

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on an emergency basis, Title 47 of the District of Columbia Official Code and the Fiscal Year 2015 Budget Support Act of 2014 to clarify the applicability date of the market-based sourcing legislation and the tax sale interest rate to be paid to certain purchasers; and to amend the Fiscal Year 2015 Budget Support Act of 2014 to provide grant-making authority for a specified purpose to the Deputy Mayor for Planning and Economic Development for Fiscal Year 2015.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Market-based Sourcing Inter Alia Clarification Emergency Amendment Act of 2014”.

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

(a) Section 47-1334 is amended to read as follows:

"§ 47-1334. Interest rate.

"(a) The rate of simple interest on all amounts due, owing, or paid for the taxes sold or bid off to the District under this chapter shall be 1.5% per month or portion thereof until paid, excluding surplus; provided, that interest on the amount sold at tax sale, excluding surplus, shall accrue at the applicable interest rate beginning the first day of the month following the tax sale. No interest shall accrue for surplus, expenses, or the reasonable value of improvements.

"(b) The purchaser shall receive simple interest of 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus, beginning on the first day of the month immediately following when the real property was sold or the certificate of sale was assigned by the Mayor until the payment to the Mayor is made as required under § 47-1361(a), by another purchaser under § 47-1382(c), or by the trustee under § 47-1382.01(d)(2), and as provided in § 47-1354(b) for the period when such other taxes were paid. The purchaser shall receive no interest for expenses or the reasonable value of improvements.”.

(b) Section 47-1348 is amended as follows:

(1) Subsection (a)(10) is amended to read as follows:

“(10) A statement that the rate of simple interest, upon redemption, shall be 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus, beginning on the first day of the month immediately following the date of the tax sale or the date when the certificate of sale was assigned by the Mayor.”.

(2) Subsection (c) is amended by striking the phrase "On redemption, the purchaser will be refunded the sums paid on account of the purchase price, together with interest thereon at the rate of 18% per annum from the date the real property was sold to the date of redemption; provided, that the purchaser shall not receive interest on any surplus." and inserting the phrase "Upon payment to the Mayor as specified in § 47-1361(a) or, if payment to the Mayor is made by another purchaser under § 47-1382(c), the purchaser shall be refunded the sums paid on account of the purchase price, together with simple interest thereon at the rate of 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus, beginning on the first day of the month immediately following the date of the tax sale or the date when the certificate of sale was assigned by the Mayor until the payment to the Mayor is made as required under § 47-1361(a) or § 47-1382(c); provided, that the purchaser shall not receive interest on any surplus." in its place.

(c) Section 47-1353(d) is amended to read as follows:

"(d) Upon payment to the Mayor as specified in § 47-1361(a) or if payment to the Mayor is made by another purchaser as specified in § 47-1382(c), the purchaser shall be refunded the sums paid on account of the purchase price, together with simple interest thereon at the rate of 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus, beginning on the first day of the month immediately following the day of the tax sale to the purchaser or the date when the certificate of sale was assigned by the Mayor until the payment to the Mayor is made as required under § 47-1361(a) or § 47-1382(c); provided, that the purchaser shall not receive interest on any surplus."

(d) Section 47-1810.02(g)(3) is amended to read as follows:

"(3)(A) For the tax years beginning after December 31, 2014, sales, other than sales of tangible personal property, are in the District if the taxpayer's market for the sales is in the District. The taxpayer's market for sales is in the District:

"(i) In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in the District;

"(ii) In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in the District;

"(iii) In the case of the sale of a service, if and to the extent the service is delivered to a location in the District; and

"(iv) In the case of intangible property:

"(I) That is rented, leased, or licensed, if and to the extent the property is used in the District; provided, that intangible property utilized in marketing a good or service to a consumer is used in the District if that good or service is purchased by a consumer who is in the District; and

"(II) That is sold, if and to the extent the property is used in the District; provided, that:

"(aa) A contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is used in the District if the geographic area includes all or part of the District;

"(bb) Receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under sub-sub-paragraph (I) of this sub-subparagraph; and

"(cc) All other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the sales factor.

"(B) If the state or states of assignment under subparagraph (A) of this paragraph cannot be determined, the state or states of assignment shall be reasonably approximated.

"(C) If the taxpayer is not taxable in a state in which a sale is assigned under subparagraph (A) or (B) of this paragraph, or if a state of assignment cannot be determined under subparagraph (A) of this paragraph or reasonably approximated under subparagraph (B) of this paragraph, the sale shall be excluded from the denominator of the sales factor.

"(D) The Chief Financial Officer may prescribe regulations as necessary or appropriate to carry out the purposes of this subsection.

"(E) This paragraph shall apply as of October 1, 2014.'.

Sec. 3. The Fiscal Year 2015 Budget Support Act of 2014, enacted on September 23, 2014 (D.C. Act 20-424; 61 DCR 9990), is amended as follows:

(a) Section 6089 is amended to read as follows:

"Sec. 6089. Notwithstanding section 6088 or the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*), in Fiscal Year 2015, the Deputy Mayor for Planning and Economic Development shall award a grant of \$5 million for the improvement of facilities and operations of the Animal Care and Control Agency selected pursuant to section 3 of the Animal Control Act of 1979, effective October 17, 1979 (D.C. Law 3-30; D.C. Official Code § 8-1802), and a grant of \$1 million for economic development to the Washington, DC Economic Partnership."

(b) Section 7012 (c)(10)(D) is amended by striking the phrase "(3)(A) Sales, other than sales of tangible" and inserting the phrase "(3)(A) For tax years beginning after December 31, 2014, sales, other than sales of tangible" in its place.

(c) Section 7102(c) is amended as follows:

(1) Paragraph (4) is amended by striking the phrase "simple interest of 1%" and inserting the phrase "simple interest of 1.5%" in its place.

(2) Paragraph (12) is amended as follows:

(A) Subparagraph (A)(iii) is amended to read as follows:

"(iii) Paragraph (10) is amended to read as follows:

"(10) A statement that the rate of simple interest, upon redemption, shall be 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus, beginning on the first day of the month immediately following the date of the tax sale or the date when the certificate of sale was assigned by the Mayor.".

(B) Subparagraph (C)(ii) is amended by striking the phrase "1%" and inserting the phrase "1.5%" in its place.

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(3) Paragraph (15)(D) is amended by striking the phrase “1%” and inserting the phrase “1.5%” in its place.

Sec. 4. 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. 5. 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), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia