

COUNCIL OF THE DISTRICT OF COLUMBIA

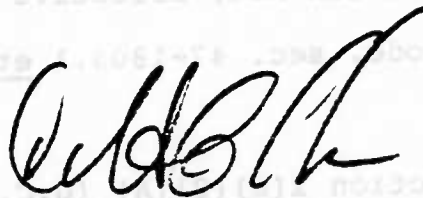
NOTICE

D.C. LAW 6-129

"Corporation Franchise Tax Amendment Act
of 1986".

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. 6-352 on first and second readings, April 15, 1986, and April 29, 1986, respectively. Following the signature of the Mayor on May 16, 1986, this legislation was assigned Act No. 6-165, published in the May 30, 1986, edition of the D.C. Register, (Vol. 33 page 3221) and transmitted to Congress on May 21, 1986 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 6-129, effective July 24, 1986.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

May 21,22

June 2,3,4,5,6,9,10,11,12,13,16,17,18,19,20,23,24,25,26,27

July 14,15,16,17,18,21,22,23

EFFECTIVE DATE JUL 24 1986

AN ACT

D.C. ACT 6 - 165

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

MAY 16 1986

To exclude from gross income of corporation and financial institutions dividend and interest income on obligations or securities of the United States, or its agencies or instrumentalities; and to clarify the District of Columbia's prohibition against deductions for expenses incurred in the production of income, which is either exempt or not subject to taxation under the Income and Franchise Tax Act.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Corporation Franchise Tax Amendment Act of 1986".

Sec. 2. Title III of the District of Columbia Income and Franchise Tax Act, effective July 16, 1947 (61 Stat. 331; D.C. Code, sec. 47-1803.1 et seq.), is amended as follows:

(a) Section 2(a)(2)(A) (D.C. Code, sec. 47-1803.2(a)(2)(A)) is amended to read as follows:

D.C. Code,
sec. 47-
1803.2
(1987 supp.)

"(A) After January 23, 1983, interest and dividend income on obligations or securities of the United States, or its agencies or instrumentalities, to the extent that this income is included in Federal gross income."

(b) Section 3(d) (D.C. Code, sec. 47-1803.3(d)) is

D.C. Code,
sec. 47-
1803.3
(1987 supp.)

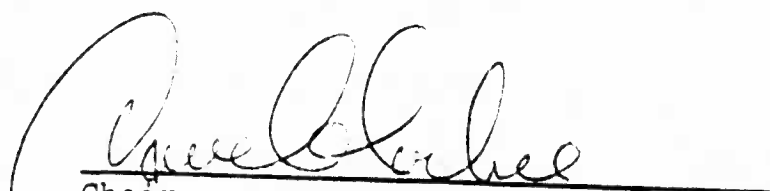
amended by adding the following paragraph at the end thereof:

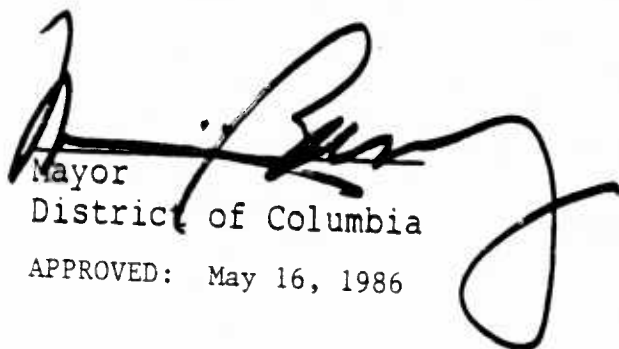
"(7)(A) Expenses incurred to produce income which is either exempt or not subject to taxation under this Act.

(B) Notwithstanding subparagraph (A) of this paragraph, for the period beginning January 23, 1983, through September 30, 1984, expenses incurred to produce interest and dividend income on obligations or securities of the United States, or its agencies or instrumentalities, may be treated as expenses incurred to produce taxable income."

Sec. 3. This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act,

approved December 24, 1973 (87 Stat. 813; D.C. Code, sec.
1-233(c)(1)).


Chairman
Council of the District of Columbia


Mayor
District of Columbia
APPROVED: May 16, 1986

