

A BILL

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

34 immediately following when the real property was sold or the certificate of sale was assigned by  
35 the Mayor until the payment to the Mayor is made as required under § 47-1361(a), by another  
36 purchaser under § 47-1382(c), or by the trustee under § 47-1382.01(d)(2), and as provided in §  
37 47-1354(b) for the period when such other taxes were paid. The purchaser shall receive no  
38 interest for expenses or the reasonable value of improvements.”.

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

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

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

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

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

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

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

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

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

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

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

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

77 "(I) That is rented, leased, or licensed, if and to the extent  
78 the property is used in the District; provided, that intangible property utilized in marketing a

79 good or service to a consumer is used in the District if that good or service is purchased by a  
80 consumer who is in the District; and

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

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

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

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

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

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

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

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

102           Sec. 3. The Fiscal Year 2015 Budget Support Act of 2014, enacted on September 23,  
103 2014 (D.C. Act 20-424; 61 DCR 9990), is amended as follows:

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

105           “Sec. 6089. Notwithstanding section 6088 or the Grant Administration Act of 2013,  
106 effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*), in Fiscal  
107 Year 2015, the Deputy Mayor for Planning and Economic Development shall award a grant of  
108 \$5 million for the improvement of facilities and operations of the Animal Care and Control  
109 Agency selected pursuant to section 3 of the Animal Control Act of 1979, effective October 17,  
110 1979 (D.C. Law 3-30; D.C. Official Code § 8-1802), and a grant of \$1,000,000 for economic  
111 development to the Washington, DC Economic Partnership.”.

112           (b) Section 7012 (c)(10)(D) is amended by striking the phrase ““(3)(A) Sales, other than  
113 sales of tangible” and inserting the phrase ““(3)(A) For tax years beginning after December 31,  
114 2014, sales, other than sales of tangible” in its place.

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

116                   (1) Subsection (b) is amended as follows:

117                           (A) Paragraph (4) is amended by striking the phrase “simple interest of  
118 1%” and inserting the phrase “simple interest of 1.5%” in its place.

119                           (B) Paragraph (12) is amended as follows:

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

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

122   ““(10) A statement that the rate of simple interest, upon redemption, shall be  
123 1.5% per month or portion thereof on the amount paid for the real property, excluding surplus,

124 beginning on the first day of the month immediately following the date of the tax sale or the date  
125 when the certificate of sale was assigned by the Mayor." ”.

126 (ii) Subparagraph (C)(ii) is amended by striking the phrase “ 1%”  
127 and inserting the phrase “1.5%” in its place.

128 (C) Paragraph (15)(D) is amended by striking the phrase “excluding  
129 surplus, 1%” and inserting the phrase “excluding surplus, 1.5%” in its place.

130 Sec. 4. Fiscal impact statement.

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

134 Sec. 5 Effective date.

135 This act shall take effect following approval by the Mayor (or in the event of veto by the  
136 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than  
137 90 days, as provided for emergency acts of the Council of the District of Columbia in section  
138 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;  
139 D.C. Official Code § 1-204.12(a)).