

AN ACT

Bill 19-747
Act 19-513
effective
November 1,
2012

Codification
District of
Columbia
Official Code
2001 Edition

To amend Title 47 of the District of Columbia Official Code to require the Tax Revision Commission to analyze a proposal to tax the capital gain from the sale of common or preferred shares of a Qualified High Technology Company at the rate of 3%, to repeal a provision relating to qualified capital gain from the sale or exchange of a Qualified High Technology Company, to amend the definition of a Qualified High Technology Company, and to provide an income tax exemption for a Qualified High Technology Company.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Technology Sector Enhancement Act of 2012”.

Technology
Sector
Enhancement
Act of 2012

Sec. 2. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-462(b) is amended as follows:

Amend
§ 47-462

(1) Paragraph (5) is amended by striking the word “and” at the end.

(2) Paragraph (6) is amended by striking the period and inserting the phrase “; and” in its place.

(3) A new paragraph (7) is added to read as follows:

“(7) To analyze a proposal to tax the capital gain from the sale of common or preferred shares of a Qualified High Technology Company, as defined in § 47-1817.01(5)(A), at the rate of 3% if the:

“(A) Shares of the Qualified High Technology Company were held by the investor for at least 24 continuous months; and

“(B) Qualified High Technology Company was headquartered in the District of Columbia on the date of sale.”.

(b) Section 47-1803.02(a)(2)(Q) is repealed.

Amend
§ 47-1803.02

(c) Section 47-1817.01(5)(A) is amended as follows:

(1) Subparagraph (ii) is amended striking the word “employees” and inserting the phrase “employees in the District” in its place.

Amend
§ 47-1817.01

(2) Subparagraph (iii) is amended by striking the phrase “gross revenues” and inserting the phrase “gross revenues earned in the District” in its place.

(d) Section 47-1817.06(a)(2) is amended to read as follows:

Amend
§ 47-1817.06

“(2)(A) A Qualified High Technology Company certified pursuant to § 47-1805.05:

“(i) Before January 1, 2012, shall not be subject to the tax imposed by this chapter for 5 years after the date that the Qualified High Technology Company commences business in the District; and

“(ii) On or after January 1, 2012, shall not be subject to the tax imposed by this chapter for 5 years after the date that the Qualified High Technology Company has taxable income.

“(B) The total amount that each Qualified High Technology Company may receive in exemptions under this paragraph shall not exceed \$15 million.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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.

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.