of this title when sold from vending machines."

(8) Section 127 of such Act (D.C. Code, sec. 47-2604) is amended to read as follows:

"Sec. 127. For the purpose of collecting his reimbursement as provided in section 126 of this title insofar as it can be done and yet eliminate the fractions of a cent, the vendor shall add to the sales

price and collect from the purchaser such amounts as may be prescribed by the Council of the District of Columbia to carry out the purposes of this section."

(9) Subsection (1) of section 128 of such Act (D.C. Code, sec. 47-2605(1)) is amended to read as follows:

"(1) Sales of natural or artificial gas and electricity."

(10) Section 128 (c) of such Act (D.C. Code, sec. 47-2605 (c)) is amended by inserting "whether or not" after "drugs".

Sec. 302. The District of Columbia Use Tax Act (D.C. Code, sec. 47-2701) is amended as follows:

(1) Paragraph (5) of section 201 (a) of such Act (D.C. Code, sec. 47-2701 (a) (5)) is amended by inserting ", as described in section 114 (a) (1) of title I of this act", immediately after "consideration".

(2) Section 212 of such Act (D.C. Code, sec. 47-2702) is amended to read as follows:

"Sec. 212. There is hereby imposed and there shall be paid by every vendor engaged in business in the District and by every purchaser a tax on the use, storage, or consumption of any tangible personal property and services sold or purchased at retail sale. The rates of tax imposed by this section shall be 5 per centum of the sales price of such tangible personal property or services, except that -

"(a) the rate of tax shall be 6 per centum of the gross receipts from the sales of or charges for (1) any room or rooms, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients, and (2) food or drink served, prepared for immediate consumption, or sold as described in section 114(a)(1); and (3) spiritous or malt liquors, beer and wines; and

"(b) the rate of tax shall be 8 per centum of the gross receipts from the sales of or charges for the service of parking or storing motor vehicles or trailers; and

"(c) the rate of tax shall be 2 per centum of the gross receipts from the sale of food and drink as described in Sec. 114(a)(1) of title I of this act when sold from vending machines."

(3) Paragraph (2) of subsection (a) of section 201 of such Act (D.C. Code, sec. 47-2701(a)(2)) is repealed.

(4) Paragraph (9) of subsection (a) of section 201 of such Act (D.C. Code, sec. 47-2701(a)(9)) is amended to read as follows:

"(9) The rental of textiles to commercial users, the essential part of which rental includes recurring service of laundering or cleaning thereof."

(5) Paragraph (1) of subsection (b) of section 201 of such Act (D.C. Code, sec. 47-2701 1(b)(1)) is amended by striking out "other than sales of local telephone services."

TITLE IV — CIGARETTE TAX

Sec. 401. (a) Section 603 of the District of Columbia Cigarette Tax Act (D.C. Code, sec. 47-2802) is amended by striking out "6 cents" and inserting in lieu thereof "10 cents".

(b) (1) In the case of cigarette tax stamps which have been purchased prior to the effective date of the amendment and which on such date are held (affixed to a cigarette package or otherwise) by a wholesaler, retailer, or vending machine operator, licensed under the District of Columbia Cigarette Tax Act, such licensee shall pay to the Mayor (in accordance with paragraph (2) of this subsection) an amount equal to the difference between the amount of tax represented by such tax stamps on the date of their purchase and the amount of tax which an equal number of cigarette tax stamps would represent if purchased on the effective date of the amendment.

(2) Within twenty days after the effective date of such amendment, each such licensee (A) shall file with the Mayor an affirmed statement (on a form to be prescribed by the Mayor) showing the number of such cigarette tax stamps held by him as of the beginning of the day after the effective

date of this amendment, or if such day is a Sunday, as of the beginning of the following day and (3) shall pay to the Mayor the amount specified in paragraph (1) of this subsection.

(3) Each such licensee shall keep and preserve for the twelve-month period immediately following the effective date of such amendment the inventories and other records made which form the basis for the information furnished to the Mayor on the statement required to be filed under this subsection.

