

20 JUL 1976

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. 1-229 on first and second readings February 20, 1976, and March 11, 1976, respectively, with a reconsideration of the final reading on April 6, 1976. Following the Mayor's signature on April 20, 1976, this legislation was assigned Act No. 1-106, published in the May 7, 1976, 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. 1-70, effective June 15, 1976.

STERLING TUCKER  
Chairman to the Council

D.C. LAW 1-70

In the Council of the District of Columbia

June 15, 1976

To provide additional revenue for the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,  
That this act may be cited as the "Revenue Act of 1976".

**TITLE I — REGISTRATION FEES FOR MOTOR VEHICLES AND TRAILERS**

Sec. 101. Section 3 of Title IV of the District of Columbia  
Revenue Act of 1937, approved August 17, 1937 (50 Stat. 681, D.C.  
Code, sec. 40-103) is amended as follows:

(1) The paragraph designated "Class A" of subsection (b) of  
such section (relating to registration fees for passenger motor  
vehicles) is amended to read as follows:

"(1) When wholly equipped with pneumatic tires, a  
registration fee shall be charged according to the manufacturer  
shipping weight as follows:

"Manufacturer's Shipping Weight

Registration Fee

30 JUL 1976

District of Columbia Register

Class I (2800 pounds or less)	\$50
Class II (2801 - 3499 pounds)	\$57
Class III (3500 - 3999 pounds)	\$83
Class IV (4000 pounds or more)	\$96"

(2) The paragraph designated "Class B" of subsection (b) of such section (relating to registration fees for trucks, tractors, and certain commercial motor vehicles) is amended by striking out "\$71", "\$79", "\$92", "\$107", "\$122", "\$132", "\$150", "\$171", "\$218", "\$225", "\$306", and "\$359", and inserting in lieu thereof "\$95", "\$105", "\$123", "\$143", "\$163", "\$176", "\$200", "\$228", "\$291", "\$300", "\$408", and "\$479", respectively.

(3) The paragraph designated "Class C" of subsection (b) of such section (relating to registration fees for trailers) is amended by striking out "\$15", "\$22", "\$36", "\$58", "\$82", "\$107", "\$132", "\$164", "\$218", "\$271", and "\$323", and inserting in lieu thereof "\$20", "\$29", "\$48", "\$77", "\$109",

-3-

"\$143", "\$176", "\$219", "\$291", "\$361", and "\$431", respectively.

(4) The paragraph designated "Class D" of subsection (b) of such section (relating to registration fees for motorcycles, motor bicycles, motor tricycles and motor wheels) is amended by striking out "\$16" and inserting in lieu thereof "\$21".

(5) The paragraph designated "Class E" of subsection (b) of such section (relating to registration fees for antique motor vehicles) is amended by striking out "\$7" and inserting in lieu thereof "\$9".

(6) The paragraph designated "Class F" of subsection (b) of such section (relating to registration fees for dealers' identification tags) is amended by striking out "\$40" and "\$14" and inserting in lieu thereof "\$53" and "\$19", respectively.

**TITLE II -- EXCISE TAX ON ISSUANCE OF  
MOTOR VEHICLE TITLE CERTIFICATES**

-4-

Sec. 201. The first sentence of section 6 of Title III of the District of Columbia Revenue Act of 1949, approved May 27, 1949 (63 Stat. 972; D.C. Code, sec. 40-603(j)) is amended to read as follows: "In addition to the fees and charges levied under other provisions of this Act, there is hereby levied and imposed an excise tax on the issuance of every original certificate of title for a motor vehicle or trailer in the District and, in the case of a sale, resale, gift or other transfer thereof, on the issuance of every subsequent certificate of title (except in the case of a bona fide gift between spouses or between parent and child) at the following percentage of the fair market value of the motor vehicle or trailer at the time the certificate of title is issued:

<u>"Weight Class</u>	<u>Rate of Tax</u>
Class I (2800 pounds or less)	4%
Class II (2801 - 3499 pounds)	5%
Class III (3500 - 3999 pounds)	6%
Class IV (4000 pounds or more)	7%

For the purposes of this section, the Mayor or his duly authorized representative shall determine the fair market value of a motor vehicle or trailer."

