

COJNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D.C. LAW 7-130

"Income and Franchise Tax Amendment Temporary Act of 1988"

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. 7-468 on first and second readings, April 19, 1988, and May 3, 1988, respectively. Following the signature of the Mayor on May 19, 1988, this legislation was assigned Act No. 7-180, published in the June 3, 1988, edition of the D.C. Register, (Vol. 35 page 4104) and transmitted to Congress on May 20, 1988 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 7-130, effective July 8, 1988.

  
DAVID A. CLARKE  
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

|      |   |
|------|---|
| May  | 20,23,24,25,26,27   |
| June | 1,2,3,6,7,8,9,10,13,14,15,16,17,20,21,22,23,24,27<br>28,29,30 |
| July | 6,7   |

AN ACT

D.C. ACT 7 - 180

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

MAY 19 1988

To amend, on a temporary basis, the District of Columbia Income and Franchise Tax Act of 1947 to provide an exclusion from gross income.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Income and Franchise Tax Amendment Temporary Act of 1988".

Sec. 2. Title III of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 335; D.C. Code, sec. 47-1803.1 et seq.), is amended as follows:

(a) Section 2(a)2 (D.C. Code, sec. 47-1803.2(a)(2)) is amended by adding a new subparagraph (P) to read as follows:

"(P) For tax years beginning after December 31, 1986, in the case of any person entitled to a share in the income of a corporation subject to tax under the provisions of title VII that:

"(i) Is a small business corporation as defined in section 1371 of the Internal Revenue Code of 1954 having an election in effect under section 1372(a) of the Internal Revenue Code of 1954; or

"(ii) Is an S corporation as defined in section 1361(a) of the Internal Revenue Code of 1986; an amount equal to the proportionate share of the person in the income, to the extent that the proportionate share of the income so excluded is reported by and taxed against the corporation under the provisions of title VII."

(b) Section 3(b) (D.C. Code, sec. 47-1803.3(b)) is amended by adding a new paragraph (5) to read as follows:

"(5) For tax years beginning after December 31, 1986, any deduction passing to a stockholder in a corporation subject to tax under the provisions of title VII that:

"(A) Is a small business corporation as defined in section 1371 of the Internal Revenue Code of 1954

D.C. Code,  
sec.  
47-1803.2  
(1989 supp

D.C. Code  
sec.  
47-1803.  
(1989 supp

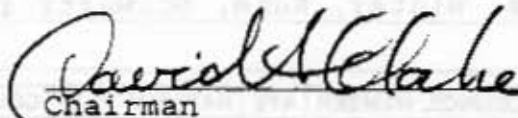
having an election in effect under section 1372(a) of the Internal Revenue Code of 1954; or

"(B) Is an S corporation as defined in section 1361(a) of the Internal Revenue Code of 1986; if the deduction is otherwise allowable under the provisions of subsection (a) of this section in determining the taxable income of the corporation."

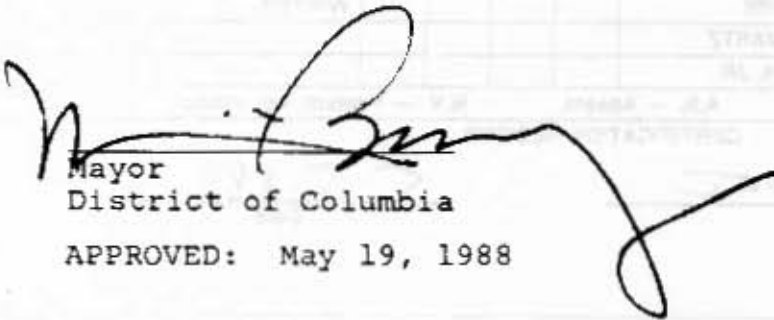
Sec. 3. (a) This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.

(b) This act shall expire on the 225th day of its having taken effect.

Note,  
D.C. Code,  
secs. 47-1803.  
& 47-1803.3  
(1989 supp.)



Chairman  
Council of the District of Columbia



Mayor  
District of Columbia

APPROVED: May 19, 1988



**COUNCIL OF THE DISTRICT OF COLUMBIA**  
Council Period Seven

**RECORD OF OFFICIAL COUNCIL VOTE**

DOCKET NO: 37-468

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 4-19-88

VOICE VOTE: Approved

Recorded vote on request

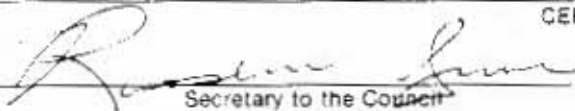
Absent: Rolark, Winter and Schwartz

ROLL CALL VOTE: — RESULT \_\_\_\_\_

| COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. |
|----------------|-----|-----|------|------|----------------|-----|-----|------|------|----------------|-----|-----|------|------|
| CHMN. CLARKE   |     |     |      |      | NATHANSON      |     |     |      |      | THOMAS SR.     |     |     |      |      |
| CRAWFORD       |     |     |      |      | RAY            |     |     |      |      | WILSON         |     |     |      |      |
| JARVIS         |     |     |      |      | ROLARK         |     |     |      |      | WINTER         |     |     |      |      |
| KANE           |     |     |      |      | SCHWARTZ       |     |     |      |      |                |     |     |      |      |
| MASON          |     |     |      |      | SMITH, JR.     |     |     |      |      |                |     |     |      |      |

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

**CERTIFICATION RECORD**

  
Secretary to the Council

5-5-88

Date

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 5-3-88

VOICE VOTE: Approved

Recorded vote on request

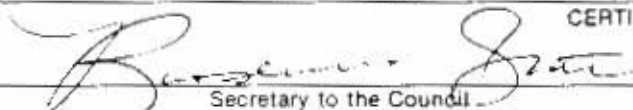
Absent: Thomas, Winter, Kane, Schwartz and Wilson

ROLL CALL VOTE: — RESULT \_\_\_\_\_

| COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. |
|----------------|-----|-----|------|------|----------------|-----|-----|------|------|----------------|-----|-----|------|------|
| CHMN. CLARKE   |     |     |      |      | NATHANSON      |     |     |      |      | THOMAS, SR.    |     |     |      |      |
| CRAWFORD       |     |     |      |      | RAY            |     |     |      |      | WILSON         |     |     |      |      |
| JARVIS         |     |     |      |      | ROLARK         |     |     |      |      | WINTER         |     |     |      |      |
| KANE           |     |     |      |      | SCHWARTZ       |     |     |      |      |                |     |     |      |      |
| MASON          |     |     |      |      | SMITH, JR.     |     |     |      |      |                |     |     |      |      |

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

**CERTIFICATION RECORD**

  
Secretary to the Council

5-5-88

Date

Item on Consent Calendar

ACTION & DATE: \_\_\_\_\_

VOICE VOTE: \_\_\_\_\_

Recorded vote on request

Absent: \_\_\_\_\_

ROLL CALL VOTE: — RESULT \_\_\_\_\_

| COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. |
|----------------|-----|-----|------|------|----------------|-----|-----|------|------|----------------|-----|-----|------|------|
| CHMN. CLARKE   |     |     |      |      | NATHANSON      |     |     |      |      | THOMAS, SR.    |     |     |      |      |
| CRAWFORD       |     |     |      |      | RAY            |     |     |      |      | WILSON         |     |     |      |      |
| JARVIS         |     |     |      |      | ROLARK         |     |     |      |      | WINTER         |     |     |      |      |
| KANE           |     |     |      |      | SCHWARTZ       |     |     |      |      |                |     |     |      |      |
| MASON          |     |     |      |      | SMITH, JR.     |     |     |      |      |                |     |     |      |      |

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

**CERTIFICATION RECORD**