(4) For purposes of this subsection, a tax stamp shall be considered as held by a wholesaler, retailer, or vending machine operator if title thereto has passed to such wholesaler, retailer, or operator (whether or not delivery to him has been made) and if title to such stamp has not at any time been transferred to any person other than such wholesaler, retailer, or operator.

(5) A violation of the provisions of paragraph (1), (2), or (3) of this subsection shall be punishable as provided in section 611 of the District of Columbia Cigarette Tax Act (D.C. Code, sec. 47-2810).

TITLE V -- AMENDMENTS TO PROVISIONS IMPOSING
A TAX ON FINANCIAL INSTITUTIONS, GUARANTY
COMPANIES, AND PUBLIC UTILITIES

Sec. 501. (a) Section 6 of the Act entitled "An Act making appropriations to provide for expenses of the

government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902 (D.C. Code, sec. 47-1701 et seq.), is amended as follows:

(1) Paragraph (5) of such section 6 (D.C. Code, sec. 47-1701) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

(2) Paragraph 6 of such section 6 (D.C. Code, sec. 47-1702) is amended by striking out "one and one-half per centum" and inserting in lieu thereof "three per centum".

(3) The last sentence of paragraph (7) of such section 6 (D.C. Code, sec. 47-1703) is amended by striking out "four per centum per annum" and inserting in lieu thereof "six per centum per annum".

(4) Paragraph 9 of such section 6 (D.C. Code, sec. 47-1704) is amended by striking out "two per centum per annum" and inserting in lieu thereof "three per centum per annum".

TITLE VI -- AMENDMENTS TO DISTRICT OF COLUMBIA

INCOME AND FRANCHISE TAX ACT OF 1947

Sec. 601. The District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1501 et seq.) is amended as follows:

(1) Paragraph (u) of section 4 of Title I of such Act (D.C. Code, sec. 47-1551c(u)) is amended to read as follows:

"(u) The term 'dependent' means a dependent as defined in section 152 of the Internal Revenue Code of 1954."

(2) The last sentence of paragraph (v) of section 4 of Title I of such Act (D.C. Code, sec. 47-1551c(v)) is amended to read as follows:

"The term 'head of a family' means an individual who is single, or if married, separated from husband or wife."

(3) The commencing phrase in section 1 of Title II of such Act (D.C. Code, sec. 47-1554) is amended to read as follows:

"The following organizations shall be exempt from taxation under this article, except to the extent that such organizations have unrelated business taxable income subject to tax under sections 511 of the Internal Revenue Code of 1954, in which event such organizations shall be subject to tax under this article on said unrelated business taxable income:"

(4) Subsection (b) of section 2 of Title III of such Act (D.C. Code, sec. 47-1557a) is amended by adding at the end thereof the following new paragraph:

"(18) Unemployment Compensation - Payments received by an individual from the District of Columbia Unemployment Compensation Board or a similar State agency for those periods during which he is unemployed."

(5) Paragraph (16) (entitled "Real Estate Investments Trusts.") of section 6(a) of Title III of such Act (D.C. Code, sec. 47-1557b(a)(16)), is renumbered as paragraph (17).

(6) Subsection (a) of section 3 of Title III of such Act (D.C. Code, sec. 47-1557b(a)) is amended by adding at the end thereof a new paragraph as follows:

"(18) Household and Dependent Care Services - To the same extent that such amount is deductible under section 214 of the Internal Revenue Code of 1954, any amount expended by an individual for household and dependent care services necessary for gainful employment; Provided, however, that the requirement of section 214 of the Internal Revenue Code of 1954 that married couples must file a single return jointly, shall not be applicable."

