

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 47.
TAXATION, LICENSING, PERMITS,
ASSESSMENTS, AND FEES.

CHAPTER 44.
COLLECTIONS.

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DISTRICT OF COLUMBIA OFFICIAL CODE

CHAPTER 44. COLLECTIONS.

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CHAPTER 44. COLLECTIONS.

SUBCHAPTER I. GENERAL PROVISIONS.

§ 47-4401. PAYMENT OF TAX.

Unless otherwise specified in this title, all taxes are due and payable on the due date or upon notice and demand for payment, and shall be collected by the Mayor.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

Law 13-305, the "Tax Clarity Act of 2000," was introduced in Council and assigned Bill No. 13-586, which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on October 2, 2000, and November 8, 2000, respectively. Signed by the Mayor on December 13, 2000, it was assigned Act No. 13-501 and transmitted to both Houses of Congress for its review. D.C. Law 13-305 became effective on June 9, 2001.

Miscellaneous Notes

Section 410(c) of D.C. Law 13-305 provides:

"Except as otherwise provided therein, section 405 shall apply as of January 1, 2001 to taxes other than the real property tax imposed under Chapter 8 of Title 47."

§ 47-4402. CREDIT CARD OR ELECTRONIC PAYMENT OF TAXES.

(a) For purposes of this section, "electronic funds transfer" means a transfer of funds, other than a transaction by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes point of sale transfers, automated teller machine transfers, direct deposit or withdrawal of funds, transfers initiated by telephone, and transfers resulting from debit card transactions.

(b) The Mayor may accept payment of taxes by credit card or electronic funds transfer. The Mayor may contract with a bank or credit card vendor, or third party provider, for the acceptance of the credit card or other form of payment, with any fee or charge for the election to use this method of payment absorbed by the taxpayer, or, in the alternative, paid to the vendor or contractor out of the monies collected. If the taxpayer elects to pay by one of these methods, the payment shall not be deemed to be made until the District receives the funds.

(c) The Mayor may require non-individual taxpayers to make payments electronically if the amount of the payment due for a period exceeds \$5,000.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Mar. 3, 2010, D.C. Law 18-111, § 7131, 57 DCR 181; Sept. 20, 2012, D.C. Law 19-168, § 7062, 59 DCR 8025.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 18-111, in subsec. (c), substituted "\$10,000" for "\$25,000".

D.C. Law 19-168, in subsec. (c), substituted "\$5,000" for "\$10,000".

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 7071 of Fiscal Year 2010 Budget Support Emergency Act of 2009 (D.C. Act 18-187, August 26, 2009, 56 DCR 7374).

For temporary (90 day) amendment of section, see § 7131 of Fiscal Year 2010 Budget Support Second

Emergency Act of 2009 (D.C. Act 18-207, October 15, 2009, 56 DCR 8234).

For temporary (90 day) amendment of section, see § 7131 of Fiscal Year Budget Support Congressional Review Emergency Amendment Act of 2009 (D.C. Act 18-260, January 4, 2010, 57 DCR 345).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 18-111, see notes following § 47-305.02.

For history of Law 19-168, see notes under § 47-355.01.

Miscellaneous Notes

Short title: Section 7130 of D.C. Law 18-111 provided that subtitle K of title VII of the act may be cited as the "Non-Individual Income Tax Electronic Filing Act of 2009".

Short title: Section 7051 of D.C. Law 19-168 provided that subtitle F of title VII of the act may be cited as "Non-Individual Income Tax Electronic Filing Threshold Act of 2012".

§ 47-4403. CLOSING AGREEMENTS.

The Mayor may enter into a written agreement with a person relating to the liability of the person for a tax for any taxable period. If the agreement is approved by the Mayor within the time as may be stated in the agreement, or later agreed upon, the agreement shall be final and conclusive and, except upon a showing of fraud, malfeasance, or misrepresentation of a material fact:

- (1) The case shall not be reopened as to the matters agreed upon;
- (2) The agreement shall not be modified; and
- (3) In a suit or proceeding relating to the tax liability of the taxpayer, the agreement shall not be annulled, modified, set aside, or disregarded.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; July 18, 2008, D.C. Law 17-179, § 2, 55 DCR 6253.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 17-179 substituted "for any taxable period" for "for a period ending before the date of the agreement".

Temporary Amendments of Section

Section 2 of D.C. Law 16-256 substituted "for any taxable period" for "for a period ending before the date of the agreement".

Section 5(b) of D.C. Law 16-256 provides that the act shall expire after 225 days of its having taken effect.

Section 2 of D.C. Law 17-73 substituted "for any taxable period" for "for a period ending before the date of the agreement".

Section 4(b) of D.C. Law 17-73 provides that the act shall expire after 225 days of its having taken effect.

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 2 of Closing Agreement Emergency Act of 2006 (D.C. Act 16-572, December 19, 2006, 54 DCR 15).

For temporary (90 day) amendment of section, see § 2 of Closing Agreement Emergency Act of 2007 (D.C. Act 17-146, October 17, 2007, 54 DCR 10754).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

Law 17-179, the "Closing Agreement Act of 2008", was introduced in Council and assigned Bill No. 17-69 which was referred to the Committee on Finance and Revenue. The Bill was adopted on first and second readings on April 1, 2008, and May 6, 2008, respectively. Signed by the Mayor on May 20, 2008, it was assigned Act No. 17-372 and transmitted to both Houses of Congress for its review. D.C. Law 17-179 became effective on July 18, 2008.

Miscellaneous Notes

Section 3 of D.C. Law 17-179 provides:

"Sec. 3. Applicability.

"Section 2 shall apply as of December 1, 2006."

§ 47-4404. COMPROMISE OF TAX.

If the Mayor believes there is a reasonable doubt as to the liability of the taxpayer or the collectibility of the tax imposed under this title, the Mayor may compromise the tax.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4405. COLLECTIONS THROUGH THIRD PARTY CONTRACTORS.

(a) For purposes of this section, the term "delinquent taxes" includes all tax liabilities that are due and owing for a period longer than 90 days which may be collected under this chapter and for which the taxpayer has been sent notice in accordance with subsection (b)(1) of this section.

(b)(1) For the purpose of collecting delinquent taxes due from a taxpayer, the Mayor may contract with a collection agency inside or outside the District of Columbia. Before contracting with a collection agency, the Mayor shall send the taxpayer at least one written notice, by certified or registered mail, to the taxpayer's last known mailing address requesting payment. The notice shall state that the matter of the taxpayer's delinquency may be referred to a collection agency. The taxpayer shall have 30 days from the date of mailing of the certified or registered notice to pay, in full, the delinquent taxes before the delinquent account is referred to a collection agency.

(2) All funds collected by the collection agency shall be remitted to the Mayor not less than once a month. Forms to be utilized for the remittances may be prescribed by the Mayor. The Mayor may require that the collection agency furnish a bond securing compliance with the provisions of this subsection and the contract with the District of Columbia.

(3) The costs of collection, including reasonable attorneys' or agents' fees, shall be the responsibility of the delinquent taxpayer. In addition to the costs of collection, the collection agency may charge a collection fee not in excess of 25% of the total amount of the delinquent taxes, including penalties and interest, that is actually collected.

