

A RESOLUTION

22-715

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 18, 2018

To declare the existence of an emergency with respect to the need to amend Title 47 of the District of Columbia Official Code to provide for triggers to lower the commercial property tax rate for real property with an assessed value of greater than \$10 million, to provide that for a certain period specified revenue shall be directed to the Commission on the Arts and Humanities, to clarify that a person or a retailer without a physical presence in the District are vendors required to collect and pay sales tax on retail sales, to expand the definition of retailer to include marketplace facilitators and marketplace sellers, to clarify that the sale of electronically delivered products is a retail sale subject to sales tax, to make conforming changes to the use tax regarding electronically delivered products, to clarify that electronically delivered products subject to sales or use tax are not subject to the gross receipts tax; and to repeal Chapter 39A.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Internet Sales Tax Emergency Declaration Resolution of 2018”.

Sec. 2. (a) In June 2018, the United States Supreme Court, in *South Dakota v. Wayfair, Inc.* (138 S. Ct. 2080; 201 L. Ed. 2d 403 (2018)), upheld a South Dakota law that imposed sales tax collection and reporting requirements on large out-of-state retailers that did not have a physical presence in the jurisdiction.

(b) As a result of the Court’s decision that jurisdictions may tax remote sales even if the seller does not have a physical presence in the jurisdiction, the Council passed the Internet Sales Tax Amendment Act of 2018, passed on 2nd reading on December 4, 2018 (Enrolled version of Bill 22-914) (“permanent legislation”).

(c) The permanent legislation, which has an applicability date of January 1, 2019, will not be law by January 1, 2019.

(d) It is important that the provisions of the permanent legislation become law as soon as possible so that they apply by January 1, 2019.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Internet Sales Tax Emergency Amendment Act of 2018 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.