Appropriation.

SEC. 4. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

Approved March 29, 1956.

Public Law 460 CHAPTER 154

March 31, 1956
[H. R. 9770]

AN ACT

To provide revenue for the District of Columbia, and for other purposes.

District of Columbia Revenue Act of 1956.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Revenue Act of 1956".

TITLE I—AMENDMENTS TO DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947

SEC. 2. (a) The first sentence of section 4 (u) of title I of the District of Columbia Income and Franchise Tax Act of 1947, as amended (61 Stat. 331; D. C. Code, sec. 47–1551c (u)), is amended by inserting after "was received from the taxpayer" a comma and the following: "and whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $500".

(b) Paragraph (9) of section 4 (u) of title I of said Act is repealed.

(c) Section 4 of title I of said Act is amended by adding at the end thereof the following new subsections:

"Head of family".

"(v) The term 'head of a family' means an individual who maintains in one household one or more dependents as defined in paragraph (u) of this section. The personal exemption for dependents shall be allowed to the head of a family for dependents in excess of one dependent.

"Wages".

"(w) The term 'wages' means wages as defined in section 3401 (a) of the Internal Revenue Code of 1954.

"Payroll period".

"(x) The term 'payroll period' means payroll period as defined in section 3401 (b) of the Internal Revenue Code of 1954.

"Employer".

"(y) The term 'employer' means employer as defined in section 3401 (d) of the Internal Revenue Code of 1954.

"Employee".

"(z) The term 'employee' shall apply only to individuals having a place of abode or residing or domiciled within the District at a time a tax is required to be withheld by an employer, and to every other individual who maintained a place of abode within the District for more than seven months of the taxable year, whether domiciled in the District or not. The term 'employee' shall include an officer of a corporation, but shall not include any elective officer of the Government of the United States or any officer or employee in the legislative branch of the Government of the United States whose compensation is paid by the Secretary of the Senate or the Clerk of the House of Representatives, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officer of the executive branch is domiciled within the District on the last day of the taxable year."

Medical care. Deductions.

SEC. 3. The two provisos at the end of section 3 (a) (9) of title III of said Act (D. C. Code, sec. 47–1557b (a) (9)) are amended to read as follows: "*Provided, however*, That a taxpayer may deduct only such expenses as exceed 5 per centum of his adjusted gross income,

or 5 per centum of the aggregate adjusted gross income in the case of husband and wife filing joint return: *And provided further*, That the maximum deduction for the taxable year shall not exceed $2,500 in the case of a husband and wife filing a joint return, or $1,250 in the case of all other residents."

SEC. 4. Section 3 (a) (13) of title III of said Act (D. C. Code, sec. 47–1557b (a) (13)) is amended to read as follows:

"(13) OPTIONAL STANDARD DEDUCTION.—In lieu of the foregoing deductions, any resident may elect to deduct for the taxable year an optional standard deduction of 10 per centum of the adjusted gross income or $500, whichever is lesser; in the case of joint returns filed by husband and wife, living together, the standard deduction of each shall be 10 per centum of the adjusted gross income of each or $500 for each, whichever is lesser; in case of separate returns by husband and wife, living together, the standard deduction of each shall be 10 per centum of the adjusted gross income or $500 for each, whichever is lesser. Such election shall be irrevocable for the taxable year for which such election is made and specific deductions may not be later used: *Provided*, That the option provided in this paragraph shall not be permitted on any return filed for any period less than a full calendar or a full fiscal year: *Provided further*, That in the case of husband and wife living together, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction."

Restrictions.

SEC. 5. Subsections (a) and (b) of section 2 of title V of said Act (D. C. Code, sec. 47–1564a) are amended to read as follows:

63 Stat. 131.

"(a) RESIDENTS AND NONRESIDENTS.—Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when—

"(1) his gross income for the taxable year exceeds $1,000, if single, or if married and not living with husband or wife; or

"(2) his gross income for the taxable year exceeds $2,000 if married and living with husband or wife; or

"(3) his gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds $5,000, regardless of the amount of his gross income; or

63 Stat. 345. D. C. Code 47-1574 to 47-1574e.

"(4) the combined gross income for the taxable year of a husband and wife living together exceeds $2,000 in the aggregate, or the combined gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds $5,000 regardless of the amount of their gross income.

"(b) FIDUCIARIES.—Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) for—

"(1) every individual for whom he acts having a gross income for the taxable year of $1,000 or over, if single, or if married and not living with husband or wife;

"(2) every individual for whom he acts having a gross income for the taxable year of $2,000 or over, if married and living with husband or wife;

"(3) every estate for which he acts, the gross income of which for the taxable year is $1,000 or over;

"(4) every trust for which he acts, the gross income of which for the taxable year is $1,000 or over."

SEC. 6. Section 2 of title VI of said Act (D. C. Code, sec. 47–1567a) is amended to read as follows:

"SEC. 2. PERSONAL EXEMPTIONS.—There shall be allowed to residents the following credits against net income:

"(a) An exemption of $1,000 for a single person or a married person not living with husband or wife.

Head of family.

"(b) An exemption of $2,000 for a head of a family or a married person living with husband or wife. A husband and wife living together shall receive but one personal exemption of $2,000, but if such husband and wife make separate returns the personal exemption may be taken by either or divided between them.

Dependents.

"(c) An exemption of $500 for each dependent, as defined in this article, whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $500, except that the exemption shall not be allowed in respect of a married dependent who has made a joint return with his spouse for the taxable year beginning in such calendar year.