(c) Notwithstanding any other provision contained in this title or Title 42, the tax return or other information required to be disclosed in connection with the tax return may be provided to a collection agency for purposes of collecting a delinquent tax under this section. If the tax return or other information is provided to a collection agency under this subsection, the collection agency shall not disclose the information to a third party, other than the taxpayer (or his or her representative), unless the Mayor would be authorized by law to make the disclosure. A collection agency, or employee of a collection agency, violating the provisions of this subsection shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000, or imprisoned for not more than 180 days, or both. All prosecutions under this paragraph shall be brought in the Superior Court of the District of Columbia on information by the Attorney General for the District of Columbia in the name of the District of Columbia.

(d) If the Mayor does not contract with a collection agency inside or outside the District of Columbia, for the collection of delinquent taxes due from a taxpayer, a collection fee not in excess of 25% may be charged by the District as set forth in subsection (b)(3) of this section.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Oct. 19, 2002, D.C. Law 14-213, § 33(bb), 49 DCR 8140; Apr. 4, 2003, D.C. Law 14-282, § 11(eee), 50 DCR 896; Apr. 13, 2005, D.C. Law 15-354, § 73(o)(1), 52 DCR 2638; Oct. 20, 2005, D.C. Law 16-33, § 1062, 52 DCR 7503.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 14-213, in subsec. (c), validated a previously made technical correction.

D.C. Law 14-282, in subsec. (c), substituted "Title 42" for "Title 45".

D.C. Law 15-354 substituted "Attorney General for the District of Columbia" for "Corporation Counsel".

D.C. Law 16-33, in subsec. (a), substituted "owing for a period longer than 90 days" for "owing for a period longer than 6 months"; in subsec. (b)(3), substituted "including penalties and interest" for "excluding penalties and interest"; and added subsec. (d).

Temporary Amendments of Section

For temporary (225 day) amendment of section, see 12(nnn) of Tax Clarity and Recorder of Deeds

Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see 12(nnn) of Tax Clarity and Related Amendments
Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 12(mmm) of Tax Clarity and Recorder of Deeds
Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(nnn) of Tax Clarity and Related Amendments
Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(nnn) of Tax Clarity and Related Amendments
Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

For temporary (90 day) amendment of section, see § 1062 of Fiscal Year 2006 Budget Support Emergency
Act of 2005 (D.C. Act 16-168, July 26, 2005, 52 DCR 7667).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 14-213, see notes following § 47-820.

For Law 14-282, see notes following § 47-902.

For Law 15-354, see notes following § 47-340.03.

For Law 16-33, see notes following § 47-308.01.

Miscellaneous Notes

Short title of subtitle M of title I of Law 16-33: Section 1061 of D.C. Law 16-33 provided that subtitle M of title I of the act may be cited as the Assessment of Collection Fees Act of 2005.

§ 47-4406. SECRECY OF RETURNS.

(a) Except as provided in subsections (b), (c), (d)(2), (e), (e-1), and (e-2) of this section, and except as to an official of the District of Columbia, having a right thereto in his official capacity, an officer, employee, or contractor, or a former officer, employee, or contractor, of the District of Columbia shall not divulge or make known in any manner the amount of reported value, or any information relating to value or the computation of value, disclosed in a return required to be filed under this title. The original (or a copy) of a tax return desired for use in litigation in court shall not be furnished where the District of Columbia or the United States is not interested in the result of the litigation, whether or not the request is contained in an order of the court. Nothing contained in this section shall prevent the furnishing to the taxpayer of a copy of his or her return upon the payment of a fee as provided by the Mayor. This subsection shall also be applicable to federal, state, or local tax returns (or copies of these returns) and to federal, state, or local tax information either submitted by the taxpayer or otherwise obtained.

(b) The District of Columbia may provide the information reported in a tax return to either the Mayor, the Office of Administrative Hearings, or the United States if either the District of Columbia or the United States is a party to litigation in which either of the 2 governments is interested in the result of the litigation and if the information reported in the tax return would be relevant to the liabilities of the parties in the litigation.

(c) The District of Columbia may provide the information reported in a tax return to either the federal government or a state government if the United States, with respect to disclosure to the federal government, and the state government, with respect to disclosure to the state government, grant substantially similar privileges to the District of Columbia.

(d) The District of Columbia may publish the following information if it does not identify particular tax returns and items in tax returns:

- (1) Statistics about the tax system;
- (2) A list of taxpayers who are delinquent in their taxes; and
- (3) Other information that may help the Mayor collect taxes.

(e) The District of Columbia may disclose information reported on tax returns to a contractor obligated to the District of Columbia to store documents or information to provide other services related to tax administration to the extent that the disclosure relates to the obligations of the contractor.

(e-1) The provisions of this section shall not apply to the return required by §§ 42-1103 and 47-903, unless otherwise provided by regulation.

(e-2) Notwithstanding any other provision of this section, the Office of Tax and Revenue may furnish in accordance with § 11-1905 to the Superior Court of the District of Columbia, upon request of the Court,

the names, addresses, and social security numbers of individuals who have filed a return under § 47-1805.02(1).

(f) A person who willfully violates this section shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than \$1,000, or imprisoned not more than 180 days, or both. Prosecutions under this section shall be brought in the Superior Court of the District of Columbia by the Attorney General for the District of Columbia in the name of the District of Columbia.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Apr. 4, 2003, D.C. Law 14-282, § 11(fff), 50 DCR 896; Dec. 9, 2003, D.C. Law 15-50, § 2(b), 50 DCR 8980; Dec. 7, 2004, D.C. Law 15-217, § 4(m), 51 DCR 9126; Apr. 13, 2005, D.C. Law 15-354, § 73(o)(2), 52 DCR 2638.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 14-282, in subsec. (a), substituted "(e), and (e-1)" for "and (e)"; and added subsec. (e-1).

D.C. Law 15-50, in subsec. (a), substituted ", (e-1), and (e-2)" for ", and (e-1)"; and added subsec. (e-2).

D.C. Law 15-217, in subsec. (b), substituted "Mayor, the Office of Administrative Hearings," for "Mayor".

D.C. Law 15-354 substituted "Attorney General for the District of Columbia" for "Corporation Counsel".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see 12(ooo) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see 12(ooo) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 12(nnn) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(ooo) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(ooo) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

For temporary (90 day) amendment of section, see § 2(b) of Superior Court of the District of Columbia Master Jury List Project Clarification Emergency Act of 2003 (D.C. Act 15-111, July 29, 2003, 50 DCR 6571).

For temporary (90 day) amendment of section, see § 2(b) of Superior Court of the District of Columbia Master Jury List Project Clarification Legislative Review Emergency Act of 2003 (D.C. Act 15-201, October 24, 2003, 50 DCR 9831).

For temporary (90 day) amendment of section, see § 3(m) of Office of Administrative Hearings Establishment Emergency Amendment Act of 2004 (D.C. Act 15-513, August 2, 2004, 51 DCR 8976).

