



New Act Consolidates and Supplements Previous DC Covid-19 Relief Measures

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On June 8, 2020, the mayor of the District of Columbia (DC) enacted D.C. Act 23-328. Applicable as of June 9, 2020, the Coronavirus Support Congressional Review Emergency Amendment Act of 2020 (the Act) serves to consolidate the four previous Covid-19 emergency measures implemented to help businesses in DC, which were all set to expire on June 8, 2020. The stated purpose of the Act is:

“To provide, on an emergency basis, due to congressional review, for the health, safety, and welfare of District residents and support to businesses during the current public health emergency; and for other purposes[.]”¹

Although the Act repeals its predecessors and appears structurally different from them, the substance of the Act reflects their content and provides the same relief contained in the Coronavirus Support Emergency Amendment Act of 2020.² Thus, the new Act consolidates into one piece of legislation those previously scattered relief provisions pertaining to individual income, corporate income, trust income, excise, sales and use, and property tax. Importantly,

the Act perfects earlier provisions including, but not limited to:

1. an extension of the duration of the Mayor’s public health emergency authority;
2. labor and workforce provisions;
3. liability for health-care providers;
4. mortgage deferrals;
5. debt collection;
6. credit reporting;
7. rental payment plans;
8. foreclosure limitations;
9. non-profit board meetings;
10. contractor reporting of positive cases; and
11. the budget submission date.³

The Act also provides two particularly significant new forms of tax relief. First the Act amends D.C. Code §47-1803.02 – the section listing specific items that are excluded in the computation of DC gross income. As amended, new subparagraphs (GG), (HH) and (II) provide that the following items will not be included in the computation of gross income:

“(GG) Small business loans awarded and subsequently forgiven under section 1106 of the Coronavirus Aid, Relief, and Economic Security Act, approved March 27, 2020 (Pub. L. No. 116-136;134 Stat. 281).”

“(HH) Public health emergency small business grants awarded pursuant to section 2316 of the Small and Certified Business Enterprise Development and Assistance Act of 2005, passed on emergency basis on May 19, 2020 (Enrolled version of Bill 23-759).”

“(II) Public health emergency grants authorized pursuant to section 16(m)(1) of the Advisory Neighborhood Commissions Act of 1975, effective March 26, 1976 (D.C. Law 1-58; D.C. Official Code § 1-309.13(m)(1)).⁴”

Second, the Act amends D.C. Code §47-1803.03(a)(14), which authorizes a deduction from DC gross income for the net operating loss amount apportioned to DC when computing DC net income.⁵ Specifically, the Act adds new subparagraph (H), which states:

“(H) For tax years beginning after December 31, 2017, corporations, unincorporated businesses, or financial institutions shall be allowed an 80% deduction for apportioned District of Columbia net operating loss carryover to be deducted from the net income after apportionment.”⁶

According to the Act, it became effective “following approval by the Mayor” (the Mayor signed on June 8, 2020) and will remain effective for “no longer than 90 days.”⁷

If you have questions or concerns about how the new Act applies, contact Frost Law at 410-862-2826 or [fill out our online form](#).

Footnotes

1. D.C. Act 23-328.
2. D.C. Act 23-326. [Expired] Coronavirus Support Emergency Amendment Act of 2020 [Effective from May 27, 2020 through June 8, 2020], <https://code.dccouncil.us/dc/council/acts/23-326.html>. See also the Memo to Secretary of DC Council from Council Chairman Phil Mendelson. Re: Request to Place Measures on the Agenda for the May 19th Legislative Meeting (May 14, 2020), which may be found at https://lms.dccouncil.us/downloads/LIMS/45023/Other/B23-0759-Emergency_Request_Notice.pdf.
3. See the Memo to Secretary of DC Council from Council Chairman Phil Mendelson. Re: Request to Place Measures on the Agenda for the May 19th Legislative Meeting (May 14, 2020), which may be found at https://lms.dccouncil.us/downloads/LIMS/45023/Other/B23-0759-Emergency_Request_Notice.pdf.
4. D.C. Act 23-328, §207(b).
5. See also D.C. Code Ann. §47-1801.04(32), (33); District of Columbia Form D-20: *Instructions for Corporation Franchise Tax Return*.
6. D.C. Act 23-328, §207(c).
7. D.C. Act 23-328, §1204.

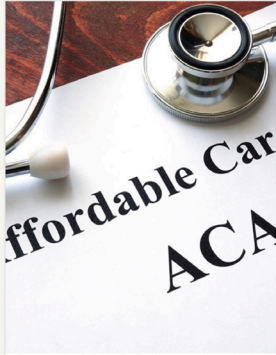
Additional Resources



Additional Funds Allocated to Maryland Small Business Covid-19 Grant Emergency Relief Fund

On July 1, 2020, Governor Hogan announced \$45M in additional funding for the Maryland Small Business Covid-19 Grant Emergency ...

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