TITLE III -- TIME FOR PAYMENT OF REAL ESTATE TAXES  
AND RATES OF TAXATION OF REAL PROPERTY

Sec. 301. The first paragraph of section 5 of the Act of July 3, 1926 (44 Stat. 833, D.C. Code, sec. 47-1209) is amended to read as follows:

"Real estate taxes are due and payable semiannually in two equal installments, the first installment to be paid on or before September 15th, and the second installment to be paid on or before March 31st. Personal taxes of all kinds are due and payable semiannually in two equal installments, the first on or before September 30th, and the second on or before March 31st. If any installment of such taxes is not paid within the time prescribed, the installment shall thereupon be in arrears and delinquent, and there shall be due and collected with said tax a penalty of ten percent of the amount of the installment

in arrears, plus interest on that installment at the rate of one percent per month or portion of a month until the installment is paid. The installment in arrears, plus the penalty and interest due, shall constitute a delinquent tax to be collected in the manner provided by law."

Sec. 302(a). Section 412 of the District of Columbia Real Property Tax Revision Act of 1974, (88 Stat. 1052, D.C. Code, sec. 47-632) is amended to read as follows:

"Sec. 412. The Council, after public hearing, shall by resolution establish each year, within twenty days after the receipt of the Mayor's recommendation under section 413, a rate of taxation which, except as provided in section 431, shall be applied, during the tax year, to the assessed value of all real property subject to taxation. The Council, acting by resolution, may extend the time for setting the rates of taxation. If the Council does extend the time for setting the rates of taxation of real property, it must establish those rates for the year. If the Council fails to establish the

rates of taxation of real property by resolution within those twenty days and fails to extend the time for setting the rates, the rates of taxation of real property submitted by the Mayor pursuant to section 413 shall be the rates of taxation of real property."

(b) Section 413(a) of such Act (D.C. Code, sec. 47-633(a) is amended by striking out "July 15", and inserting in lieu thereof "July 1".

Sec. 303(a) The Council shall establish different categories of real property, including by way of example but not by way of limitation the following: (1) single family residential property, (2) multifamily property and (3) commercial property.

(b) When the uses of a property fall within more than one of the classes enumerated in subsection (a) of this section, the property shall be apportioned into the proper classes and each of the areas resulting from the apportionment shall be taxed at the appropriate real property tax rate.

Sec. 304. If the classes of real property established under section 303 of this act and/or the differing rates of taxation of real property set by the Council are declared to be invalid or inapplicable to any property, the real property tax rate in effect for that property for the immediately

preceding year ending June 30th shall be deemed to have continued in effect.

Sec. 305. Sections 411, 412, 413(a)(1), (b), (c), (d), 414, 415 and 416 of the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1052; D.C. Code, secs. 47-632, 47-634(a)(1), (b), (c), (d), 47-635 and 47-636) are hereby amended by adding the words "or rates" after the word "rate" wherever it appears.

**TITLE IV -- SALES AND USE TAXES ON PUBLIC UTILITIES,**

**SERVICES, FOOD, DRINK AND LODGINGS**

Sec. 401. Paragraph 3 of Section 301 of Title III of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 402. Paragraph 5 of Section 301 of Title III of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 403. Paragraph 9 of Section 301 of Title III of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 404. Paragraph 3 of section 302 of Title III of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 405. Paragraph 5 of section 302 of Title III of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 406. Subsection (j) of section 801 of Title VIII of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 407. Subsection (l) of section 801 of Title VIII of the Revenue Act of 1975 (D.C. Law No. 1-23, effective October 21, 1975) is hereby repealed.