For temporary (90 day) amendment of section, see § 3(m) of Office of Administrative Hearings Establishment Congressional Review Emergency Amendment Act of 2004 (D.C. Act 15-553, October 26, 2004, 51 DCR 10359).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 14-282, see notes following § 47-902.

For Law 15-50, see notes following § 47-1805.04.

For Law 15-217, see notes following § 47-1528.

For Law 15-354, see notes following § 47-340.03.

§ 47-4407. AMNESTY FOR TAX PERIODS ENDING PRIOR TO DECEMBER 31, 2009.

(a) The Chief Financial Officer may establish a program to provide amnesty to a taxpayer liable for the payment of certain Title 47 taxes on returns or reports required for tax periods ending prior to December 31, 2008; provided, that if the Chief Financial Officer shall establish the tax amnesty program for a period ending after December 31, 2009, the tax amnesty program shall apply to tax returns or reports for tax periods ending prior to December 31, 2009.

(b) Those eligible may receive amnesty from the imposition of any fee under § 47-4405, any fine or other civil or criminal penalty authorized under Chapters 41 or 42 of this title for the failure of the taxpayer to file a

return or report, or pay a tax due for certain Title 47 taxes on a return or report that was required to be filed for tax periods as provided in subsection (a) of this section.

(c)(1) The Chief Financial Officer may implement and administer the program for amnesty under this section.

(2) The Chief Financial Officer may determine the specific dates for the amnesty period.

(3) Excluding Title 47 real property fees and taxes under Chapters 8, 9, and 12 of this title, any Title 47 payments in lieu of real property taxes and ballpark fees in Chapter 27B of this title, the Chief Financial Officer may determine the specific tax types for which amnesty shall be granted.

(4) The Chief Financial Officer may:

(A) Require a taxpayer seeking amnesty to submit the documents or records as the Chief Financial Officer considers necessary to determine the truthfulness or accuracy of a return or report filed pursuant to this section; or

(B) Subject any return or report filed pursuant to this section to the same audit procedures to which a return or report for the tax type is subjected.

(5) The Chief Financial Officer may promulgate rules as may be necessary to interpret, administer, and enforce the provisions of this section.

(Mar. 3, 2010, D.C. Law 18-111, § 7111(b), 57 DCR 181.)

HISTORICAL AND STATUTORY NOTES

Emergency Act Amendments

For temporary (90 day) addition, see § 7051(b) of Fiscal Year 2010 Budget Support Emergency Act of 2009 (D.C. Act 18-187, August 26, 2009, 56 DCR 7374).

For temporary (90 day) addition, see § 7111(b) of Fiscal Year 2010 Budget Support Second Emergency Act of 2009 (D.C. Act 18-207, October 15, 2009, 56 DCR 8234).

For temporary (90 day) addition, see § 7111(b) of Fiscal Year Budget Support Congressional Review Emergency Amendment Act of 2009 (D.C. Act 18-260, January 4, 2010, 57 DCR 345).

Legislative History of Laws

For Law 18-111, see notes following § 47-305.02.

Miscellaneous Notes

Short title: Section 7110 of D.C. Law 18-111 provided that subtitle I of title VII of the act may be cited as the "Tax Compliance Act of 2009".

SUBCHAPTER II. LIENS.

§ 47-4421. LIEN FOR TAXES.

(a) If a person liable to pay a tax neglects or refuses to pay the tax after demand, the amount, including any interest, addition to tax, or assessable penalty, together with any costs that may accrue, shall be a lien in favor of the District of Columbia upon all property (including rights to property), whether real or personal, belonging to the person, and shall have the same effect as a lien created by judgment. The lien shall attach to all property (including rights to property) belonging to, or acquired by, the person at any time during the period of the lien.

(b) A disclaimer of a property interest does not invalidate a lien under this section.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Mar. 2, 2007, D.C. Law 16-205, § 4, 53 DCR 9063.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 16-205, designated existing text as subsec. (a), and added subsec. (b).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

Law 16-205, the "Uniform Disclaimers of Property Interests Revision Act of 2006", was introduced in Council and assigned Bill No. 16-707, which was referred to the Committee on Judiciary. The Bill was adopted on first and second readings on July 11, 2006, and October 3, 2006, respectively. Signed by the Mayor on October 25, 2006, it was assigned Act No. 16-505 and transmitted to both Houses of Congress for its review. D.C. Law 16-205 became effective on March 2, 2007.

§ 47-4422. PERIOD OF LIEN.

The lien imposed by § 47-4421 shall be deemed to have arisen at the time the assessment is made, or if the tax return is not timely filed, on the due date of the tax return, and shall continue until the liability for the amount assessed (or a judgment against the taxpayer arising out of the liability) is satisfied or becomes unenforceable; provided, that:

(1) A lien for the tax imposed by Chapter 20 of this title or § 47-1812.08 shall arise on the due date of the tax return; and

(2) A lien for the taxes imposed by Chapter 37 of this title shall arise on the date of death.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4423. LIEN PRIORITY.

(a) The lien imposed by § 47-4421 shall not be valid against a bona fide purchaser for value, holder of a security interest, mechanic's lienor, or judgment lien creditor until the lien has been filed with the Recorder of Deeds.

(b) In the case of business property sold, transferred, or assigned in bulk other than in the ordinary course of trade or business, the purchaser shall also be deemed to have notice of taxes owing if the purchaser fails to give timely notice to the Mayor under § 47-4461.

(c) Notwithstanding subsection (a) of this section, the lien imposed by § 47-4421 for tax owing under Chapter 20 or § 47-1812.08 shall be valid against a purchaser, holder of a security interest, mechanic's lienor, or judgment lien creditor regardless of when the lien is filed with the Recorder of Deeds; provided, that the lien shall not be valid against a bona fide purchaser for value of homestead real property.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Apr. 4, 2003, D.C. Law 14-282, § 11(ggg), 50 DCR 896.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 14-282 rewrote the section which had read as follows:

"Except for a lien for the tax imposed by Chapter 20 of this title or § 47- 1812.08, the lien imposed by § 47-4421 shall not be valid as against a purchaser, holder of a security interest, mechanic's lienor, or judgment lien creditor until the lien has been filed with the Recorder of Deeds."

Temporary Amendments of Section

For temporary (225 day) amendment of section, see 12(ppp) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see 12(ppp) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 12(ooo) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(ppp) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(ppp) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 14-282, see notes following § 47-902.

SUBCHAPTER III. REFUND OFFSET.

§ 47-4431. REFUND OFFSET.

(a) The Mayor, within the applicable period of limitations set forth in § 47-4302, may credit the amount of the overpayment of a tax, including interest allowed thereon, against the liability for a tax or an installment thereof (whether the tax was assessed as a deficiency or otherwise) of the person who made the overpayment and shall, subject to subsections (c) and (d) of this section, refund any balance to the person.

(b) The Mayor may credit the amount of the overpayment, including interest, in the following order of priority:

- (1) Liability for District of Columbia taxes;
- (2) Liability for United States taxes;
- (3) Liability for state, local, or municipal taxes if a reciprocal tax refund offset agreement with the District under § 47-4440(e) is in effect at the time the refund is to be issued; and
- (4) Other liabilities set forth in this section.

