1 Chairman Kwame R. Brown 2 3 at the request of the Mayor 4 5 6 7 AN ACT 8 9 10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA 11 12 13 14 15 To amend Title 47 of the District of Columbia Code to eliminate reference to a repealed law and to allow an income tax exemption for all Qualified High Technology Companies located 16 in the District of Columbia, to modify the tax rate for capital gain from the sale of an 17 investment in a Qualified High Technology Company, and to repeal a section. 18 19 20 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this 21 act may be cited as the "Technology Sector Enhancement Act of 2012". 22 Sec. 2. Title 47 of the District of Columbia Code is amended as follows: 23 Section 47-1817.06(a)(2) is amended to read as follows: 24 "(2)(A) A Qualified High Technology Company within the District of Columbia 25 shall not be subject to the tax imposed by this chapter for 5 years after the date that the Qualified High Technology Company has taxable income. 26 27 "(B) The total dollar amount that each Qualified High Technology Company may 28 receive in exemptions under paragraph (2)(A) of this subsection shall not exceed \$15 million.". 29 Sec. 3. Title 47 of the District of Columbia Code is amended as follows: 30 (a) The table of contents for Chapter 18 is amended by inserting the section 31 designation "47-1817.07a. Tax on capital gain from the sale or exchange of a Qualified High 32 Technology Company investment." after the section designation "47-1817.07. Rollover of 33 capital gain from qualified stock to other qualified stock.".

1	(b) A new section 47-1817.07a is added to read as follows:
2	"§47-1817.07a. Tax on capital gain from the sale or exchange of a Qualified High
3	Technology Company investment.
4	"(a) For tax years beginning January 1, 2013, notwithstanding any provision of this
5	chapter and in lieu of the tax imposed by D.C. Official Code §§ 47-1806.03(a)(7)(A), 47-
6	1807.02(a)(4) and 47-1808.03(a)(4) the tax on capital gain from the sale of an investment in a
7	District of Columbia Qualified High Technology Company as defined in D.C. Official Code 47
8	1817.01(5)(A) will be taxed at the rate of 3% if:
9	"(1) During the taxable year, the investor disposed of some or all of his or her
10	investment in the Qualified High Technology Company;
11	"(2) The investment is entirely in the stock, common or preferred, of the Qualified
12	High Technology Company;
13	"(3)The investment in the Qualified High Technology Company was held by the
14	investor for at least twenty-four continuous months.".
15	(c) Section §47-1803.02(a)(2)(Q) is repealed.
16	Sec. 4. Fiscal Impact Statement
17	The Council adopts the fiscal impact statement of the Chief Financial Officer, as the
18	fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule
19	Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).
20	Sec. 5. Effective Date.
21	This act shall take effect following approval by the Mayor (or in the event of veto by the
22	Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
23	provided in section 602 (c)(1) of the District of Columbia Home Rule Act, approved December

- 1 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02 (c)(1)), and publication in the District of
- 2 Columbia Register.

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