

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

2001 Edition

2012 Summer
Supp.

West Group
Publisher

To amend, on a temporary basis, section 47-1812.08 of the District of Columbia Official Code to provide that District tax shall be withheld from a retirement distribution that is a lump-sum payment of a payee's entire account balance.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Targeted Retirement Distribution Withholding Temporary Act of 2012".

Sec. 2. Section 47-1812.08(m) of the District of Columbia Official Code is amended to read as follows:

Note,
§ 47-1812.08

"(m)(1) Except as provided in paragraph (2) of this subsection, if a resident payee receives a payment from a retirement plan or retirement account that is a lump-sum distribution, District income tax shall be withheld on the lump-sum distribution by the payor at the highest District individual income tax rate that is in effect at the time of the distribution.

"(2) Paragraph (1) of this subsection shall not apply to:

"(A) Any portion of a lump-sum payment that was previously subject to tax;

"(B) An eligible rollover distribution that is effected as a direct trustee to trustee transfer; or

"(C) A rollover from an individual retirement account to a traditional or Roth individual retirement account that is effected as a direct trustee to trustee transfer.

"(3) For the purposes of this subsection, the term:

"(A) "Lump-sum distribution" means a payment from a payor to a resident payee of the resident payee's entire account balance, exclusive of any other tax withholding and any administrative charges and fees.

"(B) "Retirement account" or "retirement plan" means:

"(i) A qualified employee plan;

"(ii) A qualified employee annuity plan;

"(iii) A defined contribution plan;

"(iv) A defined benefit plan;

"(v) A tax-sheltered annuity plan;

“(vi) An individual retirement account;
“(vii) Any combination of the plans and account listed in
sub-subparagraphs (i) through (vi) of this subparagraph; or
“(viii) Any similarly situated account or plan as defined by the
Internal Revenue Code of 1986.

“(4) This subsection shall apply within 5 days of the effective date of the
Targeted Retirement Distribution Withholding Emergency Act of 2012, effective February 24,
2012 (D.C. Act 19-316; 58 DCR ____).”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal
impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,
approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto
by the Mayor, action by the Council to override the veto), a 30-day period of Congressional
review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved
December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(1)), and publication in the
District of Columbia Register

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia