

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification  
District of  
Columbia  
Official Code*

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To amend, on a temporary basis, Title 47 of the District of Columbia Official Code to de-couple District of Columbia law from the depreciation and expense election provisions added to the Internal Revenue Code of 1986 by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Depreciation Allowance for Small Business De-Coupling from the Internal Revenue Code Second Temporary Act of 2004".

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

(a) Section 47-1803.03 is amended as follows:

(1) Subsection (a)(7) is amended as follows:

(A) Strike the phrase "September 11, 2004" and insert the phrase "September 30, 2005" in its place.

(B) Insert the following sentences at the end of the paragraph: "No deduction shall be allowed for the increased expensing for small businesses and subject to the special rules pursuant to section 179 of the Internal Revenue Code of 1986. No expensing of computer software shall be allowed. No increase shall be allowed in Qualifying Investment at which phaseout begins."

(2) Subsection (b)(6) is amended as follows:

(A) Strike the phrase "September 11, 2004" and insert the phrase "September 30, 2005" in its place.

(B) Insert the following sentences at the end of the paragraph: "No deduction shall be allowed for the increased expensing for small businesses and subject to the special rules pursuant to section 179 of the Internal Revenue Code of 1986. No expensing of computer software shall be allowed. No increase shall be allowed in Qualifying Investment at which phaseout begins."

(b) Section 47-1811.04 is amended to read as follows:

"The basis used in determining the amount allowable as a deduction from gross income

Note,  
§ 47-1803.03

Note,  
§ 47-1811.04

under the provisions of § 47-1803.03(a)(7) shall be the same basis as that provided for determining the gain from the sale or other disposition of property for federal income tax purposes under the Internal Revenue Code of 1986; provided, that no adjustment shall be made for the amount of the special depreciation allowance for property acquired after September 10, 2001 and before September 30, 2005 and subject to special rules pursuant to section 168(k) of the Internal Revenue Code of 1986. No deduction shall be allowed for the increased expensing for small businesses and subject to the special rules pursuant to section 179 of the Internal Revenue Code of 1986. No expensing of computer software shall be allowed. No increase shall be allowed in Qualifying investments at which phaseout begins.”.

**Sec. 3. Fiscal impact statement.**

The Council adopts the attached 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.**

(a) 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.

(b) This act shall expire after 225 days of its having taken effect.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia