

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on an emergency basis, due to congressional review, Title 47 of the District of Columbia Official Code 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 Congressional Review Emergency Amendment Act of 2015”.

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.”.

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

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

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

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

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

59 "(d) Upon payment to the Mayor as specified in § 47-1361(a) or if payment to the Mayor
60 is made by another purchaser as specified in § 47-1382(c), the purchaser shall be refunded the
61 sums paid on account of the purchase price, together with simple interest thereon at the rate of
62 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus,
63 beginning on the first day of the month immediately following the day of the tax sale to the
64 purchaser or the date when the certificate of sale was assigned by the Mayor until the payment to
65 the Mayor is made as required under § 47-1361(a) or § 47-1382(c); provided, that the purchaser
66 shall not receive interest on any surplus."

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

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

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

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

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

77 "(iv) In the case of intangible property:

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

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

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

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

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

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

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

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

102 “(E) This paragraph shall apply as of October 1, 2014.’.

103 Sec. 3. Section 6089 of the Fiscal Year 2015 Budget Support Act of 2014, enacted on
104 September 23, 2014 (D.C. Act 20-424; 61 DCR 9990), is amended by striking the period at the
105 end and inserting the phrase “, and a grant of \$1 million for economic development to the
106 Washington, DC Economic Partnership.” in its place.

107 Sec. 4. Fiscal impact statement.

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

111 Sec. 5. Effective date.

112 This act shall take effect following approval by the Mayor (or in the event of veto by the
113 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than
114 90 days, as provided for emergency acts of the Council of the District of Columbia in section
115 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;
116 D.C. Official Code § 1-204.12(a)).