Sec. 408. Section 125 of the District of Columbia Sales Tax Act, (63 Stat. 115, 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 percent of the gross receipts from the sale of or charges for such tangible personal property and services, except that -

"(1) the rate of tax shall be 12 percent of the gross receipts from the sale of or charges for the service of parking or storing of motor vehicles or trailers, except the service of parking or storing of motor vehicles or trailers on a parking lot owned or operated by the Washington Metropolitan Area Transit Authority and located adjacent to a Washington Metropolitan Area Transit Authority passenger stop or station:

"(2) the rate of tax shall be 8 percent of the gross receipts from the sale of or charges for-

"(A) any room or rooms, lodgings, or accommodations furnished to a transient 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) of this title; and

"(C) spirituous or malt liquors, beer and wine sold for consumption on the premises where sold;

"(3) the rate of tax shall be 6 percent of the gross receipts from the sale of spirituous or malt liquors, beer and wine sold for consumption off the premises where sold; and

"(4) the rate of tax shall be 2 percent of the gross receipts from the sale of food or drink as described in section 114(a)(1) of this title when sold from a vending machine."

Enrolled Original

-12-

Sec. 409. Section 212 of the District of Columbia Use Tax Act, (63 Stat. 126, 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 engaging 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 rate of tax imposed by this section shall be 5 percent of the sales price of such tangible personal property and services, except that -

"(1) the rate of tax shall be 12 percent of the gross receipts from the sale of or charges for the service of parking or storing of motor vehicles or trailers, except the service of parking or storing of motor vehicles or trailers on a parking lot owned or operated by the Washington Metropolitan Area Transit Authority and located adjacent to a Washington Metropolitan Area Transit Authority passenger stop or station;

"(2) the rate of tax shall be 8 percent of the gross receipts from the sale 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) of Title I of this Act; and

"(C) spirituous or malt liquors, beer and wine sold for consumption on the premises where sold;

"(3) the rate of tax shall be 6 percent of the gross receipts from the sale of spirituous or malt liquors, beer and wine sold for consumption off the premises where sold; and

"(4) the rate of tax shall be 2 percent of the gross receipts from the sale of food or drink as described in

section 114(a)(1) of Title I of this Act when sold from a vending machine."

TITLE V -- CIGARETTE TAX

Sec. 501. Section 603 of the District of Columbia Cigarette Tax Act, (63 Stat. 137, D.C. Code, sec. 47-2802) is amended by striking out "10" and inserting in lieu thereof "13".

Sec. 502. (a) In the case of cigarette tax stamps purchased prior to the effective date of this title and held on the effective date of this title (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 subsection (b) of this section) 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 this title.

(b) Within twenty days after the effective date of this title, each person licensed under the District of Columbia Cigarette Tax Act (1) shall file with the Mayor, on a form to be prescribed by the Mayor, an affirmed statement showing the number of cigarette tax stamps held by him as of the beginning of the day of the effective date of this title, or if such day is a Sunday, as of the beginning of the immediately following weekday, and (2) shall pay to the Mayor the amount specified in subsection (a) of this section.

(c) Each licensee shall keep and preserve for the twelve month period immediately following the effective date of this title the inventories and other records which form the basis for the information furnished to the Mayor under subsection (b) of this section.

(d) For the purposes of this section, a tax stamp shall be considered to be held by a wholesaler, retailer, or vending

machine operator if title thereto has passed to such wholesaler, retailer, or vending machine 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 vending machine operator.

(e) A violation of the provisions of subsection (a), (b) or (c) of this section shall be punishable as provided in section 611 of the District of Columbia Cigarette Tax Act (D.C. Code, sec. 47-2810).

**TITLE VI -- WATER RATE AND CHARGE FOR SANITARY**

**SEWER SERVICE**

Sec. 601. The third full sentence of section 1 of the part entitled "Water Service" of the Act entitled "An Act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1931, and for other purposes", approved July 3, 1930 (46 Stat. 988; D.C. Code, sec. 43-1520) is amended to

read as follows: "Unless otherwise determined pursuant to section 603 of this Act, after June 30, 1976, the rate for water furnished any premises through metered services shall be 39.4 cents for each one hundred cubic feet of water used."

Sec. 602. (a) The first sentence of subsection (b) of section 701 of Title VII of the Revenue Act of 1975 (D.C. Law No. 1-23), effective October 21, 1975, is redesignated paragraphs "(1)" and "(2)" and amended to read as follows:

"(1) Before July 1, 1976, the charge for sanitary sewer service furnished any premises in the District shall be 90 percent of the charge for water or water services 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.