(c) The Mayor shall credit the amount of the overpayment of an individual who has been determined:

- (1) To owe overdue child support, as defined in section 466(e) of the Social Security Act, approved August 16, 1984 (98 Stat. 1310; 42 U.S.C. § 666(e)), for purposes of enforcing an order under any state plan approved under Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 et seq.), for persons identified by the Mayor under subsection (d) of this section;
- (2) To be in default under the provisions of federal student loan programs as determined under subsection (e) of this section;
- (3) To owe to the District a repayment for benefit overpayment under Chapter 1 of Title 51 as determined under subsection (f) of this section; or
- (4) To owe delinquent taxes, fees, fines or other liabilities to the Department of Motor Vehicles.

(d) Upon request, the Superior Court of the District of Columbia shall provide the Mayor with the names, and any other available identifying information, of individuals whom the Superior Court of the District of Columbia has determined are more than 60 days in arrears in court-ordered child support payments.

(e) For purposes of collecting an amount determined to be in default under federal student loan programs, the university shall provide the Mayor with the names, and any other available identifying information, of individuals whom the university has determined to be in default. A determination and notice of default under federal student loan programs shall be made as follows:

- (1) The determination of whether an individual is in default under subsection (c)(2) of this section and the defaulted principal amount outstanding shall be made in accordance with the terms of the loan.
- (2) Immediately upon the university's determination that an individual is in default, the university shall provide the individual with written notice of its determination by registered mail. The individual shall have 10 days from receipt of the notice to inform the university of the individual's intention to contest the validity of the determination.
- (3) Upon receipt of notice that an individual intends to contest the validity of the university's determination, the university shall provide the individual with a hearing in accordance with the provisions of subchapter I of Chapter 5 of Title 2.

(f) For purposes of collecting an amount determined to be an overpayment of unemployment compensation, the Department of Employment Services, through its Director, shall provide the Mayor with the names, and any other identifying information, of individuals whom the Director has determined to have received benefit overpayments. Determination and notice of overpayment of unemployment compensation shall be made in accordance with the provisions of §§ 51-111, 51-112, and 51-119.

(g) For purposes of this section, the term:

- (1) "University" means the University of the District of Columbia established by § 38-1202.01(b);
- (2) "Federal student loan programs" means the programs authorized by the National Defense Education Act of 1958, approved September 2, 1958 (72 Stat. 1580; 20 U.S.C. § 401 et seq.), the Higher Education Act of 1965, approved Nov. 8, 1965 (79 Stat. 1219; 20 U.S.C. § 1001 et seq.), and Part B of Title VIII of the Public Health Service Act, approved September 4, 1964 (78 Stat. 913; 42 U.S.C. § 297a et seq.).
- (3) "Unemployment compensation" means the unemployment compensation benefits paid under the program established by Chapter 1 of Title 51 and administered under Reorganization Plan No. 1 of 1980, effective April 17, 1980.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Oct. 19, 2002, D.C. Law 14-213, § 33(cc), 49 DCR 8140; Sept. 20, 2012, D.C. Law 19-168, § 7082, 59 DCR 8025.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 14-213, in subsecs. (c)(3), (e)(3), (f), (g)(1) and (g)(3), validated previously made technical corrections.

D.C. Law 19-168, in subsec. (c), deleted "or" from the end of par. (2), substituted "; or" for a period the end of par. (3), and added par. (4).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 14-213, see notes following § 47-820.

For history of Law 19-168, see notes under § 47-355.01.

Miscellaneous Notes

Short title: Section 7081 of D.C. Law 19-168 provided that subtitle H of title VII of the act may be cited as "Taxpayer Refund Offset for Department of Motor Vehicle Liabilities Act of 2012".

§ 47-4432. JOINT AND COMBINED RETURNS; REAL PROPERTY REFUND DUE TO MORE THAN ONE OWNER.

If a joint income tax return is filed, the Mayor shall separate the amount due to the spouse who owes delinquent taxes from the spouse who does not owe delinquent taxes based upon the proportion of gross income of each spouse. In applying the tax refund against delinquent taxes owed by a spouse, the tax refund of the spouse who does not owe delinquent taxes shall not be credited against the liability of the spouse who owes delinquent taxes. If a separate income tax return on a combined individual form prescribed by the Mayor is filed, the tax refund of the spouse who does not owe delinquent taxes shall not be credited against the liability of the spouse who owes delinquent taxes. If a real property tax refund is due to more than one owner of real property, the Mayor shall separate the amount of tax refund of the owners who are liable for delinquent taxes from the owners who are not liable for delinquent taxes determined on the basis of each owner's ownership percentage in the real property. For the purposes of this section, the term "spouse" shall include a domestic partner who files under § 47-1805.01(d).

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Mar. 14, 2007, D.C. Law 16-292, § 2(g), 54 DCR 1080.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 16-292 added a sentence to the end of the section providing that the term "spouse" shall include a domestic partner who files under § 47-1805.01(d).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 16-292, see notes following § 47-1801.04.

§ 47-4433. NOTICE AND PROTEST.

(a) If the refund offset concerns (1) the existence or amount of an arrearage for court-ordered child support, a default under a federal student loan program, or the overpayment of unemployment compensation benefits under § 47-4431(c), or (2) the division of a joint refund under § 47-4432, the taxpayer shall have the right to contest the proposed referral for offset of the tax refund, the offset of the tax refund, or the apportionment of the tax refund. Before a refund offset is disbursed, the Mayor shall notify the taxpayer in writing that he or she may file a protest with the Office of Administrative Hearings to challenge the proposed refund offset within 30 days of service of the notice.

(b) Any notice of refund offset described in subsection (a) of this section shall be governed by the procedures set forth in § 47-4312 for assessments of deficiencies.

(c) The Office of Administrative Hearings shall refuse to consider a protest if:

(1) The protest solely concerns an issue which has been previously decided and no new facts or evidence have been provided; or

(2) The protest is not filed within the period set forth in the notice.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Dec. 7, 2004, D.C. Law 15-217, § 4(n), 51 DCR 9126.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 15-217, in subsec. (a), substituted "that he or she may file a protest with the Office of Administrative Hearings to challenge the proposed refund offset within 30 days of service of the notice." for "and provide a period of at least 30 days after the notice is sent to the taxpayer to file a protest."; rewrote subsec. (b); and, in subsec. (c), substituted "Office of Administrative Hearings" for "Mayor". Prior to amendment, subsec. (b) had read as follows:

'(b) If a protest is filed within the period set forth in the notice, an administrative hearing shall be granted by the Mayor. The Mayor shall promptly notify the taxpayer of the final determination of the protest. If no protest is filed within the period, a refund offset or apportionment, as determined by the Mayor, shall be final."

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 3(n) of Office of Administrative Hearings Establishment Emergency Amendment Act of 2004 (D.C. Act 15-513, August 2, 2004, 51 DCR 8976).

For temporary (90 day) amendment of section, see § 3(n) of Office of Administrative Hearings Establishment Congressional Review Emergency Amendment Act of 2004 (D.C. Act 15-553, October 26, 2004, 51 DCR 10359).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 15-217, see notes following § 47-1528.