Change in marital status.

"(d) If the status of a taxpayer changes during the taxable year with respect to his marital status the amount allowed under subsection (b) of this section shall be apportioned in accordance with the number of months before and after such change. For the purposes of this subsection, a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month.

Death of taxpayer.

"(e) Beginning with the first taxable year to which this article is applicable and in succeeding taxable years, the amounts allowed under subsections (a), (b), and (c) of this section shall be prorated to the day of death in the final return of a decedent dying before the end of the taxable year, and as of the date of death the personal exemption is terminated and not extended over the remainder of the taxable year.

Return for fractional part of year.

"(f) In the case of a return made for a fractional part of a taxable year, the personal exemptions and credits for dependents shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided as the number of months in the period for which the return is made bear to twelve months."

SEC. 7. Section 3 of title VI of said Act (D. C. Code, sec. 47-1567b) is amended to read as follows:

"SEC. 3. IMPOSITION AND RATES OF TAX.—There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

"Two and one-half per centum on the first $5,000 of taxable income.

"Three per centum on the next $5,000 of taxable income.

"Three and one-half per centum on the next $5,000 of taxable income.

"Four per centum on the next $5,000 of taxable income.

"Four and one-half per centum on the next $5,000 of taxable income.

"Five per centum on the taxable income in excess of $25,000."

SEC. 8. Title VI of said Act is amended by adding immediately after the end of section 3 of such title the following new section:

"SEC. 4. (a) OPTIONAL METHOD OF COMPUTATION.—In lieu of the method of computation prescribed by section 3 of this title, a resident reporting on a cash basis for any full calendar year who does not claim credit for taxes paid by him to any State or Territory of the United States or political subdivision thereof under the provisions of section 5 of this title on the whole or any part of his income for such calendar year and, if his gross income for such calendar year is $10,000 or less, and is derived solely from salaries, wages, dividends, and interest, may elect to pay the tax in accordance with a table to be included in regulations.

"(b) In applying such table, to determine whether the taxpayer is entitled to the personal exemption of $1,000 or $2,000, his status on the last day of his taxable year, as defined in this article, shall control. Application of schedule.

"(c) An individual not living with husband or wife on the last day of the taxable year for the purposes of this article, shall be considered as a single person.

"(d) The election given by this section as to the computation of tax due shall be considered to have been made if the taxpayer files the return prescribed for such computation and such election shall be final and irrevocable.

"(e) If the taxpayer for any taxable year has filed a return computing his tax without regard to this section, he may not thereafter elect for such year to compute his tax under this section.

"(f) This section shall not apply to any fiduciary or to any married resident living with husband or wife at any time during the taxable year whose spouse files a return and computes the tax without regard to this section or section 3 (a) (13) of title III of article I, as amended. *Ante*, p. 69.

"(g) If a husband and wife living together file separate returns, each shall be treated as a single person for the purposes of this section."

SEC. 9. Section 5 of title VI of said Act (D. C. Code, sec. 47–1567d) is amended by inserting "(a)" immediately after "SEC. 5." and by adding at the end thereof the following new subsection:

"(b) CREDIT FOR TAX WITHHELD ON WAGES.—The amount deducted and withheld as tax under this article during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the tax imposed by this article, for taxable years beginning in such calendar year. If more than one taxable year begins in such calendar year such amount shall be allowed as a credit against the tax for the last taxable year so beginning."

SEC. 10. Subsection (a) of section 7 of title XII of said Act (D. C. Code, sec. 47–1586f) is amended to read as follows:

"SEC. 7. (a) TIME OF PAYMENT.—(1) Except as provided in paragraph (2) of this subsection, one-half of the total amount of the tax due as shown on the taxpayer's return shall be paid to the Collector on the 15th day of April following the close of the calendar year and the remaining one-half of such tax shall be paid to the Collector on the 15th day of October following the close of the calendar year, or, if the return be made on the basis of a fiscal year, then one-half of the total amount of such tax shall be paid on the 15th day of the fourth month following the close of the fiscal year and the remaining one-half of such tax shall be paid on the 15th day of the tenth month following the close of the fiscal year.

"(2) INDIVIDUAL INCOME TAXES.—Any amount of individual income tax due, in excess of that withheld or remitted by way of a declaration of estimated tax, is due and payable in full at the time prescribed in this article for filing an income tax return.

"(3) DEFICIENCIES.—Any deficiency in any tax imposed by this article, determined by the Assessor under the provisions of section 5 of this title shall be due and payable within ten days from the date of the assessment. D. C. Code 47-1567d.

"(4) EMPLOYERS.—Every employer required to deduct and withhold tax under this article shall, for the quarterly period beginning October 1, 1956, and for each quarterly period thereafter, on or before the last day of the month following the close of each quarterly period make return to the Assessor and pay over to the Collector the tax required to be withheld under this article.

"(5) JEOPARDY WITHHOLDING ASSESSMENTS.—If the Assessor, in any case, has reason to believe that the collection of the tax provided for in

paragraph (4) of subsection (a) of this section is in jeopardy, he may require the employer to make such a return and pay such tax at any time.

"(6) PAYMENT OF ESTIMATED TAX.—The estimated tax provided for in this article shall be paid as follows:

"(A) If the declaration is filed on or before April 15 of the taxable year, the estimated tax shall be paid in four equal installments. The first installment shall be paid at the time of the filing of the declaration; the second and third on July 15 and October 15 respectively, of the taxable year and the fourth on January 15 of the succeeding taxable year.