(7) Paragraphs (a) and (b) of section 2 of Title V of such Act (D.C. Code, secs. 47-1564a(a) and 47-1564a(b)) are amended to read as follows:

"(a) Residents and Nonresidents. - Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when -

"(1) his gross income for the taxable year, if single, or if married and not living with husband or wife, exceeds the personal exemptions authorized for the

taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954; or

"(2) his gross income for the taxable year, if married and living with husband or wife, exceeds the combined amount of the personal exemptions authorized for the taxpayer and the spouse of the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954; or

"(3) his gross sales or gross receipts from any trade or business other than an unincorporated business subject to tax under title VIII of this article, exceeds \$5,000, regardless of the amount of his gross income; or

"(4) the combined gross income for the taxable year of a husband and wife living together exceeds the combined amount of the personal exemptions authorized as of July 1, 1975, for the taxpayer and the spouse of the taxpayer by subsection (b) of section 151 of the Internal Revenue Code of 1954, or the combined gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds \$5,000, regardless of the amount of their gross income.

"(b) Fiduciaries. - Every fiduciary (except a receiver appointed by authority of law in possession of only part of the property of an individual) for -

"(1) every individual if single, or if married and not living with husband or wife, for whom he acts having a gross income for the taxable year in excess of the amount of his personal exemption as authorized for the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954;

"(2) every individual, if married and living with husband or wife, for whom he acts having a gross income for the taxable year in excess of their personal exemptions as authorized for the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954;

"(3) every estate for which he acts, the gross income of which for the taxable year is in excess of its personal exemption, which is equivalent to the personal exemption authorized for an individual as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954; or

"(4) every trust for which he acts, the gross income of which for the taxable year is \$100 or over."

(8) Section 2 of Title VI of such Act (D.C. Code, sec. 47-1567a) is amended to read as follows:

"Sec. 2. Personal exemptions - (a) (1) There shall be allowed to residents the same deductions for personal exemptions as are allowed as of July 1, 1975, under section 151 of the Internal Revenue Code of 1954.

"(2) A taxpayer who qualifies as head of a family shall be allowed a personal exemption in an amount which is twice the amount allowed the taxpayers as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954.

"(b) In the case of a return made for a fractional part of a taxable year, the personal exemptions shall be reduced to amounts which bear the same ratio to the full exemptions provided as the number of months in the period for which the return is made bears to twelve months."

(9) Subsection 4(b) of Title VI of such Act (D.C. Code, sec. 47-1567(b)(1)) is amended to read as follows:

"(1) In applying such table the taxpayer's marital status on the last day of the taxable year shall control."

(10) Section 6 of Title VI of such Act (D.C. Code, sec. 47-1567e) is repealed.

Sec. 602. The Mayor of the District of Columbia shall, within six months after the effective date of this section, submit to the Finance and Revenue Committee of the Council of the District of Columbia and to the District of Columbia Auditor, a report which shall analyze the total impact of all District of Columbia taxes and user charges. This report shall set forth all information which the Mayor deems useful to a full understanding of the impact of the tax structure. It shall specifically set forth the impact and

revenue of all taxes, as a sum, on individual residents grouped by income class and family status, (including unmarried, married, single parent, retired, and such other classifications as are appropriate). The same analysis shall be given for each separate tax on individuals. Such analysis shall include consideration of business taxes and charges likely to be passed on to consumers. The report shall also set forth the impact and revenue of each tax on commercial and professional activity, and on businesses grouped by type and size of business activity. In addition to the impact and revenue analysis, the report shall set forth the distribution of returns for each tax grouped by quartile of revenue starting from the quartile containing the fewest returns. An estimate of the revenue effect and collection expense should be given for changes in major exemptions and deductions.

Sec. 603. Section 2 of Title VII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1571a) is hereby amended to read as follows:

"Sec. 2. For the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District, there is hereby levied for one taxable year beginning on and after January 1, 1975, a tax at the rate of 12 per centum upon the taxable income of every corporation, whether domestic or foreign (except those

expressly exempt under section 47-1554). The minimum tax payable shall be \$25.00. For the taxable years beginning on and after January, 1976, there is hereby levied a tax at the rate of 9 per centum upon the taxable income of every corporation, whether domestic or foreign (except those expressly exempt under section 47-1554). The minimum tax payable shall be \$25.00."

