To amend, on an emergency basis, the Fiscal Year 2012 Budget Support Act of 2011 to set forth a requirement for the use of additional estimate revenues in fiscal year 2012, to clarify an applicability date, and to require the undesignation of certain funds; to amend the Department of Health Functions Clarification Act of 2001 to clarify an exemption to permit cigar smoking at a special charity boxing event; to amend section 47-1803.02 of the District of Columbia Official Code to make interest income earned on out-of-state municipal bonds taxable for bonds acquired on or after January 1, 2012; to amend section 47-1803.03 of the District of Columbia Official Code to add an applicability date for the itemized deduction limitation; to amend section 47-1806.03 of the District of Columbia Official Code to establish a new 8.95% personal income tax rate on income above $350,000 for tax years 2012 through 2015; to amend section 47-1812.08 of the District of Columbia Official Code to exclude the standard deduction from withholding calculations for employers, and to clarify the formula to be applied when an employee is entitled to additional withholding exemptions; to amend section 47-2001 of the District of Columbia Official Code to clarify language specifying a mechanism for remittance of taxes on additional charges by room remarketers for occupancy of hotel accommodations; to amend section 47-2201 of the District of Columbia Official Code to incorporate definitions from section 47-2001 of the District of Columbia Official Code; to amend section 47-2202 of the District of Columbia Official Code to apply a 10% rate to the use tax for off-premises consumption of alcohol; to amend section 47-3802 of the District of Columbia Official Code to reduce the scope of a subject-to-appropriations provision; and to amend Chapter 47 of Title 47 of the District of Columbia Official Code to set forth annual certification requirements of continuing eligibility for exemptions and abatements from real property tax.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Revised Fiscal Year 2012 Budget Support Technical Clarification Emergency Amendment Act of 2011".

Sec. 2. The Fiscal Year 2012 Budget Support Act of 2011, effective September 14,
2011 (D.C. Law 19-21; 58 DCR 6226), is amended as follows:

(a) Section 7152 is amended by striking the phrase “priority; provided, that if the amount enumerated in paragraph (5) is not available in its entirety, no funds shall be allocated for that purpose:” from the lead-in language and inserting the phrase “priority; provided, that if the Chief Financial Officer certifies that the amount enumerated in a paragraph has already been allocated from an alternative source, the paragraph shall not apply:” in its place.

(b) Section 8074 is amended by striking the phrase “as of December 31, 2010” and inserting the phrase “for tax years beginning after December 31, 2010” in its place.

(c) Section 10004 is amended by striking the row

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(d) A new section 10004a is added to read as follows:


Sec. 3. Section 4917(b) of the Department of Health Functions Clarification Act of 2001, effective April 4, 2006 (D.C. Law 16-90; D.C. Official Code § 7-743(b)), is amended to read as follows:

“(b) A hotel licensed under D.C. Official Code § 25-113 shall be exempt from the provisions of this part once a year for one day for the purposes of hosting a special event that permits cigar smoking; provided, that the hotel shall:

“(1) Notify the Department of Health in writing in advance of the event;

“(2) Have a ballroom or special-event-catering space with an occupancy of 500 or more persons;

“(3) Pay a fee of $250 to be remitted to the Regulatory Enforcement Fund as established under section 4903;

“(4) Permit employees to opt out of working the special event with no penalty; and

“(5) Have been the recipient of a similar exemption between January 1, 2008, and October 1, 2011.”.
Sec. 4. Section 47-1803.02(a) of the District of Columbia Official Code is amended as follows:

(a) Paragraph (1) is amended to read as follows:

“(1)(A) For taxpayers other than individuals, estates, and trusts, interest upon the obligations of a state, territory of the United States, or any political subdivision thereof, but not including the District, shall be included in the computation of District gross income.

“(B) For individuals, estates, and trusts, interest upon the obligations of a state, territory of the United States, or any political subdivision thereof, but not including the District, acquired by the taxpayer on or after January 1, 2012, shall be included in the computation of District gross income.

“(C) Nothing in this paragraph shall be construed as repealing or limiting the provisions of § 9-921.”.

(b) Paragraph (1A) is repealed

Sec. 5. Section 47-1803.03(b-4) of the District of Columbia Official Code is amended by adding a new paragraph (5) to read as follows:

“(5) This subsection shall apply for tax years beginning after December 31, 2010.”.

Sec. 6. Section 47-1806.03(a) of the District of Columbia Official Code is amended by adding a new paragraph (8) to read as follows:

“(8)(A) In the case of a taxable year beginning after December 31, 2011, there is imposed on the taxable income of every resident a tax determined in accordance with the following table:

If the taxable income is: The tax is:
Not over $10,000.............. 4% of the taxable income
Over $10,000 but not over $40,000........ $400, plus 6% of the excess over $40,000.
Over $40,000 but not over $350,000........ $2,200, plus 8.5% of the excess over $40,000
Over $350,000................. $28,550, plus 8.95% of the excess above $350,000.

“(B) This paragraph shall expire as of January 1, 2016.”.

Sec. 7. Section 47-1812.08 of the District of Columbia Official Code is amended as follows:
(a) Subsection (b)(1) is amended by adding a new subparagraph (E) to read as follows:

“(E) For the method of withholding after December 31, 2011, no allowance for the standard deduction shall be permitted.”.

