

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

2001 Edition

**2011 Winter
Supp.**

To amend section 47-2005 of the District of Columbia Official Code to clarify the application of the sales tax exemption for utilities used for processing and refrigeration in a restaurant or hotel restaurant.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Processing Sales Tax Clarification Act of 2010”.

Sec. 2. Section 47-2005(11A) of the District of Columbia Official Code is amended to read as follows:

**Amend
§ 47-2005**

“(11A)(A) Sales of natural or artificial gas, oil, solid fuel, steam, or electricity used for manufacturing, assembling, processing, refining, or refrigeration of goods for sale or resale when used in a restaurant, including a hotel restaurant.

“(B) For the purposes of this paragraph, the term:

“(i) “Hotel” means an establishment where food and lodging are regularly furnished to transients and which has at least 30 guest rooms and a dining room in the same or connected buildings.

“(ii) “Hotel restaurant” means hotel and motel food service facilities, including all banquet and food processing areas used for preparing and serving food to the public.

“(iii) “Restaurant” means a retail establishment licensed by the District of Columbia in the principal business of preparing and serving food to the public. The term “restaurant” shall include pizzerias, delicatessens, ice cream parlors, cafeterias, and take-out counters. The term “restaurant” shall not include beverage counters, including coffee shops and juice bars.

“(C) For the purposes of the application of this paragraph:

“(i) If the usage for utility service measured by a single meter is for more than one use, and the larger portion of the utility services measured by the meter is used for preparing and serving food to the public, all of the sales for the utility service through

the meter shall be exempt.

“(ii) If the usage for utility services measured by a single meter is for more than one use, and the larger portion of the utility services measured by the meter is not used for preparing and serving food to the public, the estimated percentage of utility services measured by the actual usage of power on the meter that is used for preparing and serving food to the public shall be exempt.”.

Sec. 3. Applicability.

This act shall apply as of January 1, 2010.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report 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), 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.

Chairman
Council of the District of Columbia

Mayor
District of Columbia