Sec. 604. Section 3 of Title VIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1574b) is hereby amended as follows:

"Sec. 3. For the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District, there is hereby levied for one taxable year beginning on and after January 1, 1975, a tax at the rate of 12 per centum upon the taxable income of every unincorporated business, whether domestic or foreign (except those expressly exempt under section 47-1554). The minimum tax payable shall be \$25.00. For the taxable years beginning on and after January 1, 1976, there is hereby levied a tax at the rate of 9 per centum upon the taxable income of every unincorporated business, whether domestic or foreign (except those expressly exempt under section 47-1554). The minimum tax payable shall be \$25.00."

Sec. 605. Section 1 of Title VIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1574) is hereby amended by striking the following sentence:

"The words 'unincorporated business' do not include any trade or business which by law, customs or ethics cannot be incorporated, any trade, business, or profession which can be incorporated only under the District of Columbia Professional Corporation Act, or any trade or business in which more than 80 per centum of the gross income is derived from the personal services actually rendered by the individual or members of the partnership or other entity in the conducting or carrying on of any trade or business and in which capital is not a material income-producing factor."

Sec. 606. Sections 2, 4 and 5 of Title XIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1589a, c and d) are amended by striking the words "one-half of 1 per centum" wherever they appear and inserting in lieu thereof the words "three-fourths of 1 per centum."

Sec. 607. Subsections "(b)", "(c)" and "(d)" of section 1 of Title XIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1589 (b), (c), and (d)), are amended by redesignating said subsections as "(c)", "(d)", and "(e)" respectively, and as redesignated by

striking from subsection "(d)" the figure "6" and inserting in lieu thereof the figure "9", and by inserting the following new subsection:

"(b) FAILURE TO PAY. In the case of any failure to pay the amount of tax required by titles VII and VIII of this article within the time prescribed by law or prescribed by the Mayor or Council in pursuance of law, 5 per centum of the tax shall be added to the tax for each month or fraction thereof that such failure continues, not to exceed 25 per centum in the aggregate except that when the tax is paid after such time and it is shown that the failure to pay was due to reasonable cause and not due to wilful neglect, no such addition shall be made to the tax."

Sec. 608. Section 14 of Title XII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-15861-1) is amended by striking the figure "6" wherever it appears therein and inserting in lieu thereof the figure "9".

Sec. 609. Section 4(h)(2) of Title I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1551c(h)(2)) is hereby repealed in its entirety.

TITLE VII -- WATER AND SEWER SERVICE RATES

Sec. 701(a) Water and Water Service Rates and Charges. Notwithstanding any other provision of law or regulation,

the following rates and charges shall be applicable for water and water services provided on or after July 1, 1975:

(1) Rates and Charges for Metered Services. The minimum rate for water furnished any premises through a metered service shall be \$8.75 semiannually for the use of up to 3,600 cubic feet of water, payable in advance and for water furnished during such period in excess of that quantity the rate shall be thirty cents per one hundred cubic feet of water.

(b) Sanitary Sewer Service Rates and Charges. The charge for sanitary sewer service furnished any premises in the District of Columbia shall be 90 per centum of the charge for water or water service furnished any such premises from the District of Columbia Water Supply System and shall be collected in the same manner and at the same time as water charges are collected. When water is supplied any such premises from a source or sources other than the District of Columbia Water Supply System, the charge for sanitary sewer service shall be the same in amount as would be charged if the same quantity of water were furnished such premises from the District of Columbia Water Supply System through metered service. The sanitary sewer charge shall be added as a separate item on the bill, if any, for water and water service furnished such premises.

(c) Payment of Rates and Charges. All rates for water and water service and the charges for sanitary sewer service

hereby established shall be payable at least once semiannually. When the computation of the amount of any bill for any of such services results in a fraction of one-half cent or more, the next highest amount not containing a fraction shall be charged.

Sec. 702. Penalties. The penalties to be imposed for failure to pay bills for water and sewer service after the expiration of thirty days from the date of rendition thereof, and the payment of any costs incurred by the District of Columbia in connection with discontinuing and restoring the water supply to any premises, shall be as provided by sections 102 and 210 of the District of Columbia Public Works Act of 1954 (D.C. Code, secs. 43-1521a, 43-1609).