"(B) If the declaration is filed after April 15 and not after July 15 of the taxable year and is not required by this article to be filed on or before April 15 of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid at the time of the filing of the declaration; the second on October 15 of the taxable year and the third on January 15 of the succeeding taxable year.

"(C) If the declaration is filed after July 15 and not after October 15 of the taxable year and is not required by this article to be filed on or before July 15 of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid at the time of the filing of the declaration, and the second on January 15 of the succeeding taxable year.

"(D) If the declaration is filed after October 15 of the taxable year, and is not required by this article to be filed on or before October 15 of the taxable year, the estimated tax shall be paid in full at the time of the filing of the declaration.

"(E) If the declaration is filed after the time prescribed in this article, including cases where extensions of time have been granted, subparagraphs (B), (C) and (D) of paragraph (6) of subsection (a) of this section shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration had been filed within the time prescribed in this article, and the remaining installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed.

Amended declaration.

"(7) If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased, as the case may be, to reflect the respective increase or decrease in the estimated tax by reason of such amendment, and if any amendment is made after October 15 of the taxable year any increase in the estimated tax by reason thereof shall be paid at the time of making such amendment.

"(8) In the application of paragraphs (4), (5), (6) and (7) of subsection (a) of this section to taxpayers reporting income on a fiscal year basis, there shall be substituted for the dates specified therein, the months corresponding thereto."

SEC. 11. Section 8 of title XII of said Act (D. C. Code, sec. 47-1586g) is amended by inserting "(a)" after "SEC. 8." and by adding at the end thereof the following new subsections:

"(b) WITHHOLDING OF TAX BY EMPLOYER.—Every employer making payment of wages on or after October 1, 1956, to any employee as defined in this article, shall deduct and withhold a tax upon such wages, such tax to be determined by one of the following methods, to be elected by the employer, subject to the approval of the Assessor, with respect to any employee—

in accordance with a percentage method of withholding similar in principle to that under section 3402 of the Internal Revenue Code of 1954, to be included in regulations;

68A Stat. 457. 26 USC 3402.

in accordance with tables similar in principle to those contained in section 3402 of the Internal Revenue Code of 1954, to be included in regulations;

in accordance with a percentage of the amount of tax withheld under section 3402 of the Internal Revenue Code of 1954, or comparable provision in effect at the time with respect to the withholding of United States income tax, such percentage to be included in regulations; or

by such other method as may be prescribed in regulations.

"(1) If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

"(2) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(3) In determining the amount to be deducted and withheld under this section the wages may, at the election of the employer, be computed to the nearest dollar.

"(4) The Commissioners may, by regulations, authorize employers—

"(A) to estimate the wages which will be paid to any employee in any quarter of the calendar year;

"(B) to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

"(C) to deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon the wages of such employee during such quarter to the amount that would be required to be deducted and withheld during such quarter if the payroll period of the employee were quarterly.

"(5) The Commissioners are authorized to provide by regulation, under such conditions and to such extent as they deem proper, for withholding in addition to that otherwise required under this section in cases in which the employer and the employee agree to such additional withholding. Such additional withholding shall for all purposes be considered the tax required to be deducted and withheld under this section.

"(c) OVERLAPPING PAY PERIODS.—If payment of wages is made to an employee by an employer—

"(1) with respect to a payroll period or other period, any part of which is included in a payroll period or other period with respect to which wages are also paid to such employee by such employer;

"(2) without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid to such employee by such employer;

"(3) with respect to a period beginning in one and ending in another calendar year; or

"(4) through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of, or pays the wages payable by another employer to such employee, the manner of withholding and the amount to be deducted and withheld under this section shall be determined in accordance with regulations promulgated by the Commissioners under which the withholding exemption allowed to the employee in any calendar year shall approximate the withholding exemption allowable with respect to an annual payroll period.

"(d) INCLUDED AND EXCLUDED WAGES.—If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than thirty-one consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"(e) WITHHOLDING EXEMPTIONS.—(1) An employee receiving wages shall on any day be entitled to the withholding exemptions allowed under this article.

"(2) Every employee shall, on or before October 1, 1956, or before the date of commencement of employment, whichever is later, furnish his employer with a signed withholding exemption certificate relating to the withholding exemptions which he claims, which in no event shall exceed the number to which he is entitled.

"(3) Withholding exemption certificates shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which such certificate is so furnished: *Provided*, That certificates furnished before October 1, 1956, shall be considered as furnished on that date.

"(4) A withholding exemption certificate which takes effect under this section shall continue in effect with respect to the employer until another such certificate takes effect under this section. If a withholding exemption certificate is furnished to take the place of an existing certificate, the employer, at his option, may continue the old certificate in force with respect to all wages paid on or before the first status determination date, January 1 or July 1 of each year, which occurs at least thirty days after the date on which such new certificate is furnished.

"(5) If, on any day during the calendar year, the withholding exemptions to which the employee may reasonably be expected to be entitled at the beginning of his next taxable year is different from the exemptions to which the employee is entitled on such day, the employee shall in such cases and at such times as the Commissioners may prescribe, furnish the employer with a withholding exemption certificate relating to the exemptions which he claims with respect to such next taxable year, which shall in no event exceed the exemptions to which he may reasonably be expected to be so entitled. Exemption certificates issued pursuant to this subsection shall not take effect with respect to any payment of wages made in the calendar year in which the certificate is furnished.