"(2) Unless otherwise determined pursuant to section 603 of this Act, after June 30, 1976, the charge for sanitary sewer service furnished any premises in the District shall be at the rate of 44.8 cents for each one hundred (100) cubic

- 18 -

feet of water and shall be collected in the same manner and at the same time as water charges are collected."

(b) The second sentence of section 701(b) of said Act is redesignated paragraph "(3)".

(c) The third sentence of section 701(b) of said Act is redesignated paragraph "(4)".

Sec. 603. (a)(1) On or before May 1, 1976, the Mayor shall certify to the Council that all billings for water and water service rendered through October 19, 1975, have been mailed out.

(2) The water rates to become effective after June 30, 1976, according to the provisions of section 601 of this Act, shall be effective if the Council, acting by resolution, determines prior to June 30, 1976, that the Mayor has properly justified those water rates and if the Mayor submits to the Council the certification referred to in paragraph (1).

(3) The water rates in effect after June 30, 1975, shall remain in effect after June 30, 1976, if the Council does not act pursuant to paragraph (2) of this subsection.

(b) (1) On or before May 1, 1976, the Mayor shall certify to the Council that all billings for sanitary sewer service rendered through October 19, 1975, have been mailed out.

(2) The charge for sanitary sewer service to become effective after June 30, 1976, according to the provisions of section 602(a)(2) of this act, shall be effective if the Council, acting by resolution, determines prior to June 30, 1976, that the Mayor has properly justified that charge for sanitary sewer service and if the Mayor submits to the Council the certification referred to in paragraph (1).

(3) The charge for sanitary sewer service in effect after June 30, 1975, shall remain in effect after June 30, 1976, if the Council does not act pursuant to subsection (b)(2) of this section.

-20-

Sec. 604. Before September 30, 1976, the Commissioners of the Public Service Commission of the District of Columbia shall submit a report to the Committee on Finance and Revenue to the Council (1) stating the information which should be submitted to the Council by the Mayor to justify any increase in the water rate and the charge for sanitary sewer service and any change in the rate structure, (2) describing alternative rate structures and methods of determining the proper water rate and charge for sanitary sewer service to be charged users of the water, water services and sewer services provided by the government of the District of Columbia and recommending a rate structure and method of determining proper rates, and (3) suggesting a procedure under which the Public Service Commission of the District of Columbia reviews the Mayor's recommended increase in the water rate or charge for sanitary sewer service and renders to the Council an advisory opinion concerning the appropriateness and legality of the recommended rates.

Sec. 605. Before September 30, 1976, the People's Counsel shall submit a report to the Council (1) stating the effect on consumers of the water rate and charge for sanitary sewer service scheduled to become effective after June 30, 1976, pursuant to sections 601 and 602 of this act, (2) stating what issues affecting consumers should be considered by the Council in setting the water rate and the charge for sanitary sewer service, and (3) relating the experiences, procedure and law in jurisdictions in which a public service commission determines or recommends the rates to be charged by a government-owned utility.

Sec. 606. Paragraph 42 of section 8 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 13, 1914, and for other purposes", approved March 4, 1913 (37 Stat. 984; D.C. Code, sec. 43-412) is amended by designating the present paragraph of the section as subsection "(a)" and adding a new subsection "(b)" to read as follows:

-22-

"(b) The Mayor shall provide and the Public Service Commission of the District of Columbia and the Office of the People's Counsel are authorized to draw from, receive and spend no more than \$50,000, as provided in paragraph (2) of this section, for the costs of preparing the reports required to be submitted to the Council under sections 604 and 605 of the Revenue Act of 1976. The \$50,000 shall be derived from a \$25,000 charge against revenues from water rates and a \$25,000 charge against revenues from the charge for sanitary sewer service. The Public Service Commission of the District of Columbia and the Office of the People's Counsel are authorized to draw, receive and spend up to and including \$30,000 and \$20,000 respectively. In addition the Commission and the Office of the People's Counsel are authorized to draw, receive and spend any amount allocated to the other under this paragraph but not spent."

