

COUNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D.C. LAW 7-25

"Gross Receipts Tax Amendment Act of 1987".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 7-186 on first and second readings, June 30, 1987, and July 14, 1987, respectively. Following the signature of the Mayor on July 17, 1987, this legislation was assigned Act 7-47, published in the August 7, 1987, edition of the D.C. Register, (Vol. 34 page 5068) and transmitted to Congress on July 21, 1987 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 7-25, effective October 1, 1987.

  
DAVID A. CLARKE  
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

July 21,22,23,24,27,28,29,30,31

August 3,4,5,6,7

September 9,10,11,14,15,16,17,18,21,22,23,24,25,28,29,30

AN ACT

D.C. ACT 7 - 47

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUL 17 1987

To amend An Act Making appropriations to provide for the expense of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes to clarify the sale of commodities by telecommunication companies in the District of Columbia for purposes of imposing a gross receipts tax and to provide a limited exemption from and credit against the personal property tax; to amend the District of Columbia Sales Tax Act to provide a limited exemption; and to amend the District of Columbia Use Tax Act to make a technical amendment.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Gross Receipts Tax Amendment Act of 1987".

Sec. 2. Section 6(5) of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes, approved July 1, 1902 (32 Stat. 619; D.C. Code, sec. 47-2501), is amended to read as follows:

D.C. Code,  
sec. 47-2501  
(1988 supp.)

"(5)(A) Before the 21st day of each calendar month, each gas, electric lighting, and telephone company that sells public utility services or commodities within the District of Columbia shall:

"(i) File an affidavit with the Mayor indicating the amount of its gross receipts for the preceding calendar month from the sale of public utility services and commodities within the District of Columbia; and

"(ii) Pay to the Mayor 6.7% of these gross receipts.

"(B)(i) Beginning July 1, 1986, each telecommunication company not subject to the tax imposed by subparagraph (A) of this paragraph shall:

"(I) Report by affidavit filed with the Mayor the amount of its monthly gross receipts from the sale of toll telecommunication services that originate from or terminate on telecommunication equipment located in the District and for which a toll charge or periodic charge is billed to an apparatus, telephone, or account in the District, to a customer location in the District, or to a person residing in the District, without regard to where the bill for the service is physically received; and

"(II) Pay to the Mayor 6.7% of these gross receipts.

"(ii) For each calendar month beginning after September 30, 1987, each telecommunication company shall pay the gross receipts tax imposed by this subparagraph before the 21st day of the succeeding calendar month. The affidavits for each calendar month shall be filed at the time payment is made or on the 20th day of the succeeding calendar month, whichever is earlier.

"(iii)(I) For the period beginning July 1, 1986, and ending August 31, 1987, the gross receipts tax imposed by this subparagraph shall be due on the date that the Gross Receipts Tax Amendment Act of 1987 takes effect. The tax for this period shall be paid in 2 equal installments before November 1, 1987, and before January 1, 1988. The Mayor may, upon written application made before the date prescribed for payment of the tax, grant a reasonable extension of time for paying the tax whenever good cause exists for the extension. The affidavits for each calendar month of this period shall be filed at the time the first installment payment is made or on October 30, 1987, whichever is earlier.

"(II) For the period beginning September 1, 1987, and ending September 30, 1987, the gross receipts tax imposed by this subparagraph shall be paid before October 21, 1987. The required affidavit shall be filed at the time the payment is made or on October 20, 1987, whichever is earlier.

"(III) Each telecommunication company subject to the gross receipts tax imposed by this subparagraph for the period beginning July 1, 1986, and ending September 30, 1987, shall be allowed a credit against the gross receipts tax imposed by this subparagraph for the amount of personal property tax that is allocable to the period beginning July 1, 1986, and ending September 30, 1987, and that is paid pursuant to An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes, approved July 1, 1902 (32 Stat. 617; D.C. Code, sec. 47-1501), and the Personal Property Tax Amendment Act

of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Code, sec. 47-1521 et seq.).

