



COUNCIL OF THE DISTRICT OF COLUMBIA  
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**JACK EVANS**  
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September 21, 2012

The Honorable Anthony A. Williams  
Chairperson, Tax Revision Commission  
c/o Federal City Council  
1156 15<sup>th</sup> Street, NW  
Washington, DC 20005

Dear Mayor Williams:

On September 19, 2012, the Council of the District of Columbia passed on first reading, Bill 19-747, the "Technology Sector of 2012". The bill was amended to remove the proposed capital gains tax incentive whereby Qualified High Technology Company investors would be taxed at 3% if certain conditions are met. The amendment also included language stating the Tax Revision Commission analyze and review this proposal. As such, I am attaching a copy of the amendment and ask that you incorporate this into the research agenda for the Tax Revision Commission.

Thank you very much for your time and attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jack Evans", written over a large, stylized blue flourish.

Councilmember Jack Evans  
Chairman, Committee on Finance and Revenue

AN AMENDMENT #1

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DATE: September 19, 2012

Amendment offered by Councilmember Evans to: Bill 19- 747 "Technology Sector Enhancement Act of 2012".

P.R. No. \_\_\_\_\_  
Bill No. 19-747  
Other \_\_\_\_\_

Version: Introduced \_\_\_\_\_  
Committee Print   x    
First Reading \_\_\_\_\_  
Amended First Reading \_\_\_\_\_  
Engrossed \_\_\_\_\_  
Enrolled \_\_\_\_\_  
Unidentified \_\_\_\_\_  
Emergency Legislation \_\_\_\_\_

**1. Sec. 2 page 2 Line 13**

Strike section 2(e) in its entirety.

**2. Insert a new section 4 to read as follows:**

Sec. 4. Tax Revision Commission review.

The Tax Revision Commission, established pursuant to section 7062 of Title VII of the Fiscal Year 2012 Budget Support Act of 2011 (D.C. Law 19-21, 58 DCR 6226), shall analyze and review the proposed tax on the capital gain from the sale of common or preferred shares of a Qualified High Technology Company as defined in § 47-1817.01(5)(A), to be taxed at the rate of 3% if the:

“(1) Shares of the Qualified High Technology Company were held by the investor for at least 24 continuous months; and

“(2) Qualified High Technology Company was headquartered in the District of Columbia on the date of sale.”.

**3. Renumber subsequent sections accordingly.**

**Rationale:**

This amendment would eliminate the addition of a new section 47-1817.07a which would have provided for a 3% tax on the capital gain from the sale of common or preferred shares of a QHTC. This amendment would also require the Tax Revision Commission, established in the Fiscal Year 2012 budget, to analyze and review this proposal.