**TITLE VII -- PAYMENT OF DISTRICT OF COLUMBIA TAXES AND FEES**

**AT PRIVATE FINANCIAL INSTITUTIONS**

Sec. 701. The Council hereby authorizes the Mayor to contract, for a period not to exceed two years from the effective date of the contract, with private financial institutions having an office for the transaction of business with the public located in the District and engaged in business in the District to act as the agent of the District for the receipt, processing and retention of District funds paid as registration fees for motor vehicles and trailers, excise taxes on certificates of title for motor vehicles and trailers, water rates, charges for sanitary sewer service, fees, user charges, real property taxes or personal property taxes.

Sec. 702. A contract entered into by the Mayor under section 701 of this act may be made on the basis of competitive bidding or negotiated bidding.

Sec. 703. (a) The Mayor shall inform the Council of the names and terms of the bids of each of the financial institutions submitting a bid under section 702 of this act

and, for each bidder, the information submitted under subsection (b) of this section, no later than five legislative days before the Mayor enters into a contract under section 701 of this act.

(b) In entering into contracts under this title it shall be the policy of the government of the District of Columbia to enter into contracts only with those financial institutions which have the best records of serving the citizens of the District through their lending and employment policies. To be eligible for such contracts, an institution must submit, along with its bid whether negotiated or competitive, the following information regarding its lending and employment practices in the District for the most recent year:

(1) That information required to be disclosed under section 304, Title III of P.L. 94-200 (12 USC 2403) as originally enacted, and under any subsequent amendments providing for additional (but not less) disclosure;

-25-

(2) The total dollar amounts and percentages of its deposits by Census Tract with sufficient data to show those deposits received from within and without the District; and

(3) The numbers and percentages of its Board of Directors, officers, professional and nonprofessional employees, respectively, who are:

(A) "White", "black", or "other"; and

(B) Residents and nonresidents of the District.

(c) In entering into contracts under this title, the Mayor shall give preference to those institutions which, based on the information submitted under subsection (b) of this section, show clear evidence of marked and exceptional improvement in their lending and employment practices in recent years.

#### TITLE VIII — ANALYSIS OF THE FRANCHISE TAX

Sec. 801. (a) The Mayor shall, within twelve months after the effective date of this title, submit to the Committee on Finance and Revenue of the Council and to the District of

Columbia Auditor, a report analyzing the deductions, exemptions and exclusions available to entities subject to the provisions of the District franchise tax. This report shall include, but not necessarily be limited to, the following information: (1) the policy and economic justification for each deduction, exemption, and exclusion, (2) a sample of the dollar amounts deducted, exempted, and excluded both in the aggregate and according to the size and the category of the business taxed, (3) a sample of the revenue loss to the District resulting from each deduction, exemption and exclusion, both in the aggregate and according to the size and the category of the business taxed, and (4) a bill amending the code of laws for the District to close the loopholes occasioned by the present deductions, exemptions and exclusions available to entities subject to the District franchise tax.

(b) The Mayor shall report to the Committee on Finance and Revenue of the Council bi-monthly on the status of this report.

**TITLE IX -- ANALYSIS OF THE GROSS RECEIPTS**

**TAX ON CERTAIN ENTITIES**

Sec. 901. (a) The Mayor shall, within six months after the effective date of this section, submit to the Committee on Finance and Revenue of the Council and to the District of Columbia Auditor, a report analyzing the appropriateness of the level and the manner of taxation of certain financial institutions, assets and insurance companies. The financial institutions, assets and insurance companies analyzed shall include, but not be limited to national banks, incorporated banks, trust companies, credit unions, guaranty, bonding and title companies, savings banks without capital stock, savings and loan associations, incorporated savings banks, building associations, private banks or unincorporated bankers, note brokers, life insurance companies, life insurance benefits,

mutual insurance companies, industrial sick benefit companies, and workmen's compensation.