§ 47-4434. RETURN OF REFUND IN CERTAIN CASES.

If the Mayor determines that all or a portion of a tax refund should not have been offset, or that the division of a joint tax refund was incorrect, the Mayor shall return the excess amount to the taxpayer within 30 days of the determination.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4435. DEPOSIT OF OFFSET AMOUNT; APPLICATION WHEN MORE THAN ONE DEBT.

(a) The amount offset for liabilities other than District of Columbia or United States taxes shall be deposited with:

- (1) The agency of the District responsible for administering the child support program as authorized by Part D of Title IV of the Social Security Act, approved January 4, 1995 (88 Stat. 2351; 42 U.S.C. § 651 et seq.), and shall be disbursed in accordance with section 651 of the Social Security Act, approved January 4, 1995 (88 Stat. 2356; 42 U.S.C. § 657) and the regulations promulgated thereunder;
- (2) The university (for refunds withheld from individuals in default under a federal student loan program) and applied to the repayment of the amount of principal determined to be in default; or
- (3) The Department of Employment Services and applied to the repayment of the Unemployment Compensation Fund.

(b) If the Mayor is notified that a taxpayer owes more than one debt that is subject to an offset of a tax refund under § 47-4431(c), the Mayor shall apply the portion of tax refund of a taxpayer remaining after application to satisfy in the following order:

- (1) To satisfy any court-ordered child support under § 47-4431(c)(1);
- (2) To satisfy the default under a federal student loan under § 47-4431(c)(2); and
- (3) To satisfy overpayments of unemployment compensation under § 47-4431(c)(3).

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4436. APPLICABILITY IN CERTAIN CASES.

(a) The provisions of this subchapter relating to the offset of tax refunds of individuals who are in arrears with court-ordered child support payments shall apply to income tax refunds issued after September 18, 1982.

(b) The provisions of this subchapter relating to the offset of tax refunds of individuals in default under the federal student loan programs shall apply to income tax refunds issued for tax years 1987 and thereafter.

(c) The provisions of this section relating to an offset of tax refunds of individuals who received overpayments of unemployment compensation shall apply to income tax refunds issued for Tax Year 1993 and subsequent years.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4437. RIGHT OF APPEAL TO SUPERIOR COURT.

A person aggrieved by a final determination of the Mayor in accordance with this subchapter may, within 6 months from the date of the determination, appeal to the Superior Court of the District of Columbia, in the same manner and to the same extent as set forth in §§ 47-3303, 47-3304, and 47-3306 through 47-3308.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4438. PRIORITY.

The offset of a tax refund against the delinquent taxes for which a taxpayer is liable shall have priority over the offset of a tax refund requested by the United States.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4439. OTHER METHODS NOT PRECLUDED.

The collection remedy under this subchapter shall be in addition to, and not in substitution for, any other remedy available by law.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4440. RECIPROCAL REFUND OFFSET.

(a) The chief taxing official of a state, local, or municipal government may certify to the Mayor the existence of a tax debt and request that the Mayor withhold a refund due to a taxpayer to satisfy the debt owed by the taxpayer to the requesting state, local, or municipal government.

(b) A request under subsection (a) of this section shall not be honored unless the state, local, or municipal government provides a reciprocal right of credit to the District of Columbia.

(c) Certification of a tax debt shall include:

- (1) The full name and current address of the taxpayer;
- (2) The taxpayer's social security number or federal identification number;
- (3) The amount of the debt, including a detailed statement showing tax, interest, and penalty for each taxable period; and
- (4) A statement that all rights to administrative remedies or appeals have been exhausted or lapsed and that the assessment of tax, interest, and penalty is final and enforceable.

(d) Upon receipt of a request under subsection (a) of this section, the Mayor shall notify the taxpayer (and in the case of a refund of a tax imposed upon the income of individuals, a spouse (or domestic partner) with whom the taxpayer filed a joint return). The notice shall include a copy of the certification by the chief taxing official of the requesting state, local, or municipal government.

(e) The Mayor may enter into agreements with the chief taxing official of a state, local or municipal government with respect to the operation of this section, including safeguards against the disclosure or inappropriate use of any information which personally identifies the taxpayer.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Mar. 14, 2007, D.C. Law 16-292, § 2(h), 54 DCR 1080.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 16-292 substituted "spouse (or domestic partner)" for "spouse".

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 16-292, see notes following § 47-1801.04.

SUBCHAPTER IV. JEOPARDY.

§ 47-4451. JEOPARDY AND TERMINATION.

(a) If the Mayor believes that the assessment or collection of a deficiency of a tax imposed under this title (except real property taxes) will be jeopardized by delay, or if the Mayor finds that a taxpayer designs quickly to depart from the United States or to remove his property therefrom, to conceal himself or his property therein, or to perform any other act (including, in the case of a corporation, distributing all or a part of its assets in liquidation or otherwise) tending to prejudice or to render wholly or partially ineffectual proceedings to collect a tax, the Mayor may immediately make a determination of tax due and shall, notwithstanding any other law, immediately assess the tax, together with all interest and additions to the tax, and notice and demand shall be made for the payment thereof.

(b) If a jeopardy assessment has been made, the taxpayer shall have the right to file, within 5 business days, a protest of the assessment of tax, the seizure of property, or both. The protest shall be governed by the procedures set forth in § 47-4312, except that the 30-day filing deadline established in § 47-4312(a) shall not apply. If a timely protest is filed, the property seized for the collection of the tax shall not be sold until completion of the proceedings in the Office of Administrative Hearings.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Dec. 7, 2004, D.C. Law 15-217, § 4(o), 51 DCR 9126.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 15-217 rewrote subsec. (b) which had read as follows:

"(b) If a jeopardy assessment has been made, the taxpayer shall have the right to administratively appeal, within 5 business days, the assessment of tax, the seizure of property, or both, and the property seized for the collection of the tax shall not be sold until the appeal is completed."

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 3(o) of Office of Administrative Hearings Establishment Emergency Amendment Act of 2004 (D.C. Act 15-513, August 2, 2004, 51 DCR 8976).

For temporary (90 day) amendment of section, see § 3(o) of Office of Administrative Hearings Establishment Congressional Review Emergency Amendment Act of 2004 (D.C. Act 15-553, October 26, 2004, 51 DCR 10359).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 15-217, see notes following § 47-1528.

§ 47-4452. BOND TO STAY COLLECTION.

(a) The collection of any or all of the amount of the assessment may be stayed by filing with the Mayor a bond in an amount, equal to 150% of the amount to be stayed, and with sureties as the Mayor may approve, conditioned upon the payment of the amount (together with interest accruing thereon) for which the collection is stayed. The taxpayer shall have the right to waive the stay at any time in respect to the whole or any part of the amount covered by the bond, and if, as a result of the waiver, part of the assessment covered by the bond is paid, the bond shall, at the request of the taxpayer, be proportionately reduced. If a part of the assessment is abated, the bond shall, at the request of the taxpayer, be proportionately reduced.

(b) [Repealed.]