"(iv) Gross receipts from the sale by any telecommunication company of toll telecommunication services for resale to any other telecommunication company subject to the gross receipts tax under this subparagraph shall be exempt from the gross receipts tax under this subparagraph.

"(v) For purposes of this subparagraph:

"(I) The term "telecommunication company" includes and is not limited to every person, as defined in section 109 of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 113; D.C. Code, sec. 47-2001(i)), and lessee of a person who provides for the transmission or reception within the District of Columbia of any form of toll telecommunication service for a consideration.

"(II) The term "toll telecommunication service" means the transmission or reception of any sound, vision, or speech communication for which there is a toll charge that varies in amount with the distance or elapsed transmission time of each individual communication; or the transmission or reception of any sound, vision, or speech communication that entitles a person, as defined in section 109 of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 113; D.C. Code, sec. 47-2001(i)), upon the payment of a periodic charge, which is determined as a flat amount or upon the basis of total elapsed transmission time, to an unlimited number of communications to or from all or a substantial portion of the persons having telephone or radio telephone stations in a specified area that is outside the local telephone system area in which the station providing this service is located.

"(C) Notwithstanding any other provision of law, each gas, electric lighting, telephone company, and telecommunication company subject to the tax imposed by this paragraph shall pay, in addition to the gross receipts tax, the franchise tax imposed by the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 331; D.C. Code, sec. 47-1801.1 et seq.), the real property tax imposed by the District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1052; D.C. Code, sec. 47-801 et seq.), and the personal property tax imposed by An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes, approved July 1, 1902 (32 Stat. 617; D.C. Code, sec. 47-1501), and the Personal Property Tax Amendment Act

of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Code, sec. 47-1521 et seq.), to the extent provided in section 6(10) of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes, approved July 1, 1902 (32 Stat. 620; D.C. Code, sec. 47-1508).

"(D) Before February 1, 1988, the Mayor shall:

"(i) Report to the Council on the tax treatment of telecommunication and related services in other jurisdictions; and

"(ii) Make recommendations as to what, if any, additional telecommunication and related services should be subject to tax by the District.

"(E) The Mayor shall issue retroactive and prospective rules necessary to carry out the provisions of this paragraph in accordance with section 107 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1203; D.C. Code, sec. 1-1506)."

Sec. 3. Section 6(10) of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes, approved July 1, 1902 (32 Stat. 620; D.C. Code, sec. 47-1508), is amended as follows:

D.C. Code,  
sec. 47-1508  
(1988 supp.)

(a) By designating the existing text as subparagraph (A);

(b) By adding a new sub-subparagraph THIRD(A) to subparagraph (A) to read as follows:

"THIRD(A). The personal property of any gas, electric lighting, or telephone company regulated under An Act making appropriations to provide for the expenses of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 974; D.C. Code, sec. 43-101 et seq.), if the gas, electric lighting, or telephone company is subject to a gross receipts tax in force in the District for the period of time or for any portion of the time covered by any return required to be filed by the Personal Property Tax Amendment Act of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Code, sec. 47-1521 et seq.)";

(c) By adding a new sub-subparagraph THIRD(B) to subparagraph (A) to read as follows:

"THIRD(B). The personal property of any telecommunication company, as defined in section 6(5)(B)(v)(I), used or consumed in furnishing a service if

the receipts from furnishing the service are subject to a gross receipts tax in force in the District for the period of time or for any portion of the time covered by any return required to be filed by the Personal Property Tax Amendment Act of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Code, sec. 47-1521 et seq.), except that if the personal property is used both to produce receipts subject to a gross receipts tax in the District and receipts not subject to a gross receipts tax in the District, then the personal property tax exemption shall be allocated in accordance with rules issued by the Mayor."; and

(d) By adding a new subparagraph (B) to read as follows:

"(B) The Mayor shall issue rules necessary to carry out the provisions of sub-subparagraphs THIRD(A) and THIRD (B) in accordance with Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1203; D.C. Code, sec. 1-1501 et seq.)".

Sec. 4. Section 128(f) of the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 115; D.C. Code, sec. 47-2005(5)), is amended to read as follows:

D.C. Code,  
sec. 47-2005  
(1988 supp.)