"(6) If, on any day during the calendar year, the withholding exemptions to which the employee is entitled is less than the withholding exemptions claimed by the employee on the withholding

exemption certificate then in effect with respect to him, the employee shall, within ten days thereafter, furnish the employer with a new withholding exemption certificate relating to the withholding exemptions which the employee then claims, which shall in no event exceed the exemptions to which he is entitled on such day. If, on any day during the calendar year, the withholding exemptions to which the employee is entitled is greater than the withholding exemptions claimed, the employee may furnish the employer with a new withholding exemption certificate relating to the withholding exemptions which the employee then claims, which shall in no event exceed the exemptions to which he is entitled on such day.

"(7) Withholding exemption certificates shall be in such form and contain such information as the Commissioners may by regulations prescribe.

"(f) FAILURE TO WITHHOLD OR PAY AMOUNTS WITHHELD.—(1) Every employer, who fails to withhold or pay to the Collector any sums required by this section to be withheld and paid, shall be personally and individually liable therefor to the District of Columbia; and any sum or sums withheld in accordance with the provisions of this section shall be deemed to be, and shall be, held in trust by the employer for the District of Columbia.

"(2) The District of Columbia shall have a lien upon all the property of any employer who fails to withhold or pay over to the Collector sums required to be withheld under this section. If the employer withholds but fails to pay over the amounts withheld to the Collector the lien shall accrue on the date the amounts were withheld. If the employer fails to withhold, the lien shall accrue on the date the amounts were required to be withheld.

"(g) STATEMENT TO BE FURNISHED EMPLOYEE.—(1) Every person required to deduct and withhold from an employee a tax under this section, or who would have been required to deduct and withhold a tax under this section if the employee had claimed no more than one withholding exemption, shall furnish to each such employee in respect to the wages paid by such person to such employee during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the following:

"(A) The name and address of such person;

"(B) The name and address of the employee and his social security account number;

"(C) The total amount of wages as defined in this article; and

"(D) The total amount deducted and withheld as tax under this section.

"The statement required to be furnished by this subsection in respect of any wages shall be furnished at such other times, shall contain such other information, and shall be in such form, as the Commissioners may by regulation prescribe. A duplicate of such statement if made and filed in accordance with regulations prescribed by the Commissioners shall constitute the return required to be made in respect to such wages.

"(2) The Commissioners may promulgate regulations providing for reasonable extensions of time, not in excess of thirty days, to employers required to furnish statements under this subsection.

"(h) LIABILITY FOR TAX WITHHELD.—An employer shall be liable for the payment of tax required to be deducted and withheld under this section. Such tax shall be paid to the Collector and shall not be paid to any other person.

"(i) DECLARATIONS, REQUIREMENTS, TIME FOR FILING.—(1) Every person residing or domiciled in the District at the times prescribed in paragraph (4) of this subsection shall, at such times, make a declaration of his estimated tax for the taxable year if—

"(A) the gross income for the taxable year can reasonably be expected to consist of wages and of not more than $1,000 from sources other than such wages, and can reasonably be expected to exceed the total amount of the personal exemptions to which he is entitled under this article plus $5,000; or

"(B) the gross income can reasonably be expected to include more than $1,000 which is not subject to the withholding provisions of this article, and can reasonably be expected to exceed the personal exemptions to which he is entitled under this article, plus $500.

Declaration not required.

This requirement shall not apply to any elective officer of the Government of the United States or any employee on the staff of an elected officer in the legislative branch of the Government of the United States if such employee is a bona fide resident of the State of residence of such elected officer, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year. Under this article, a declaration of estimated tax shall be considered a return of income.

"(2) In the declaration required under paragraph (1) of this subsection, the individual shall state—

"(A) the amount which he estimates as the amount of income tax due under this article for the taxable year;

"(B) the amount which he estimates as the credit for tax withheld for the taxable year under this article;

"(C) the excess of the amount estimated under subparagraph (A) over the amount estimated under subparagraph (B), which excess for purposes of this section shall be considered the estimated tax for the taxable year; and

"(D) such other information as may be prescribed in regulations promulgated by the Commissioners.

"(3) In the case of a husband and wife, a single declaration under this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint declaration may be made if the husband and wife are separated under a decree of divorce or of separate maintenance, or if they have different taxable years. If a joint declaration is made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either husband or wife, or may be divided between them.

"(4) The declaration required under paragraph (1) of this subsection shall be filed with the Assessor on or before April 15 of the taxable year, except that if the requirements of paragraph (1) of this subsection are first met—

"(A) after April 1 and before July 2 of the taxable year, the declaration shall be filed on or before July 15 of the taxable year;

"(B) after July 1 and before October 2 of the taxable year, the declaration shall be filed on or before October 15 of the taxable year; or

"(C) after October 1 of the taxable year, the declaration shall be filed on or before January 15 of the succeeding taxable year:

Provided, That the declaration required to be filed during 1956 may be filed not later than October 15, 1956, if the requirements of paragraph (1) of this subsection are fulfilled at any time prior to October 1, 1956.

"(5) An individual may make amendments of a declaration filed during the taxable year under this subsection, under regulations prescribed by the Commissioners.