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Dec. 7, 2004, D.C. Law 15-217, § 4(p), 51 DCR 9126.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 15-217 repealed subsec. (b) which had read as follows:

"(b) If a jeopardy assessment has been made under § 47-4451, the taxpayer may administratively appeal, within 5 business days, the assessment of tax or the seizure of property and the property seized for the collection of the tax shall not be sold until any appeal is completed."

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 3(p) of Office of Administrative Hearings Establishment Emergency Amendment Act of 2004 (D.C. Act 15-513, August 2, 2004, 51 DCR 8976).

For temporary (90 day) amendment of section, see § 3(p) of Office of Administrative Hearings Establishment Congressional Review Emergency Amendment Act of 2004 (D.C. Act 15-553, October 26, 2004, 51 DCR 10359).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 15-217, see notes following § 47-1528.

SUBCHAPTER V. BULK SALES.

§ 47-4461. NOTICE OF BULK SALE.

The purchaser, transferee, or assignee ("purchaser") of all or a part of the inventory, furnishings, equipment, materials, or supplies ("property") of a business, pursuant to a sale, transfer, or assignment in bulk other than in the ordinary course of trade or business ("sale"), shall, at least 15 days before taking possession of or paying for the property, notify the Mayor by registered or certified mail. The notice shall identify the price, terms, and conditions of the sale, including a description of the property being sold, its location, and the identity of the seller, transferor, or assignor ("seller"). The notice is required whether or not the seller has represented to, or informed, the purchaser that it owes tax under this title, whether it has complied with § 28:6-104, or whether taxes are in fact owing.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Apr. 4, 2003, D.C. Law 14-282, § 11(hhh), 50 DCR 896.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 14-282 substituted "furnishings" for "fixtures".

Temporary Amendments of Section

For temporary (225 day) amendment of section, see 12(qqq) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see 12(qqq) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

For temporary (90 day) amendment of section, see § 12(ppp) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(qqq) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(qqq) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 14-282, see notes following § 47-902.

§ 47-4462. FAILURE TO GIVE NOTICE; EXISTENCE OF CLAIM FOR TAX.

If the purchaser fails to give the notice set forth in § 47-4461 or the Mayor informs the purchaser that a possible claim for tax exists:

- (1) The money or other consideration which the purchaser is required to pay for the sale shall be subject to a first priority right and lien for the taxes determined to be due from the seller to the District of Columbia; and
- (2) The purchaser shall not pay the seller any money or other consideration to the extent of the amount of the lien.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4463. PERSONAL LIABILITY.

A purchaser who fails to comply with the provisions of § 47-4461 or § 47-4462 shall be personally liable for the payment to the District of Columbia of the taxes determined to be due from the seller to the extent of the fair market value of the assets transferred.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

SUBCHAPTER VI. DISTRAINT.

§ 47-4471. DISTRAINT.

(a) If a person determined to be liable to the District of Columbia for a tax neglects or refuses to pay the tax within 10 days after notice and demand, the Mayor may collect the tax, with interest and penalties thereon (and an amount sufficient to cover the expenses of the levy), by levy upon all property (including rights to property) of the person or on which there is a lien provided in this chapter for the payment of the tax. Levy shall be made upon the accrued salary or wages of an officer, employee, or elected official of the District of Columbia, or an agency or instrumentality of the District of Columbia, by serving a notice of levy on the employer of the officer, employee, or elected official. If the Mayor finds that the collection of the tax is in jeopardy under § 47-4451, notice and demand for immediate payment of the tax may be made by the Mayor and, upon failure or refusal to pay the tax, the tax may be collected by levy without regard to the 10-day period provided in this section.

(b) For the purposes of this subchapter, the term "levy" includes the exercise of the power of distraint and seizure by any means. Except as otherwise provided in subsection (e) of this section, a levy shall extend only to property possessed and obligations existing at the time of the levy. If the Mayor levies upon property, the Mayor may seize and sell the property.

(c) If property levied upon under subsection (a) of this section is not sufficient to satisfy the amount due to the District of Columbia, the Mayor may levy upon any other property of the person until the amount due,

together with all expenses, is fully paid.

(d)(1) Levy shall be made under subsection (a) of this section upon the salary, wages, or other property of a person with respect to an unpaid tax only after the Mayor has notified the person in writing of his intention to make the levy.

(2) The notice required under paragraph (1) of this subsection shall be:

(A) Given in person;

(B) Left at the dwelling or usual place of business of the person with some person of suitable age and discretion residing or working therein; or

(C) Sent by mail to the person's last known address.

(3) Paragraph (1) of this subsection shall not apply to a levy if the Mayor finds in accordance with subsection (a) of this section that the collection of tax is in jeopardy.

(4) Paragraph (1) of this subsection shall not apply to a levy against an account maintained at a third-party financial institution.

(e) The effect of a levy on salary or wages payable to, or received by, a taxpayer shall be continuous from the date the levy is first made until the levy is released.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334; Apr. 4, 2003, D.C. Law 14-282, § 11(iii), 50 DCR 896.)

HISTORICAL AND STATUTORY NOTES

Effect of Amendments

D.C. Law 14-282 added subsec. (d)(4).

Temporary Amendments of Section

For temporary (225 day) amendment of section, see § 12(rrr) of Tax Clarity and Recorder of Deeds Temporary Act of 2002 (D.C. Law 14-191, October 5, 2002, law notification 49 DCR 9549).

For temporary (225 day) amendment of section, see § 12(rrr) of Tax Clarity and Related Amendments Temporary Act of 2003 (D.C. Law 14-228, March 23, 2003, law notification 50 DCR 2741).

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 12(qqq) of Tax Clarity and Recorder of Deeds Emergency Act of 2002 (D.C. Act 14-381, June 6, 2002, 49 DCR 5674).

For temporary (90 day) amendment of section, see § 12(rrr) of Tax Clarity and Related Amendments Emergency Act of 2002 (D.C. Act 14-456, July 23, 2002, 49 DCR 8107).

For temporary (90 day) amendment of section, see § 12(rrr) of Tax Clarity and Related Amendments Congressional Review Emergency Act of 2002 (D.C. Act 14-510, October 23, 2002, 49 DCR 10247).

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

For Law 14-282, see notes following § 47-902.

§ 47-4472. NOTICE AND SALE.

(a) After seizure of property, notice in writing shall be given by the Mayor to the owner of the property (or, in the case of personal property, the possessor of the property), or shall be left at his usual place of abode or business. If the owner cannot be readily located, or has no dwelling or place of business, the notice may be mailed to his last known address.

(b) After giving notice to the owner in the manner prescribed in subsection (a) of this section, the Mayor shall publish a notice 3 times in a daily newspaper of general circulation within the area wherein the seizure is made. The notice shall specify the property to be sold, and the time, place, manner, and conditions of the sale thereof.

(c) If property subject to levy is not divisible, so as to enable the Mayor by sale of a part thereof to raise the whole amount of the tax and expenses, the whole of the property shall be sold.

(d) The time of sale shall not be less than 10 days or more than 40 days from the date of the third public notice under subsection (b) of this section. The place of sale shall be determined by the Mayor.

(e)(1) If, at the sale, one or more persons offer to purchase such property for not less than the minimum price determined by the Mayor, the property shall be declared sold to the highest bidder.