Sec. 703. Change of Ownership or Occupancy. Any person who desires a statement of the account of any water or sewer service charge to the date of the acquisition of any premises shall make a written request to the Water Registrar on or before the date of such acquisition, except that the authority to enforce payment of water and sewer service charges by shutting off the water supply or by refusing to restore the water supply may be exercised without regard to any change of ownership or occupancy of any such premises. The Water Registrar shall have access to all premises furnished water or sewer service, and if any such premises is vacant, any request for a statement of account shall

contain a fixed time at which a representative of the Water Registrar may obtain access.

Sec. 704. By November 15, 1975, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia a water rate structure which shall -

(a) continue the increasing price rate structure contained in this title whereby per unit water rates increase with increased consumption;

(b) a plan to provide for a minimum bill for water usage not to exceed \$2.89 for the first 1,200 cubic feet of water used during each six month period;

(c) provide a scheme whereby residents of multi-family units will benefit on an equal basis with residents of single-family units in the low-minimum water usage rates; and

(d) provide detailed substantiation for the rate structure. The structure, plan and scheme submitted by the Mayor under this section shall be designed to make no change in the amount of revenue derived from the water rates and sewer service charges, and shall not take effect unless implemented by further action of the Council.

Sec. 705. The water rates and sewer service charge contained in this title, to be effective July 1, 1975, shall terminate on January 1, 1976, unless --

(1) the Mayor of the District of Columbia submits to the Council of the District of Columbia, by November 15, 1975, a complete report substantiating the increased water rates and sewer service charges as necessitated by increased government cost; and

(2) the Council adopts a resolution (before January 1, 1976) stating that the Council concurs in the Mayor's report. In the event such report is not submitted to the Council by November 15, 1975, or the Council does not adopt such resolution by January 1, 1976, then the water rates and sewer service charges in effect on June 30, 1975 shall again be effective beginning January 1, 1976.

Sec. 706. Section 1520c of Title 43 of the District of Columbia Code (D.C. Code, sec. 43-1520c) is hereby amended by striking the second sentence therein and inserting in lieu thereof the following:

"In computing the charge for the consumption of water, if such charge is for a period beginning prior to a change in water rates and ending thereafter, such charge shall be prorated in such a manner as to charge for water consumed prior to the effective date of such new water rates at the rate which is in effect during that period of consumption, and to charge for water consumed after the effective date at the new rates."

TITLE VIII -- EFFECTIVE DATE, SEVERABILITY

Sec. 801(a) The amendments made by sections 101, 102, 201, and 203 shall take effect on the first day of the first month after the day this act becomes law according to the provisions of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(b) The amendment made by section 401 shall apply with respect to cigarette tax stamps sold on and after the first day of the first month which begins more than thirty days after the day this act becomes law according to the provisions of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(c) The amendments made by section 501 shall apply with respect to gross receipts or gross earnings for the year ending June 30, 1976, and for each succeeding year ending on the thirtieth day of June. The amendments made by section 501(b) shall take effect on the first day of the first month after the day this act becomes law according to the provisions of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(d) The amendments made by section 601 shall apply with respect to taxable years beginning on and after January 1, 1975.

(e) Title VII of this Act shall take effect on July 1, 1975.

(f) Sections 103, 104, 202, and 602 shall take effect on the date this act becomes law according to the provisions

of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(g) Sections 603, 604, 605, and 609 shall take effect with taxable years beginning on and after January 1, 1975.

(h) Sections 606, 607, and 608 shall take effect on January 1, 1976.

(i) Section 301, with the exception of subsections (3), (5) and (9) of that section, shall take effect on the first day of the first month which begins more than 30 days after the effective date of this Act.

(j) Subsections (3), (5) and (9) of section 301 shall take effect on June 1, 1976.

(k) Section 302, with the exception of subsections (3), and (5) of that section, shall take effect on the first day of the first month which begins more than 30 days after the effective date of this Act.

