
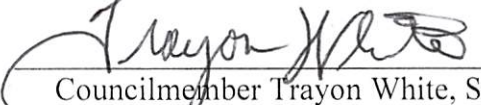


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3 Councilmember Robert C. White, Jr.

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5 Councilmember Anita Bonds


Councilmember Brandon T. Todd


Councilmember Trayon White, Sr.

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9 A BILL

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14 IN THE COUNCIL OF DISTRICT OF COLUMBIA
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18 To establish a tax credit to create incentives for certified business enterprises and certified small
19 business enterprises to purchase qualified data breach insurance, to establish a \$1,000 tax
20 credit toward the corporate or unincorporated taxes a CBE or a certified SBE pays when
21 it purchases data breach insurance; to require the Council to reauthorize the use of this
22 tax incentive annually, to require the Chief Financial Officer to establish rules and
23 regulations to implement this act.

24
25 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
26 act may be cited as the "Small Business Cybersecurity Tax Credit Act of 2019".

27 Sec. 2. Definitions.

28 For the purposes of this act, the term:

29 (1) "Qualified data breach insurance" means coverage provided by an insurance
30 company for expenses or losses in connection with the theft, loss, disclosure, inaccessibility, or
31 manipulation, of data.

32 (2) "CBE" means a certified business enterprise as defined in section 302 of the
33 Small, Local, and Disadvantaged Business Enterprise Employment and Assistance Act of 2005,
34 effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(1B)).

35 (3) "Certified SBE" means a small business enterprise as defined in section 302 of
36 the Small, Local, and Disadvantaged Business Enterprise Employment and Assistance Act of
37 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(16)).

38 (4) "CFO" means the Chief Financial Officer as defined in section 424(a) of the
39 District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 774; D.C. Official
40 Code § 1-204.24(a)).

41 Sec. 3. Tax credit for purchasing qualified data breach insurance.

42 (a) A qualified small business is entitled to a credit against payment of taxes withheld
43 under D.C. Official Code § 47-1807 or § 47-108 for calendar years ending on or after 12 months
44 from the date when qualified data breach insurance is purchased.

45 (b) The credit shall be claimed for the first calendar year ending on or after the date on
46 which the qualified data breach insurance was purchased.

47 (c) The credit shall not exceed \$1,000.

48 Sec. 4. Duties of the CFO.

49 (a) The CFO shall adopt rules necessary to implement this act. The rules may provide for
50 recipients of credits under this act to be charged fees to cover administrative costs of the tax
51 credit program.

52 Sec. 5. Fiscal impact statement.

53 The Council adopts the fiscal impact statement in the committee report as the fiscal
54 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
55 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

56 Sec. 6. Effective date.

57 This act shall take effect following approval by the Mayor (or in the event of veto by the
58 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
59 provided in section 602(c)(2) of the District of Columbia Home Rule Act, approved December
60 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(2)), and publication in the District of
61 Columbia Register.