(2) If, at the sale, the property is not declared sold, the property may be released to the owner and the

expense of the levy and sale shall be added to the amount of tax for the collection of which the levy was made. Property released under this paragraph shall remain subject to any lien imposed by this title and shall be subject to further seizure.

(3)(A) The sale shall not be conducted in any manner other than by public auction or by public sale under sealed bids.

(B) In the case of the seizure of several items of property, the property may be offered separately, in groups, or in the aggregate, under whichever method may produce the highest aggregate amount.

(C) The Mayor may adjourn the sale from time to time.

(4) If payment of the bid price is not made in full, the Mayor may declare the sale to be void, the amount paid upon the bid price by the defaulting purchaser shall be forfeited, and the property may again be advertised and sold as provided in subsections (b) and (c) of this section. The amount paid upon the bid price by the defaulting purchaser shall be applied first to the expense of the levy and sale and then to the amount of tax for the collection of which the levy was made. In the event of a readvertisement and sale, a new purchaser shall receive the property, free and clear of any claim or rights of the defaulting purchaser.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4473. STORAGE AND SALE OF PERISHABLE PROPERTY.

If the Mayor seizes property to enforce the payment of the tax, the property seized shall be kept in a safe and convenient place until the sale of the property. If the Mayor determines that the property seized may perish, may become greatly reduced in value while stored, or cannot be kept without great expense, the Mayor shall appraise the value of the property. If the Mayor can readily find the owner, the Mayor shall notify the owner in writing of the appraised value of the property. The Mayor shall return the property to the owner if, within the period stated in the notice, the owner either pays the Mayor the appraised value of the property or gives the Mayor a bond to pay the appraised amount at a time that the Mayor considers appropriate under the circumstances. If the owner does not pay the amount or furnish the bond in accordance with this section, the Mayor shall as soon as practicable, and without regard to the notice requirements under § 47-4472(b) and (d), make a public sale of the property under § 47-4472(e).

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4474. REDEMPTION OF PROPERTY.

(a) A person whose property has been levied upon shall have the right to pay the amount due, together with the expenses of the proceeding, if any, to the Mayor at any time before the sale of the property, and upon the payment, the Mayor shall restore the property to him, and all further proceedings in connection with the levy on the property shall cease.

(b)(1) The owners of real property sold as provided in this chapter; their heirs, executors, or administrators; any person having an interest in or a lien on the property; or any person on their behalf, shall be permitted to redeem the property sold at any time within 180 days after the sale.

(2) The property may be redeemed upon payment to the purchaser (or if the purchaser cannot be found, to the Mayor), for the use of the purchaser, his heirs, or assigns, the amount paid by the purchaser and interest thereon at the rate of 18% per year.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4475. CERTIFICATE OF SALE; DEED OF REAL PROPERTY.

(a) If property is sold as provided in § 47-4472, the Mayor shall give to the purchaser a certificate of sale upon payment in full of the purchase price. In the case of real property, the certificate shall set forth the real property purchased, for whose taxes the property was sold, the name of the purchaser, and the price paid.

(b) In the case of real property sold as provided in § 47-4472 and not redeemed in the manner and within the time specified in § 47-4474(b), upon the surrender of the certificate of sale, the Mayor shall execute a deed to the real property, reciting the facts set forth in the certificate.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4476. LEGAL EFFECT OF CERTIFICATE OF SALE OF PERSONAL PROPERTY AND DEED OF REAL PROPERTY.

(a) In all cases of sale of property (other than real property) sold under § 47-4472, the certificate of the sale:

(1) Shall be prima facie evidence of the right of the officer to make the sale and conclusive evidence of the regularity of the proceedings in making the sale;

(2) Shall transfer all rights in the property sold;

(3) If the property is the stock of a corporation, company, or association, shall be notice, when received, to the corporation, company, or association of the transfer, and shall be authority to the corporation, company, or association to record the transfer on its books and records in the same manner as if the stock was transferred or assigned by the taxpayer, in lieu of an original or prior certificate, which shall be void, whether canceled or not;

(4) If the property is securities (other than stock) or other evidences of debt, shall be a good and valid receipt to the purchaser, as against a person holding, or claiming to hold, the securities or other evidences of debt; and

(5) If the property is a motor vehicle, shall be notice, when received, to a public official charged with the registration of title to motor vehicles of the transfer, and shall be authority to the official to record the transfer on the books and records in the same manner as if the certificate of title to the motor vehicle were transferred or assigned by the taxpayer, in lieu of an original or prior certificate, which shall be void, whether canceled or not.

(b) In the case of the sale of real property under § 47-4472:

(1) The deed of sale given under § 47-4475(b) shall be prima facie evidence of the facts set forth in the deed; and

(2) If the seizure and sale have been made substantially in accordance with the law, the deed shall convey all rights of the delinquent party in the real property at the time that the lien of the District of Columbia attached.

(c) A certificate of sale of personal property given, or a deed to real property executed, under § 47-4475 shall discharge the property from all liens, encumbrances, and titles over which the lien of the District of Columbia with respect to which the levy was made had priority.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4477. APPLICATION OF PROCEEDS.

(a) The proceeds realized from a seizure and sale under this chapter shall be applied in the following order of priority:

(1) The expenses of the proceedings for seizure and sale;

(2) The specific tax liability on the seized property;

(3) The liability for which the levy was made or the sale was conducted;

(4) Any other District of Columbia tax liability due and unpaid.

(b) Any proceeds remaining after the application of subsection (a) of this section shall, upon application and satisfactory proof, be credited or refunded by the Mayor to the person entitled thereto.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4478. RELEASE OF LEVY AND RETURN OF PROPERTY.

(a) The Mayor shall release the levy upon all, or part, of the property levied upon and shall promptly notify the person upon whom the levy was made (if any) that the levy has been released if:

(1) The liability for which the levy was made is satisfied or becomes unenforceable;

(2) Release of the levy will facilitate the collection of the liability;

(3) The taxpayer has entered into an agreement to satisfy the liability by means of installment payments (unless the agreement provides otherwise); provided, that the Mayor shall not be required to release the levy if the release would jeopardize the status of the District of Columbia as a secured creditor;

(4) The Mayor determines that the levy is creating an economic hardship due to the financial condition of the taxpayer; or

(5) The fair market value of the property exceeds the liability and release of the levy on part of the property will not hinder the collection of the liability.

(b) The release of levy on a property under subsection (a)(1) of this section shall not prevent a subsequent levy on the property.

(c) If the Mayor determines that property has been wrongfully levied upon, the Mayor may return:

(1) The specific property levied upon, at any time;

(2) An amount of money equal to the amount of money levied upon; or

(3) An amount of money equal to the amount of money received by the District of Columbia from a sale of the property.

(d) Interest shall be allowed and paid at the overpayment rate established in § 47-4212:

(1) In a case described in subsection (c)(2) of this section, from (A) the date of receipt of the money by the Mayor from the levy to (B) a date (to be determined by the Mayor) preceding the date of return of the money by not more than 60 days; or

(2) In a case described in subsection (c)(3) of this section, from (A) the date of the sale of the property to (B) a date (to be determined by the Mayor) preceding the date of return of the proceeds of sale by not more than 60 days.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4479. JUDGMENT FOR WRONGFUL DISTRAINT.