"(6) If on or before January 15 of the succeeding taxable year the taxpayer files a return for the taxable year for which the declaration is required and pays in full the amount computed on the return as payable, then under regulations prescribed by the Commissioners—

"(A) if the declaration is not required to be filed during the taxable year, but is required to be filed on or before such January 15, such return shall, for the purposes of this section, be considered as such declaration; and

"(B) if the tax shown on the return, reduced by the credits under this article, is greater than the estimated tax shown in a declaration previously made or, in the last amendment thereof, such return shall, for the purposes of this section, be considered as the amendment of the declaration permitted by this subsection to be filed on or before such January 15.

"(7) The Commissioners may promulgate regulations governing reasonable extensions of time for filing declarations and paying the estimated tax. Except in the case of taxpayers who are abroad, no such extensions shall be for more than six months.

"(8) If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

"(9) The provisions of section 4 of tile V of this article shall apply to a declaration of estimated tax.

61 Stat. 342. D. C. Code 47-1564c.

"(10) Payment of the estimated tax, or any installment thereof, shall be considered payment on account of the tax for the taxable year.

"(j) RELIEF FROM ONE-HALF OF INCOME TAX LIABILITY FOR THE FIRST TAXABLE YEAR UNDER WITHHOLDING.—One-half of the liability for the income tax imposed by this Act for the calendar year 1956, or the fiscal year of a taxpayer beginning during such calendar year, upon any resident of the District (other than fiduciaries) shall be discharged. The remainder of the total amount of the income tax due as shown on the taxpayer's return shall be paid to the collector on the 15th of April, 1957, or if the return be made on the basis of a fiscal year the remainder of the total amount of such tax shall be paid on the fifteenth day of the fourth month following the close of the fiscal year.

"(k) WITHHOLDING OF INCOME TAX AND PAYMENT OVER TO COLLECTOR BY THE UNITED STATES.—(1) The Secretary of the Treasury of the United States, pursuant to regulations promulgated by the President, is authorized and directed to enter into an agreement with the Commissioners, within one hundred and twenty days of the request for agreement from the Commissioners. Such agreement shall provide that the head of each department or agency of the United States shall comply with the requirements of this article in the case of employees of such agency or department who are subject to income taxes imposed by this article, and whose regular place of employment is within the District of Columbia. No such agreement shall apply with respect to compensation for service as a member of the Armed Forces of the United States, or with respect to compensation of an employee who is not a resident of the District of Columbia as defined in this article.

"(2) Nothing in this subsection shall be deemed to consent to the applicability of any provision of law which has the effect of imposing

more burdensome requirements upon the United States than it imposes upon other employers, or which has the effect of subjecting the United States or any of its officers or employees to any penalty or liability by reason of the provisions of this subsection."

Refunds.

SEC. 12. (a) Section 11 of title XII of said Act (D. C. Code, sec. 47–1586j) is amended by inserting "(a)" after "SEC. 11.".

Credits.

(b) The first sentence of such section 11 of title XII is amended to read as follows: "Except as to any deficiency taxes assessed under the provisions of section 5 of this title, where there has been an overpayment of any tax imposed by this article, the amount of such overpayment may be credited against any liability in respect of any income or franchise tax or installment thereof (whether such tax was assessed as a deficiency or otherwise), on the part of the person who made the overpayment, and the balance shall be refunded to such person."

Interest.

(c) The proviso in such section 11 of title XII is amended by striking out "4 per centum per annum" and inserting in lieu thereof "one-third of 1 per centum per month or portion of a month".

(d) Such section 11 of title XII is further amended by inserting at the end thereof the following new subsections:

"(b) REFUND TO EMPLOYER.—(1) Where there has been an overpayment of tax under section 8 of this title, refund or credit shall be made to the employer only to the extent that the amount of such overpayment was not deducted and withheld under section 8 of this title by the employer.

Application for refund.

"(2) Unless written application for refund or credit is received by the Assessor from the employer within three years from the date the overpayment was made, no refund or credit shall be allowed.

"(c) REFUND OF OVERPAYMENT OF TAX WITHHELD.—(1) Where the amount of the tax withheld at the source under section 8 of this title exceeds the taxes imposed by this article against which the tax so withheld may be credited under this section, the amount of such excess shall be considered an overpayment: *Provided*, That, any other provision of law notwithstanding, interest on any overpayment of taxes collected under the withholding provisions of this article and under any declaration of estimated tax shall not begin to accrue until ninety days after the overpayment is made or after the date of filing of a final return, whichever is later.

"(2) PRESUMPTION AS TO DATE OF PAYMENT.—For the purposes of this section, any tax actually deducted and withheld at the source during any calendar year under this article shall, in respect of the recipient of the income, be deemed to have been paid on the fifteenth day of the fourth month following the close of the taxable year with respect to which such tax is allowable as a credit under this article. For the purpose of this section, any amount paid prior to the fifteenth day of the fourth month following the close of the taxable year as estimated tax for such taxable year shall be deemed to have been paid on the fifteenth day of the fourth month following the close of such taxable year.

D. C. Code 47-1586g.

"(3) Authority to refund overpayments of taxes collected pursuant to section 8 of this title is vested in the Commissioners or their duly authorized representatives. Such refunds shall be made from moneys paid pursuant to the provisions of section 8 of this title and retained in a special account in the Treasury of the United States. The total amount so retained shall not exceed $500,000 at any one time. Any excess in such special account not required for refunding overpayments collected pursuant to section 8 of this title at any time, as determined by the Assessor, shall be transferred to the general fund of the District."