(b) Subsection (e)(8) is amended to read as follows:

“(8) For periods beginning after December 31, 2011, an employee shall be entitled to additional withholding exemptions under this subsection with respect to payment of wages equal to a number determined by dividing by the personal exemption provided under § 47-1806.02(i) the excess of:

“(A) His or her estimated itemized deductions; over

“(B) The applicable standard deduction amount specified in § 47-1801.04(26).”.

Sec. 8. Section 47-2001 of the District of Columbia Official Code is amended as follows:

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

“(a-1) “Additional charges” means the excess of the sale or charge receipts received by a room remarketer over the net charges.”.

(b) Subsection (h-1) is amended to read as follows:

“(h-1) “Net charges” means the sale or charge receipts for any room or rooms, lodgings, or accommodations furnished to transients, received from a room remarketer by the operator of a hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration.”.

(c) Subsection (n)(1)(C) is amended to read as follows:

“(C) The sale or charge, to include net charges and additional charges, for any room or rooms, lodgings, or accommodations furnished to transients by any hotel, room remarketer, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for consideration.”.

(d) A new subsection (v-2) is added to read as follows:

“(v-2) “Transient” means any person who occupies, or has the right to occupy, any room or rooms, lodgings, or accommodations for a period of 90 days or less during any one continuous stay.”.

Sec. 9. Section 47-2015(a-1) of the District of Columbia Official Code is amended to read as follows:

“(a-1) For purposes of this chapter and Chapter 22, a room remarketer shall be deemed a vendor with respect to additional charges and shall file returns and remit tax with respect to such additional charges. The room remarketer shall collect and remit the tax imposed by this chapter and Chapter 22 with respect to the net charges for the accommodations to the operator of the hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or
accommodations are regularly furnished to transients for a consideration. The operator shall be deemed a vendor with respect to such net charges and shall file returns and remit tax with respect to such net charges.”.

Sec. 10. Section 47-2201(j) of the District of Columbia Official Code is amended to read as follows:
“(j) The definitions of “additional charges,” “business,” “District,” “food or drink,” “gross receipts,” “Mayor,” “net charges,” “person,” “purchaser’s certificate,” “retail establishment,” “return,” “room remarketer,” “sale” and “selling,” “sales price,” “semipublic institution,” “tangible personal property,” “tax,” “tax year,” “taxpayer,” and “transient” as defined in Chapter 20 of this title, are hereby incorporated in and made applicable to this chapter.”.

Sec. 11. Section 47-2202(3A) of the District of Columbia Official Code is amended by striking the phrase "The rate of the tax shall be 9%" and inserting the phrase "Effective October 1, 2011, the rate of the tax shall be 10%" in its place.

Sec. 12. Section 47-3802(b) of the District of Columbia Official Code is amended by striking the phrase “a qualified supermarket, qualified restaurant, or retail store” and inserting the phrase “a qualified restaurant or retail store” in its place.

Sec. 13. Chapter 47 of Title 47 of the District of Columbia Official Code is amended as follows:
(a) The table of contents is amended by adding a new section designation to read as follows:
“47-4704. Applicability.”.
(b) Section 47-4702 is amended to read as follows:
“§ 47-4702. Annual certification of continuing eligibility for exemptions and abatements from real property tax.
“(a) To the extent allowable by law, on or before April 1 of each year, beginning in 2012, and every year thereafter, any nonprofit organization or business entity owning property receiving a real property tax exemption or abatement pursuant to Chapter 10 (other than property exempt under § 47-1002(1), (2), (3), or (21)) or Chapter 46 of this title, regardless of when the exemption or abatement was received, shall be required to file an annual report, under oath, with the Office of the Chief Financial Officer providing:
“(1) The lot and square, parcel, or reservation number of the real property and certifying that the real property has been used during the preceding real property tax year for the purpose for which the exemption or abatement was granted; and
“(2) A description of the community benefits provided pursuant to the provisions of the act granting the tax exemption or abatement, or an update on the progress of the
community benefits identified in the associated act granting the tax exemption or abatement.

“(b) Failure to certify that the property was still eligible for the exemption or abatement based on the use of the property as required by subsection (a)(1) of this section shall result in a termination of the exemption or abatement as of the beginning of the tax year in which the report is required to be filed. If the report is not filed timely, the Office of the Chief Financial Officer shall assess a penalty of $250. This section shall not apply to a property owner that is required to file an annual report pursuant to § 47-1007.

“(c) Upon written application by the property owner filed on or before April 1 of any year, the Office of the Chief Financial Officer may grant a reasonable extension of time for filing the report required under subsection (a) of this section. For reasonable cause, the Office of the Chief Financial Officer may abate the penalty provided under subsection (b) of this section as well as the tax, penalty, and interest resulting from the failure to file the report timely.”.

(c) A new section 47-4704 is added to read as follows:

“§ 47-4704. Applicability.

“This chapter shall apply as of October 1, 2011.”.

This act shall apply as of October 1, 2011.

Sec. 15. Fiscal impact statement.
The Council adopts the fiscal impact statement of the Chief Financial Officer 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. 16. 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), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section
412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

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Chairman
Council of the District of Columbia

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Mayor
District of Columbia