(b) The report shall include detailed statements and supporting data relating to (1) whether the present rates and manner of taxation are appropriate, (2) how the levels of taxation and tax burdens on the enumerated entities and assets compare with the tax levels and tax burdens of (A) other District entities, and (B) other financial institutions and insurance companies in the Washington, D.C. metropolitan area and elsewhere in the nation, (3) how the various tax levels and tax burdens of the enumerated entities and assets compare with each other, and (4) the impact of changing the method of determining the tax liability of the enumerated entities and assets from a gross earnings or gross receipts method to a net income method, noting specifically how smaller or recently established entities would be effected by such a change in comparison to larger, longer established entities.

(c) The report shall include (1) a design or designs of a net income tax, including rate levels and revenue estimates, for financial institutions and insurance companies, with justifications and (2) a bill amending the code of laws for the District to effect any changes in the present law deemed necessary as a result of the information compiled pursuant to section 801(b) of this act.

TITLE X -- AMENDMENT OF THE THIRD AMENDMENT

TO THE REVENUE ACT OF 1975 ACT

Sec. 1001. The fifth line of Section 3(v) of the Third Amendment to the Revenue Act of 1975 Act is amended by striking "dies,".

Sec. 1002. Section 6.2 of Chapter I of Title 16 of the D.C. Rules and Regulations is amended by striking "2.5" and inserting in lieu thereof "2".

Sec. 1003. Subsection (e) of section 7.5 of Chapter I of Title 16 of the D.C. Rules and Regulations is amended by striking "2.5" and inserting in lieu thereof "2".

TITLE XI -- AMENDMENTS TO THE INCOME AND FRANCHISE TAX ACT

Sec. 1101. Paragraph 13 of subsection (a) of section 3 of Title III of the District of Columbia Income and Franchise Tax Act of 1947, (61 Stat. 337; D.C. Code, sec. 47-1557b(a)(13)) is amended by striking out the last sentence in the first paragraph and the entire second paragraph and inserting in lieu thereof the following new paragraphs:

"A change in a taxpayer's election to claim the optional standard deduction or to itemize deductions may be made in the same manner as is required and to the same extent as is

permitted under the provisions of section 114(b) of the Federal Internal Revenue Code.

"In the case of a part year resident whose taxable year is less than twelve calendar months, the optional standard deduction shall be ten percent of his adjusted gross income or \$1,000.00 prorated by the number of months in which he was a resident, whichever is lesser. For this purpose, more than one half of a month shall be considered a full month and one half of a month or less shall not be considered."

Sec. 1102. Section 1 of Title V of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1564) is amended by inserting at the end thereof the following:

"(d) Certificates of Nonresidence.--Except for elective officers of the United States Government and any member of the Executive Branch of the United States Government appointed by the President of the United States and subject to confirmation by the Senate of the United States and who serves at the pleasure of the President, all individuals described in the second sentence of section 4(s) of Title I of this article shall file with the Mayor of the District of Columbia a certificate of nonresidence in such form, manner, and at such times as the Mayor shall, by regulation, prescribe."

## TITLE XII -- RATES OF INCOME TAX FOR RESIDENTS

Sec. 1201. (a) Section 3 of Title VI of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1567b(a)) is amended to read as follows:

"Sec. 3. Imposition and Rates of Tax.---In the case of a taxable year beginning after December 31, 1975, there is hereby imposed on the taxable income of every resident a tax determined in accordance with the following table:

"If the taxable income is: The tax is:

"Not over \$1,000.....2% of the taxable income

Over \$1,000 but not over \$2,000.....\$20, plus 3% of excess  
over \$1,000

Over \$2,000 but not over \$3,000.....\$50, plus 4% of excess  
over \$2,000

Over \$3,000 but not over \$4,000.....\$90, plus 5% of excess  
over \$3,000

Over \$4,000 but not over \$5,000.....\$140, plus 6% of excess  
over \$4,000

Over \$5,000 but not over \$10,000.....\$200, plus 7% of excess  
over \$5,000

Over \$10,000 but not over \$13,000.....\$550, plus 8% of excess  
over \$10,000

Over \$13,000 but not over \$17,000.....\$790, plus 9% of excess  
over \$13,000

Over \$17,000 but not over \$25,000.....\$1,150, plus 10% of excess  
over \$17,000

Over \$25,000.....\$1,950, plus 11% of excess  
over \$25,000"

XIII -- GROSS EARNINGS TAX ON BUILDING ASSOCIATIONS

Sec. 1301. Paragraph 9 of section 5 of the Act approved July 1, 1902 (32 Stat. 620; D.C. Code, sec. 47-1704) is amended by striking out "three" and inserting in lieu thereof "two".

TITLE XIV -- EFFECTIVE DATES

Sec. 1401. The amendments made by Titles I and II of this act shall take effect on October 1, 1976.

Sec. 1402. The amendments made by Title III, VI, VII, VIII, IX, and X (except sections 1002 and 1003) of this act 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.

Sec. 1403. The amendments made by Titles IV and V and by sections 1002 and 1003 of Title X shall take effect on the first day of the first month following the date of enactment of this Act, if the date of enactment falls between the first day and the fifteenth day; inclusive, of a month; but such amendment shall take effect on the first day of the first month more than thirty days after such date of enactment, if the date of enactment falls between the sixteenth day and the thirty-first day, inclusive, of a month.

Sec. 1404. The amendments made by Titles XI and XII shall take effect with respect to taxable years beginning on or after January 1, 1976.

Sec. 1405. The amendment made by Title XIII shall take effect with respect to gross earnings for the year ending June 30, 1977, and for each succeeding year ending on the thirtieth day of June.

**TITLE XV -- MISCELLANEOUS PROVISIONS**

Sec. 1501 (a). The provisions of this act are severable, and if any provision, sentence, clause, section or part is held illegal, invalid, unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of the act or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this act would have been adopted if such illegal, invalid, inapplicable or unconstitutional provision, sentence, clause, section or part had not been included herein and if the person or circumstances to which the act or any part is inapplicable had been specifically exempted.

(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, this act, or any suit or proceeding had or

commenced before the effective date of this act, but all rights and liabilities under such law shall continue and may be enforced in the same manner and to the same extent as if the repeal or amendment had not been made.

Sec. 1502 (a) No later than ten legislative days after the date this act becomes law pursuant to section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act, the Mayor shall submit to the Council proposed regulations implementing this act.

(b) The Council, acting by resolution, shall approve regulations implementing this act no later than five legislative days after the date the Mayor submits the proposed regulations required by subsection (a) of this section. If the Council fails to act within the five legislative day period, the regulations proposed by the Mayor shall be deemed to have been approved, effective the fifth legislative day after the date the Mayor submitted the proposed regulations pursuant to subsection (a) of this section.

Docket for the Bill Bill 1-229

Considered in Council 2-20-76

First Vote 8-5-0

**RECORD OF COUNCIL VOTE**

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
TUCKER	X				DIXON		X			SPAULDING	X			
MOORE, D.		X			HARDY		X			WILSON		X		
BARRY		X			HOBSON		X			WINTER		X		
CLARKE	X				MOORE, J.	X								
COATES	X				SHACKLETON		X							

X—Indicates Vote    A. B.—Absent    N. V.—Not Voting

*Robert A Williams*

(Secretary of the Council)

Final Vote in Council 3-11-76

7-5-1

**RECORD OF COUNCIL VOTE**

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
TUCKER	X				DIXON		X			SPAULDING	X			
MOORE, D.		X			HARDY		X			WILSON		X		
BARRY		X			HOBSON		X			WINTER				X
CLARKE	X				MOORE, J.	X								
COATES	X				SHACKLETON	X								

X—Indicates Vote    A. B.—Absent    N. V.—Not Voting

*Robert A Williams*

(Secretary of the Council)

Presented to the Mayor

MAR 25 1976

By memorandum of April 6, 1976, subject  
Bill was returned to Council for reconsideration.

Mayor's Action:

Approved: \_\_\_\_\_

(Mayor's Signature)

Disapproved: \_\_\_\_\_

The Council moved to reconsider final reading of Bill 1-229 to include clarifying  
amendments on April 6, 1976. Vote: 11-1-1(abs).  
Enacted without Mayor's Signature \_\_\_\_\_

(Secretary of the Council)