SEC. 13. Section 1 of title XIII of said Act (D. C. Code, sec. 47–1589) is amended to read as follows:

"SEC. 1. (a) FAILURE TO FILE RETURN.—In case of any failure to make and file a return required by this article, within the time prescribed by law or prescribed by the Commissioners or Assessor in pursuance of law, 5 per centum of the tax shall be added to the tax for each month or fraction thereof that such failure continues, not to exceed 25 per centum in the aggregate, except that when a return is filed after such time and it is shown that the failure to file it was due to reasonable cause and not due to willful neglect, no such addition shall be made to the tax. With respect to declarations of estimated tax, for the purposes of this subsection, the amount and due date of each installment shall be the same as if a declaration had been filed within the time prescribed showing an estimated tax equal to the correct tax reduced by the amount of credit for tax withheld.

"(b) FAILURE TO FILE EMPLOYER'S QUARTERLY RETURN.—Any employer required to withhold taxes on wages and make quarterly returns to the Assessor and to make payment of amounts withheld to the Collector who fails to withhold such taxes, or to make such returns, or who fails to remit amounts collected to the Collector, shall be subject to a civil penalty (in addition to criminal penalties provided for in this article) equal to 25 per centum of the amount of taxes that should have been properly withheld and paid over to the Collector for each such failure. Such penalty shall be assessed by the Assessor and collected by the Collector.

"(c) UNDERESTIMATE OF TAX BY RESIDENTS.—If 80 per centum of the tax, determined without regard to the amount of credit for tax withheld, exceeds the estimated tax, increased by such credit, there shall be added to the tax an amount equal to such excess, or equal to 6 per centum of the amount by which such tax so determined exceeds the estimated tax so increased, whichever is the lesser. This subsection shall not apply to the taxable year in which falls the death of the taxpayer, nor shall it apply to the taxable year in which the taxpayer makes a timely payment on April 15, July 15, and October 15, of such year, and January 15 of the succeeding year, and the total of all such payments is an amount at least as great as though computed on the basis of the facts shown on his return for the preceding taxable year.

"(d) COLLECTION OF PENALTIES ADDED TO TAX.—The amount added to any tax under this section shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be assessed and collected."

SEC. 14. Sections 2, 4, and 5 of title XIII of said Act (D. C. Code, secs. 47–1589a, 1589c, 1589d) are amended by striking out "6 per centum per annum" at each place where it appears in such sections and inserting in lieu thereof at each such place: "one-half of 1 per centum per month or portion of a month".

SEC. 15. Section 1 of title XIV of said Act (D. C. Code, sec. 47–1591) is amended by inserting "(a)" immediately after "SEC. 1." and by adding at the end thereof the following new subsection: Licenses.

"(b) TRADE, BUSINESS, OR PROFESSIONAL LICENSE.—Every person, other than a corporation, who as an individual, sole proprietor, partner, associate, or joint venturer shall engage in or conduct a trade, business, or profession, other than that of registered nurse or practical nurse, in the District of Columbia which is excluded from the imposition of the District of Columbia tax on unincorporated businesses under the definition set forth in section 1 of title VIII of this article, shall apply for and obtain an annual revenue license. Applications for licenses shall be filed with the Assessor prior to December 1st of D. C. Code 47-1574.

each year for licenses for the succeeding calendar year upon forms prescribed and furnished by the Assessor, and each application shall be accompanied by a fee of $25. The first calendar year to which this annual revenue license shall be applicable is 1957. Every such person who commences to engage in or conduct a trade, business, or profession, other than that of registered nurse or practical nurse, which is excluded from the imposition of the District of Columbia tax on unincorporated businesses under the definition set forth in section 1 of title VIII of this article, on or after January 1, 1957, shall obtain such a license within sixty days after the date of commencement of such trade, business, or profession in the District of Columbia."

Fee. Applicability.

Nontransferability.

SEC. 16. Section 2 of title XIV of said Act (D. C. Code, sec. 47–1591a) is amended by striking out the last sentence and inserting in lieu thereof the following new sentence: "No licenses issued under this title may be transferred to any other person."

SEC. 17. Section 3 of title XIV of said Act (D. C. Code, sec. 47–1591b) is amended by striking out "corporations or unincorporated businesses" and inserting in lieu thereof "persons".

SEC. 18. Section 7 of title XIV of said Act (D. C. Code, sec. 47–1591f) is amended by striking out "Any corporation or unincorporated business" and inserting in lieu thereof "Any person".

Effective date.

SEC. 19. Unless otherwise provided, the provisions of this title shall be applicable to taxable years beginning after December 31, 1955.

TITLE II—AMENDMENTS TO DISTRICT OF COLUMBIA SALES TAX ACT AND DISTRICT OF COLUMBIA USE TAX ACT

"Retail sale", etc.

63 Stat. 114.

Rentals.

SEC. 201. Section 114 (a) (6) of the District of Columbia Sales Tax Act, as amended (63 Stat. 112; D. C. Code, sec. 47–2601, par. 14 (a) (6)), is amended to read as follows:

"(6) The sale or charges for possession or use of any article of tangible personal property granted under a lease or contract, regardless of the length of time of such lease or contract or whether such lease or contract is oral or written; in such event, for the purposes of this title, such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rental paid: *Provided, however*, That the gross proceeds from the rental of films, records, or any type of sound transcribing to theaters and radio and television broadcasting stations shall not be considered a retail sale: *Provided further*, That the gross proceeds from the rental of textiles, the essential part of which rental includes recurring service of laundering or cleaning thereof, shall not be considered a retail sale."

Exemptions.

"Sales price".