(l) Subsections (3) and (5) of section 302 shall take effect on June 1, 1976.

Sec. 802(a) If any provision of this act, including any amendment made by this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, including the remaining amendments, and the application of such provision to other persons or circumstances shall not be affected thereby.

(b) The repeal or amendment by this Act of any provision of law shall not affect any act done or any right

accrued or accruing under such provision of law before the effective date of this Act or any suit or proceeding had or commenced before the effective date of this Act, but all such rights and liabilities in the same manner and to the same extent, as if such repeal or amendment had not been made.

(c) All offenses committed, and all penalties incurred, prior to the effective date of this Act, under any provision of law hereby repealed or amended, may be prosecuted and punished in the same manner and with the same effect as if this Act had not been enacted.

Docket for the Bill 1-47

Considered in Council 4-15-75

First vote 4-15-75

RECORD OF COUNCIL VOTE

COUNCIL MEMBER	YES	NO	P.	R.	A.	B.	R.	A.	COUNCIL MEMBER	YES	NO	P.	R.	A.	B.	R.	A.	COUNCIL MEMBER	YES	NO	P.	R.	A.	B.	R.	A.
TUCKER	X								DIXON	X								SPAULDING	X							
MOORE, D.	X								HARDY	X								WILSON	X							
BARRY	X								HOBSON				X					WINTER	X							
CLARKE	X								MOORE, I.	X																
COATES	X								SHACKLETON	X																

X—Indicates Vote P. R.—Present A. B.—Absent R. A.—Readopted

Robert A. Williams
(Secretary of the Council)

Final vote in Council 6-24-75**

RECORD OF COUNCIL VOTE

COUNCIL MEMBER	YES	NO	P.	R.	A.	B.	R.	A.	COUNCIL MEMBER	YES	NO	P.	R.	A.	B.	R.	A.	COUNCIL MEMBER	YES	NO	P.	R.	A.	B.	R.	A.
TUCKER	X								DIXON	X								SPAULDING	X							
MOORE, D.	X								HARDY				X					WILSON	X							
BARRY	X								HOBSON	X								WINTER	X							
CLARKE	X								MOORE, I.	X																
COATES	X								SHACKLETON	X																

X—Indicates Vote P. R.—Present A. B.—Absent R. A.—Readopted

Robert A. Williams
(Secretary of the Council)

Presented to the Mayor 7-17-75

Robert A. Williams
(Secretary of the Council)

Mayor's action
approve: 23 JUL 1975
disapprove: _____

Walter Washington
(Mayor's Signature) 23 JUL 1975

Enacted without Mayor's signature _____

(Secretary of the Council)

** Council Members unanimously reconsidered second-reading of Bill 1-47 with technical amendments on July 11, 1975 (Vote: 11-0, 2 absent).

* Council adopted unanimously on amended first reading June 10, 1975. (Vote 11-0, 2 absent)

Reconsidered by Council _____ Vote _____

RECORD OF COUNCIL VOTE

COUNCIL MEMBER	YES	NO	P. R.	A. B.	P. A.	COUNCIL MEMBER	YES	NO	P. R.	A. B.	P. A.	COUNCIL MEMBER	YES	NO	P. R.	A. B.	P. A.	
TUCKER						DIXON						SPAULDING						
MOORE, D.						HARDY						WILSON						
BARRY						HOBSON						WINTER						
CLARKE						MOORE, J.												
COATES						SHACKLETON												

X—Indicates Vote P. R.—Present A. B.—Absent P. A.—Readopted

 (Secretary of the Council)

Presented to the President _____

 (Secretary of the Council)

Sustain Mayor's veto _____

Not Sustain Mayor's veto _____

 (President of the U.S.)

Submitted to the Congress _____

 (Secretary of the Council)

Senate action _____
 resolution number _____

House action _____
 resolution number _____

 (Secretary of the Senate)

 (Clerk of the House)

Enacted without Congressional action _____

 (Secretary of the Council)