

COUNCIL OF THE DISTRICT OF COLUMBIA

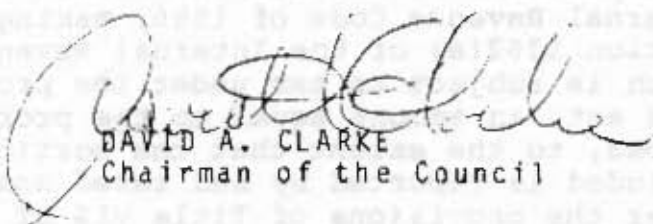
NOTICE

D.C. LAW 7-145

"Income and Franchise Tax Amendment Act  
of 1988".

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. 7-475 on first and second readings, June 14, 1988, and June 28, 1988, respectively. Following the signature of the Mayor on June 30, 1988, this legislation was assigned Act No. 7-197, published in the July 15, 1988, edition of the D.C. Register, (Vol. 35 page 5407) and transmitted to Congress on July 7, 1988 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 7-145, effective September 21, 1988.

  
DAVID A. CLARKE  
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

July 7,8,11,12,13,14,25,26,27,28,29  
August 1,2,3,4,5,8,9,10,11  
September 7,8,9,12,13,14,15,16,19,20

EFFECTIVE DATE SEP 21 1988

AN ACT

D.C. ACT 7 - 197

Codification,  
District of Columbia  
Code  
(1989 Supplement)

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

SEP 30 1988

To amend the District of Columbia Income and Franchise Tax Act of 1947 to provide an exclusion from gross income.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Income and Franchise Tax Amendment Act of 1988".

Sec. 2. Title III of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 335; D.C. Code, sec. 47-1803.1 et seq.), is amended as follows:

(a) Section 2(a)2 (D.C. Code, sec. 47-1803.2(a)(2)) is amended by adding a new subparagraph (P) at the end to read as follows:

Section  
47-1803.2

"(P) In the case of any person entitled to a share in the income of any corporation which is a small business corporation as defined in section 1371 of the Internal Revenue Code of 1954, making an election under section 1372(a) of the Internal Revenue Code of 1954, or an S corporation as defined in section 1361(a) and (b) of the Internal Revenue Code of 1986, making an election under section 1362(a) of the Internal Revenue Code of 1986, and which is subject to tax under the provisions of Title VII of this act, an amount equal to the prorata share of the income, to the extent that the portion of the income so excluded is reported by and taxed against the corporation under the provisions of Title VII of this act."

(b) Section 3(b) (D.C. Code, sec. 47-1803.3(b)) is amended by adding a new paragraph (5) at the end to read as follows:

Section  
47-1803.3

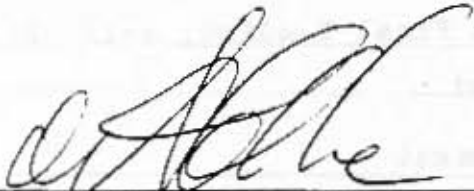
"(5) Any deduction passing to a stockholder in a small business corporation as defined in section 1371 of the Internal Revenue Code of 1954, making an election under section 1372(a) of the Internal Revenue Code of 1954, or an S Corporation as defined in section 1361(a) and (b) of the Internal Revenue Code of 1986, making an election under


section 1362(a) of the Internal Revenue Code of 1986, which is otherwise deductible under the provisions of section 3(a) of Title III of this act and which was allowable in determining the taxable income of the small business corporation or S Corporation subject to tax under the provisions of Title VII of this act."

Sec. 3. The provisions of this act shall apply to taxable years beginning after December 31, 1986.

Note,  
Sections 47-1803.2  
and 47-1803.3

Sec. 4. 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)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.

  
\_\_\_\_\_  
Chairman  
Council of the District of Columbia

  
\_\_\_\_\_  
Mayor  
District of Columbia  
APPROVED: JUNE 30, 1988



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

**RECORD OF OFFICIAL COUNCIL VOTE**

DOCKET NO: B7-475

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 6-14-88

VOICE VOTE: Approved

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**

*Rosemary Jones*  
Secretary to the Council

6-29-88  
Date

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 6-28-88

VOICE VOTE: Approved

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**

*Rosemary Jones*  
Secretary to the Council

6-29-88  
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**