If there is a recovery in a suit or proceeding against the Mayor (or the Mayor's designee), for a wrongful distraint or any other act performed by the Mayor or for the recovery of money paid to the Mayor and transmitted to the District of Columbia in the performance of the Mayor's official duty, and the court finds there was probable cause for the act performed, an execution shall not issue thereon, but the amount so recovered shall, upon final judgment, be paid by the District of Columbia in the same manner as judgments against the District of Columbia are paid.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4480. LIABILITY FOR FAILURE OR REFUSAL TO SURRENDER.

A person who fails or refuses to surrender property subject to distraint on which a levy has been made shall be liable to the District of Columbia for the value of the property not surrendered, but not exceeding the amount of the taxes, including interest and penalties, for which the levy has been made, together with costs and interest thereon from the date of the levy.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For Law 13-305, see notes under § 47-4401.

§ 47-4481. FINANCIAL INSTITUTIONS, REQUESTS FOR INFORMATION.

(a)(1) The Chief Financial Officer may request, up to 4 times per year, information and assistance from a financial institution concerning any obligor who is delinquent in the payment of taxes to aid in the enforcement of District tax laws.

(2) The CFO's request shall:

- (A) Include the full name of the obligor and any other names known to be used by the obligor;
- (B) Include the social security number, or other taxpayer identification number, of the obligor; and
- (C) Be transmitted to the financial institution in an electronic format, unless the financial institution asks the CFO to submit the request in hard-copy form.

(b)(1) Within 30 days of receipt of a request from the CFO, the financial institution shall, with respect to each obligor whose name the CFO submitted to the financial institution, submit a report, in machine-readable form, to the CFO in compliance with paragraph (3) of this subsection.

(2) A financial institution submitting a report to the CFO pursuant to this section is prohibited from disclosing to an obligor that his or her name has been received in a request for information or furnished to the CFO.

(3)(A) Except as provided in subparagraph (B) of this paragraph, the report required pursuant to paragraph (1) of this subsection shall contain, to the extent reflected in the records of the financial institution:

- (i) The full name of the obligor;
- (ii) The address of the obligor;
- (iii) The social security number, or other taxpayer identification number, of the obligor;
- (iv) Any other identifying information needed to ensure positive identification of the obligor; and
- (v) For each account of the obligor, the obligor's account number and balance.

(B) For a financial institution that submits reports through the Federal Parent Locator Service under 42 U.S.C. § 666(a)(17), a report that contains the information that meets the specifications required for financial-data-match reports under the Federal Parent Locator Service shall meet the requirements of this subsection.

(c) A financial institution that submits a report in compliance with this section is not liable to any person for:

- (1) Disclosure of any information submitted to the CFO in accordance with this section; or
- (2) Any other action taken in good faith to comply with the requirements of this section.

(d) The Mayor may institute civil proceedings to enforce this section through the Office of Attorney General for the District of Columbia.

(e) For the purposes of this section, the term:

(1) "Account" means any funds from a demand deposit account, checking account, negotiable order of withdrawal account, savings account, time deposit account, money market mutual fund account, or certificate of deposit account, any funds paid towards the purchase of shares or other interest in a financial institution, and any funds or property held by a financial institution, and does not include an account or portion of an account to which an obligor does not have access due to the pledge of the funds as security for a loan or other obligation, funds on property deposited to an account after the time that the financial institution initially attaches the account, an account or portion of an account to which the financial institution has a present right to exercise a right of setoff, an account or portion of an account that has an account holder of interest named as an owner on the account, or an account or portion of an account to which the obligor does not have an unconditional right of access.

(2) "Account holder of interest" means any person, other than the obligor, who asserts an ownership interest in an account.

(3) "CFO" means the Chief Financial Officer of the District of Columbia.

(4) "Financial institution" means a:

(A) Depository institution, as defined in the Federal Deposit Insurance Act under 12 U.S.C. § 1813(c);

(B) Federal credit union or State credit union, as defined in the Federal Credit Union Act under 12 U.S.C. § 1752; or

(C) Benefit association, insurance company, safe deposit company, money market mutual fund, or similar entity doing business in the state that holds property or maintains accounts reflecting property belonging to others.

(5) "Obligor" means a person, whose property is subject to a tax lien.

(Sept. 14, 2011, D.C. Law 19-21, § 8082(b), 58 DCR 6226.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-21, see notes under § 47-305.02.

Miscellaneous Notes

Short title: Section 8081 of D.C. Law 19-21 provided that subtitle I of title VIII of the act may be cited as "Bank Account Tax Offset Act of 2011".

SUBCHAPTER VII. RESPONSIBLE OFFICER.

§ 47-4491. PERSONAL LIABILITY FOR FAILURE TO COLLECT OR PAY TAX.

(a) An officer or director of a corporation, general partner of a partnership, or similar principal of a business shall, in addition to other penalties provided by law, be liable for a penalty equal to the tax, including interest and penalties thereon, not collected or paid to the District of Columbia for which the business is liable under § 47-1812.08 or Chapter 20 of this title. No other penalty shall be imposed under Chapter 42 of this title for a liability arising from application of this section.

(b) A penalty shall not be imposed under subsection (a) of this section unless the Mayor notifies the responsible person in writing by mail at the taxpayer's last known address, or in person, that the responsible person is subject to an assessment of the penalty. The mailing of the notice (or, in the case of such a notice delivered in person, the delivery) shall be given at least 30 days before the imposition of a penalty under subsection (a) of this section. If the Mayor finds that the collection of the penalty is in jeopardy, this subsection shall not apply.

(c) The penalty under subsection (a) of this section shall not be imposed if reasonable cause in accordance with § 47-4221 is established.

(d) The penalty under subsection (a) of this section shall not be imposed after the expiration of the period prescribed in § 47-4312 for the underlying tax liability.

(e) If more than one officer, director, general partner, or similar principal is liable for the penalty under subsection (a) of this section with respect to a tax, each officer, director, general partner, or similar principal who pays the penalty shall be entitled to recover from other officers, directors, general partners, or similar principals who are liable for the penalty an amount equal to the excess of the amount paid by the officer, director, general partner, or similar principal over his proportionate share of the penalty. A claim for recovery may be made only in a proceeding in which the District of Columbia is not a party.

(f)(1) A penalty shall not be imposed by subsection (a) of this section on an unpaid member of the board of trustees or directors of an organization exempt from tax under this title if the member:

(A) Is solely serving in an honorary capacity;

(B) Does not participate in the day-to-day or financial operations of the organization; and

(C) Does not have actual knowledge of the failure to pay tax for which the penalty is imposed.

(2) Paragraph (1) of this subsection shall not apply if no individual is liable for the penalty imposed by subsection (a) of this section.

(June 9, 2001, D.C. Law 13-305, § 405(b), 48 DCR 334.)

HISTORICAL AND STATUTORY NOTES

For Law 13-305, see notes under § 47-4401.