"(f) Sales of property purchased by a telecommunication company as defined in section (6)(5)(B)(v)(I) of An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes, approved July 1, 1902 (32 Stat. 619; D.C. Code, sec. 47-2501), utility, or public-service company for use or consumption in furnishing a service or commodity if the receipts from furnishing the service or commodity are subject to a gross receipts tax or mileage tax in force in the District for the period of time covered by any return required to be filed by the provisions of this title. If the property purchased is used both to produce receipts subject to a gross receipts tax or mileage tax in the District and receipts not subject to a gross receipts or mileage tax in the District, then this sales tax exemption shall be allocated in accordance with rules issued by the Mayor."

Sec. 5. Section 216(a) of the District of Columbia Use Tax Act, approved May 27, 1949 (63 Stat. 127; D.C. Code, sec. 47-2206(I)), is amended to read as follows:

D.C. Code,  
sec. 47-2206  
(1988 supp.)

"(a) Sales upon which taxes are properly collected under the District of Columbia Sales Tax Act, approved May 27, 1949 (63 Stat. 115; D.C. Code, sec. 47-2001 et seq.)";

Sec. 6. Applicability.

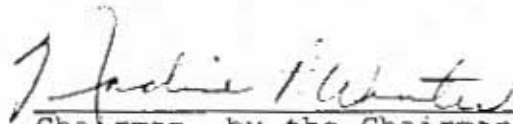
(a) Sections 2, 3(a), 3(d), and 5 shall apply as of the effective date of this act.

(b) Section 4 shall apply to taxable periods beginning after September 30, 1987.

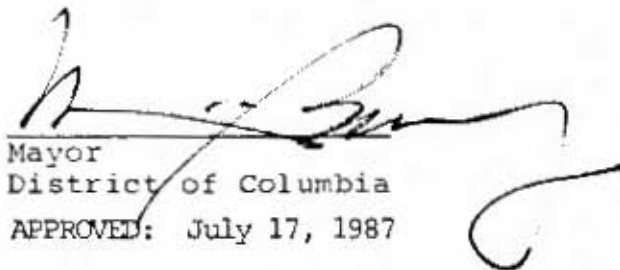
(c) Section 3(b) and 3(c) shall apply for the personal property tax year, as defined under section 2(5) of the Personal Property Tax Amendment Act of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Code, sec. 47-1521 et seq.), or portion of a personal property tax year, occurring after September 30, 1987.

Note, D.C. Code, sec. 47-2501, 47-1508, 47-2206 (1988 supp.)  
Note, D.C. Code, sec. 47-2005 (1988 supp.)  
Note, D.C. Code, sec. 47-1508 (1988 supp.)

Sec. 7. This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)).



Chairman, by the Chairman Pro Tempore  
Council of the District of Columbia



Mayor  
District of Columbia  
APPROVED: July 17, 1987



**COUNCIL OF THE DISTRICT OF COLUMBIA**  
Council Period Seven

**RECORD OF OFFICIAL COUNCIL VOTE**

DOCKET NO: B7-186

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 6-30-87

VOICE VOTE: By Majority, Member Schwartz voted no

Recorded vote on request

Absent: all present

ROLL CALL VOTE: — RESULT \_\_\_\_\_

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

**CERTIFICATION RECORD**

Russell A. Smith  
Secretary to the Council

15 July 1987  
Date

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 7-14-87

VOICE VOTE: By Majority, Member Schwartz voted no

Recorded vote on request

Absent: Kane, Smith and Clarke

ROLL CALL VOTE: — RESULT \_\_\_\_\_

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

**CERTIFICATION RECORD**

Russell A. Smith  
Secretary to the Council

15 July 1987  
Date

Item on Consent Calendar

ACTION & DATE: \_\_\_\_\_

VOICE VOTE: \_\_\_\_\_

Recorded vote on request

Absent: \_\_\_\_\_

ROLL CALL VOTE: — RESULT \_\_\_\_\_

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote      A.B. — Absent      N.V. — Present, not voting

**CERTIFICATION RECORD**

Secretary to the Council

Date