SEC. 202. Section 116 (a) of said Act (D. C. Code, sec. 47–2601, par. 16 (a)) is amended by adding at the end thereof the following new paragraph:

"(4) Amounts charged for any cover, minimum, entertainment, or other service in hotels, restaurants, cafes, bars, and other establishments where meals, food, or drink, or other like tangible personal property is furnished for a consideration."

SEC. 203. Section 117 of said Act (D. C. Code, sec. 47–2601, par. 17) is amended to read as follows:

"Sale; selling".

"SEC. 117. 'Sale' and 'selling' mean any transaction whereby title or possession, or both, of tangible personal property is or is to be transferred by any means whatsoever, including rental, lease, license, or right to reproduce or use, for a consideration, by a vendor to a purchaser, or any transaction whereby services subject to tax under this title are rendered for consideration or are sold to any purchaser

by any vendor, and shall include, but not be limited to, any 'sale at retail' as defined in this title. Such consideration may be either in the form of a price in money, rights, or property, or by exchange or barter, and may be payable immediately, in the future, or by installments."

Repeal.

SEC. 204. (a) Section 128 (d) (2) of said Act (D. C. Code, sec. 47-2605 (d) (2)) is repealed.

Motor vehicles and trailers.

(b) Section 128 (n) of said Act (D. C. Code, sec. 47-2605 (n)) is amended to read as follows:

"(n) Sale of motor vehicles and trailers which are subject to the provisions of title III of the District of Columbia Revenue Act of 1949."

63 Stat. 128. D. C. Code 40-603(j) and note, 40-603-1.

SEC. 205. Section 201 (a) (4) of the District of Columbia Use Tax Act, as amended (63 Stat. 124; D. C. Code, sec. 47-2701, par. 1 (a) (4)), is amended to read as follows:

Lease or contract.

"(4) The sale or charges for possession or use of any article of tangible personal property granted under a lease or contract, regardless of the length of time of such lease or contract or whether such lease or contract is oral or written; in such event for the purposes of this title, such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rental paid: *Provided, however*, That the gross proceeds from the rental of films, records, or any type of sound transcribing to theaters and radio and television broadcasting stations shall not be considered a retail sale: *Provided further*, That the gross proceeds from the rental of textiles, the essential part of which rental includes recurring service of laundering or cleaning thereof, shall not be considered a retail sale."

Exemptions.

Effective date.

SEC. 206. The provisions of this title shall take effect on the first day of the first month which begins on or after the sixtieth day after the date of enactment of this Act.

TITLE III—AMENDMENTS TO THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

SEC. 301. Section 23 (a) of the District of Columbia Alcoholic Beverage Control Act, as amended (48 Stat. 319; D. C. Code, sec. 25-124), is amended to read as follows:

68 Stat. 113.

Tax rates.

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this Act, and on all beverages imported or brought into the District by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided: (1) a tax of 15 cents on every wine-gallon of wine containing 14 per centum or less of alcohol by volume, other than champagne, sparkling wine, and any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (2) a tax of 33 cents on every wine-gallon of wine containing more than 14 per centum of alcohol by volume, other than champagne, sparkling wine, and any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (3) a tax of 45 cents on every wine-gallon of champagne, sparkling wine, and any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (4) a tax of $1.25 on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon;

(5) and a tax of $1.25 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon."

Stamp requirements.

SEC. 302. (a) The second sentence of subsection (e) of section 23 of said Act (D. C. Code, sec. 25–124 (e)) is amended to read as follows: "Upon taxable beverage imported or brought into the District of Columbia by any wholesaler licensed under this Act, the stamps required by this Act shall be affixed before the removal of the beverage from the place of business or warehouse of the said wholesaler for delivery to a purchaser."

49 Stat. 901.

(b) The last sentence of subsection (k) of section 23 of said Act is amended by striking out "and nontaxable light wines".

Stamp payment.

48 Stat. 319. D. C. Code 25-102.

SEC. 303. Within ten days after the effective date of this title, every holder of a retailer's license under said District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him on the day on which this title becomes effective, or on the following day if the effective date be a Sunday, other than stamps affixed to the containers of beverages manufactured in or imported into the District prior to the effective date of this title, and shall, within fifteen days after the effective date of this title, pay to the Collector of Taxes, the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by the Alcoholic Beverage Control Act as amended by this title, represented by such stamps.

48 Stat. 319. D. C. Code 25-102.

SEC. 304. Within ten days after the effective date of this title, every holder of a manufacturer's license, class A, and every holder of a wholesaler's license under the District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form prescribed by the Commissioners showing the amount and kind of all beverages, except (1) beer, (2) wine containing 14 per centum or less of alcohol by volume other than champagne, sparkling wine and wine artificially carbonated, and (3) beverages upon which required stamps have been affixed, held, or possessed by him in the District at the beginning of the day this title becomes effective and shall state the number of each kind and denomination of stamps necessary for the stamping of such beverages so held or possessed. Every such licensee, within ten days after the effective date of this title, shall also file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners showing the number of each kind and denomination of stamps denoting the payment of beverage taxes (other than stamps denoting the payment of beverage taxes on alcohol and other than stamps affixed to the containers of beverages manufactured in or imported into the District prior to the effective date of this title) held or possessed by such licensee or anyone for him at the beginning of the day on which title becomes effective. Every such licensee shall within fifteen days after the effective date of this title pay to the Collector of Taxes for all stamps not necessary for the stamping of beverages shown on the sworn statement hereinbefore required to be filed with the Alcoholic Beverage Control Board the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by the Alcoholic Beverage Control Act, as amended by this title, represented by such stamps. Should the number of any kind of denomination of stamps so held by a licensee be less than the number necessary for the stamping of the beverages shown on said sworn statement, the Collector of Taxes is authorized and directed to sell to such licensee, at the rates prescribed for such stamps prior

to the effective date of this title, such stamps as may be necessary for the stamping of such beverages. In the event any of the beverages shown on said sworn statement are sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under the Alcoholic Beverage Control Act, such sale shall, within ten days thereafter, be reported to the Alcoholic Beverage Control Board and within said ten days such licensee shall pay to the Collector of Taxes on all stamps held by him for the stamping of such beverages the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by the Alcoholic Beverage Control Act, as amended by this title, represented by such stamps.

