

COUNCIL OF THE DISTRICT OF COLUMBIA

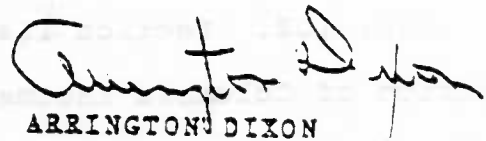
NOTICE

D.C. LAW 4-131

"District of Columbia Tax Enforcement Act of 1982".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 4-257 on first and second readings, April 27, 1982 and May 11, 1982, respectively. Following the Signature of the Mayor on June 1, 1982, this legislation was assigned Act No. 4-196, published in the June 11, 1982 edition of the D.C. Register, (Vol. 29 page 2418) and transmitted to Congress on June 4, 1982 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 this enactment as D.C. Law 4-131, effective July 24, 1982.


ARRINGTON DIXON
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

June 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25, 28, 29, 30
July 1, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23

D.C. LAW 4-131

EFFECTIVE DATE JUL 24 1982

AN ACT

D.C. ACT 4-196

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUN 01 1982

To amend various tax acts of 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 "District of Columbia
Tax Enforcement Act of 1982".

TITLE I — AMENDMENTS TO THE DISTRICT OF COLUMBIA

INCOME AND FRANCHISE TAX ACT OF 1947

Sec. 101. Section 4(f) of Title I of the District
of Columbia Income and Franchise Tax Act of 1947,
approved July 16, 1947 (61 Stat. 332; D.C. Code, sec.
47-1801.4(6)(A)) is amended by inserting after the word
"including" the phrase "activities in the District that
benefit an affiliated entity of the taxpayer,".

CODIFICATION
D.C. Code,
sec. 47-1801.4
(1981 ed.)

Sec. 102. Section 1(a)(2) of Title X of the
District of Columbia Income and Franchise Tax Act of
1947, approved July 16, 1947 (61 Stat. 349; D.C. Code,
sec. 47-1810.1(a)(2)) is amended by striking the "." at
the end thereof and inserting immediately at the end of
the first paragraph the following phrase:

D.C. Code,
sec. 47-1810.1
(1981 ed.)

": PROVIDED, FURTHER, That dividends received
from subsidiary corporations for whom the taxpayer

provides services are deemed to be business income subject to apportionment." in lieu thereof.

Sec. 103. Section 2 of Title X of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 349; D.C. Code, sec. 47-1810.2) is amended to read as follows:

D.C. Code,
sec. 47-1810.
(1981 ed.)

"The entire net income of any corporation, financial institution or unincorporated business, derived from any trade or business carried on or engaged in wholly within the District shall, for the purposes of this article, be deemed to be from sources within the District, and shall, along with other income from sources within the District, be allocated to the District. If the trade or business of any corporation, financial institution or unincorporated business is carried on or engaged in both within and without the District, the net income derived therefrom shall, for the purposes of this article, be deemed to be income from sources within and without the District. Where the net income of a corporation, financial institution or unincorporated business is derived from sources both within and without the District, the portion thereof subject to tax under this article, shall be determined under regulation or regulations prescribed by the Council of the District of Columbia. The Mayor may employ any formula or formulas provided in any regulation or regulations prescribed by the Council

under this article which, in his opinion, should be applied in order to determine properly the net income of any corporation, financial institution or unincorporated business subject to tax under this article."

Sec. 104. Section 7(a)(4) of Title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved August 2, 1968 (82 Stat. 612; D.C. Code, sec. 47-1812.7(a)(4)) is amended by striking the phrase "District of Columbia Council" and inserting the word "Mayor" in lieu thereof.

D.C. Code,
sec. 47-1812.7
(1981 ed.)

Sec. 105. Section 8 of Title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 75; D.C. Code, sec. 47-1812.8) is amended as follows:

D.C. Code,
sec. 47-1812.8
(1981 ed.)

(a) Subsection (a) (D.C. Code, sec. 47-1812.8(a)) is amended to read as follows:

"(a) Income of foreign corporations or unincorporated business. -

"Whenever the Council of the District of Columbia shall deem it necessary in order to satisfy the District's claim for a tax payable by any foreign corporation or unincorporated business, it may, by rules and regulations, require any person subject to the jurisdiction of the District to withhold and pay to the Mayor an amount not in excess of 5 per centum of all income payable by such person to such foreign

corporation or unincorporated business. After such foreign corporation or unincorporated business shall have filed all returns required under this title, and the same shall have been audited, the Mayor shall refund any overpayment to the taxpayer."; and

(b) Subsection (f)(2) (D.C. Code, sec. 47-1812.8(f)(2)) is amended by adding at the end thereof the following new sentences to read as follows:

"The liens referred to in this paragraph shall constitute a preferred claim, having priority over all other liens or security interests of whatever kind and however created. If property of an employer is seized under distraint provisions, neither the United States Marshall, nor a receiver, assignee or any other officer shall sell the property without first determining from the Mayor the amounts due and payable by said employer, and if there be any amounts due, owing or unpaid, it shall be the duty of such officer to first pay to the Mayor the said amounts out of the proceeds of such sale before making any payment to any judgment creditor or other claimants of whatsoever kind or nature."

Sec. 106. Section 9 of Title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 353; D.C. Code, sec. 47-1812.9) is amended to read as follows:

"Sec. 9. Liens Upon Taxes Due. Every tax imposed by this article and all increases, interest and

D.C. Code,
sec. 47-1812.9
(1981 ed.)

penalties thereon, shall constitute, from the time it is due and payable, a lien having priority over all other liens secured or otherwise. Any unsatisfied claims assessed under this article, shall become a personal debt of the person(s) liable to pay the same to the District. Taxes levied under this article, and the interest and penalties thereon, shall be collected in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection."

Sec. 107. Section 1 of Title XVI of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 359; D.C. Code, sec. 47-1816.1) is amended to read as follows:

D.C. Code,
sec. 47-1816.1
(1981 ed.)

"Unless otherwise provided, the Mayor shall prescribe such rules and regulations as the Mayor deems necessary to carry out the provisions of this act."

Sec. 108. The District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 331; D.C. Code, sec. 47-1801.1 et seq.) is amended as follows:

D.C. Code,
secs. 47-1801.1
to 47-1816.1
(1981 ed.)

(a) Except as provided in subsection (c), strike the word "Commissioners" wherever it appears and insert the word "Mayor" in lieu thereof;

(b) Except as provided in subsection (d),

(1) wherever the pronouns "they", "them", or "their" are used to refer to the "Commissioners of the

District of Columbia", strike those pronouns and insert the pronouns "he", "him", and "his" in lieu thereof in accordance with the appropriate forms of the pronouns to refer to the "Mayor"; and

(2) wherever the plural verb form is used to refer to the "Commissioners of the District of Columbia" strike that verb and insert the singular verb form;

(c) Strike the word "Commissioners" in the following provisions and insert the phrase "Council of the District of Columbia" in lieu thereof:

(1) section 8(q) of title VI of article I (D.C. Code, sec. 47-1806.6(q)); and

(2) section 8(b)(2)(D), (E), (c), (e)(7), (g), (i)(2)(D), (5), (6), and (7) of title XII of article I (D.C. Code, sec. 47-1812.8(b)(2)(D), (E), (c), (e)(7), (g), (i)(2)(D), (5), (6), & (7)); and

(d) Wherever the pronouns "they", "them", "their" are used to refer to the "Commissioners of the District of Columbia" in the provisions identified in subsection (c),

(1) strike those pronouns and insert the pronouns "it", "it", and "its" in lieu thereof in accordance with the appropriate forms of the pronouns to refer to the "Council of the District of Columbia"; and

(2) strike the plural verb form and insert

the singular verb form.

TITLE II -- AMENDMENTS TO THE DISTRICT OF COLUMBIA

SALES AND USE TAX ACTS

Sec. 201. Section 104 of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 112; D.C. Code, sec. 47-2001(d)) is amended to read as follows:

D.C. Code, sec. 47-2001 (1981 ed.)

"(d) 'Mayor' means the Mayor of the District of Columbia or his duly authorized representative or representatives."

Sec. 202. Section 114(a)(3) of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 112; D.C. Code, sec. 47-2001(n)(1)(C)) is amended by adding at the end thereof a new sentence to read as follows:

D.C. Code, sec. 47-2001 (1981 ed.)

"The term 'transient' means any person who occupies or who has the right to occupy any room or rooms, lodgings, or accommodations for a period of ninety days or less during any one continuous stay."

Sec. 203. Section 126 of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 115; D.C. Code, sec. 47-2003) is amended as follows:

D.C. Code, sec. 47-2003 (1981 ed.)

(a) By designating the current paragraph as subsection "(a)"; and

(b) By adding at the end thereof the following new subsection "(b)" to read as follows:

"(b) In the event that the vendor shall

collect a tax in excess of the reimbursement schedule rates provided for in this title, such excess shall be refunded to the purchaser, or in lieu thereof, shall become a debt to the District in the same manner as taxes due and payable under this title."

Sec. 204. Section 127 of the District of Columbia Sales Tax Act, effective October 21, 1975 (D.C. Law 1-23; D.C. Code, sec. 47-2004) is amended by striking the phrase "Council of the District of Columbia" and inserting the word "Mayor" in lieu thereof.

D.C. Code,
sec. 47-2004
(1981 ed.)

Sec. 205. Section 128(c) of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 116; D.C. Code, sec. 47-2005(3)) is amended to read as follows:

D.C. Code,
sec. 47-2005
(1981 ed.)

"(c) Sales to semipublic institutions:

PROVIDED, HOWEVER, That such sales shall not be exempt unless:

- "(1) such institution shall have first obtained a certificate from the Mayor stating that such institution is entitled to such exemption;
- "(2) the vendor keeps a record of the sale, the name of the purchaser, the date of each separate sale, and the number of such certificate;
- "(3) such institution is located within the District, carries on its activities to