

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 18 of Title 47 of the District of Columbia Official Code to establish the tax rate for a capital gain from a sale or exchange of an investment in a Qualified High Technology Company that meets the specified requirements.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Promoting Economic Growth and Job Creation through Technology Act of 2014”.

Sec. 2. Chapter 18 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:

“47-1817.07a. Tax on capital gain from the sale or exchange of a Qualified High Technology Company investment.”.

(b) A new section 47-1817.07a is added to read as follows:

“§ 47-1817.07a. Tax on capital gain from the sale or exchange of a Qualified High Technology Company investment.

“For tax years beginning after December 31, 2018, notwithstanding any other provision of this chapter and in lieu of the tax imposed by §§ 47-1806.03(a)(7)(A), 47-1807.02(a)(4), and 47-1808.03(a)(4), the tax on a capital gain from the sale or exchange of an investment in a Qualified High Technology Company, as defined in § 47-1817.01(5)(A), shall be at the rate of 3% if:

“(1) The investment was made after the effective date of the Promoting Economic Growth and Job Creation through Technology Act of 2014, passed on 2nd reading on December 2, 2014 (Enrolled version of Bill 20-945);

“(2) The investment was held by the investor for at least 24 continuous months;

“(3) At the time of the investment, the stock of the Qualified High Technology Company was not publicly traded; and

“(4) The investment is in common or preferred stock of the Qualified High Technology Company.”.

Sec. 3. Applicability.

This act, to the extent it reduces revenues below the financial plan, shall apply as of January 1, 2019, or upon the implementation of the provisions in D.C. Official Code § 47-181(c)(17) in effect on the effective date of this act, whichever is later; provided, that the priority list in D.C. Official Code § 47-181(c) is maintained.

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