Tax on beer.

SEC. 305. Subsection (a) of section 40 of said Act (D. C. Code, sec. 25–138), is hereby further amended by striking out "$1.25" and inserting in lieu thereof "$1.50".

68 Stat. 115.

Preservation of records.

SEC. 306. Every holder of a manufacturer's, wholesaler's, or retailer's license under said District of Columbia Alcoholic Beverage Control Act shall keep and preserve for a period of six months after the effective date of this title the inventories or other records made which form the basis for the information furnished on the sworn statements required to be filed under this title.

Violation.

SEC. 307. Any violation of the provisions of this title shall constitute a violation under the District of Columbia Alcoholic Beverage Control Act and regulations promulgated pursuant thereto.

Effective date.

SEC. 308. The provisions of this title shall take effect on the first day of the first month which begins on or after the thirtieth day after the date of enactment of this Act.

TITLE IV—FEDERAL PAYMENT

68 Stat. 113.

SEC. 401. Section 2 of article VI of the District of Columbia Revenue Act of 1947 (D. C. Code, sec. 47–2501b) is amended to read as follows:

Appropriation.

"SEC. 2. (a) There are hereby authorized to be appropriated, in addition to the sums appropriated under section 1 of this article, as annual payments by the United States toward defraying the expenses of the Government of the District of Columbia, the sum of $9,000,000 for each of the fiscal years 1955 and 1956, and the sum of $12,000,000 for the fiscal year 1957, and for each fiscal year thereafter: *Provided*, That so much of the aggregate annual payments by the United States appropriated under this article to the credit of the General Fund as is in excess of $13,000,000 for each of the fiscal years 1955 and 1956, and $16,000,000 for the fiscal year 1957 and subsequent fiscal years shall be available for capital outlay only, and then on a cumulative total basis only to the extent of not more than 50 per centum of the cumulative total of capital outlay appropriations payable from such General Fund which becomes available for expenditure on and after July 1, 1954.

Deficiencies.

"(b) If in any fiscal year or years a deficiency exists between the amount appropriated and the amount authorized by this article to be appropriated, additional appropriations are hereby authorized for subsequent fiscal years to pay such deficiency or deficiencies.

D. C. General Fund.

"(c) The payments authorized by this section shall be credited to the General Fund of the District of Columbia."

TITLE V—MISCELLANEOUS PROVISIONS

Sibley Hospital.

SEC. 501. The Lucy Webb Hayes National Training School for Deaconesses and Missionaries is hereby relieved from liability to the

District of Columbia for real estate taxes assessed against it upon land designated as parcel 22/73 in the District of Columbia for the period from July 1, 1953, to December 31, 1954.

TITLE VI—GENERAL PROVISIONS

SEC. 601. REGULATIONS.—The Commissioners of the District of Columbia are authorized to make rules and regulations to carry out the provisions of this Act.

SEC. 602. SEPARABILITY CLAUSE.—If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 603. Wherever any officer or agency of the District, other than the Commissioners of the District of Columbia, is mentioned in this Act, such officer or agency shall be deemed to be the officer or agency so mentioned, or the officer, officers, agency or agencies succeeding to the functions of the officer or agency so mentioned, pursuant to Reorganization Plan Numbered 5 of 1952.

66 Stat. 824.
D. C. Code 1 app.

Approved March 31, 1956.

Public Law 461 CHAPTER 155

April 2, 1956
[S. J. Res. 95]

JOINT RESOLUTION

To authorize the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to General John J. Pershing.

Gen. John J. Pershing. Memorial.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the American Battle Monuments Commission, whose former Chairman was the late John J. Pershing, General of the Armies of the United States, is authorized and directed to prepare plans and estimates for the erection of a suitable memorial to General John J. Pershing, together with recommendations with respect to site, design, and materials, for submission to the Congress at as early a date as practicable. Such plans shall, prior to submission to the Congress, be approved by the National Commission of Fine Arts with respect to the design and materials to be used.

Approved April 2, 1956.

Public Law 462 CHAPTER 156

April 2, 1956
[H. J. Res. 464]

JOINT RESOLUTION

To permit articles imported from foreign countries for the purpose of exhibition at the Washington State Fifth International Trade Fair, Seattle, Washington, to be admitted without payment of tariff, and for other purposes.

Washington State Fifth International Trade Fair.
Free entry for exhibits.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That all articles which shall be imported from foreign countries for the purpose of exhibition at the Washington State Fifth International Trade Fair, to be held at Seattle, Washington, from May 4 to May 13, 1956, inclusive, by the International Trade Fair, Incorporated, a corporation, or for use in constructing, installing, or maintaining foreign exhibits at the said trade fair, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury