(2) in applying the provisions of such section to the departments and agencies in the executive branch, the officers and employees of the Bureau of Research and Engineering of the Post Office Department and the officers and employees in the postal field service, except those in regional offices, shall not be taken into account.

Approved August 2, 1968.

Public Law 90-450

August 2, 1968
[H. R. 16361]

AN ACT

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

D.C. Revenue Act of 1968.

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 1968".

TITLE I—FEDERAL PAYMENT AUTHORIZATION

81 Stat. 339.

SEC. 101. Section 1 of article VI of the District of Columbia Revenue Act of 1947 (D.C. Code, sec. 47–2501a) is amended (1) by striking out "June 30, 1968" and inserting in lieu thereof "June 30, 1969", and (2) by striking out "$70,000,000" and inserting lieu thereof "$90,000,000".

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

80 Stat. 858.

SEC. 201. Section 3 of title VI of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1567b(a)) is amended to read as follows:

"SEC. 3. IMPOSITION AND RATES OF TAX.—In the case of a taxable year beginning after December 31, 1967, there is hereby imposed on the taxable income of every resident a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,000	2% of the taxable income.
Over $1,000 but not over $3,000	$20 plus 3% of excess over $1,000.
Over $3,000 but not over $5,000	$80 plus 4% of excess over $3,000.
Over $5,000 but not over $10,000	$160 plus 5% of excess over $5,000.
Over $10,000	$410 plus 6% of excess over $10,000."

61 Stat. 345.

SEC. 202. (a) Section 2 of title VII of such Act (D.C. Code, sec. 47–1571a) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

(b) Section 3 of title VIII of such Act (D.C. Code, sec. 47–1574b) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

70 Stat. 71.

SEC. 203. (a) Section 7(a)(4) of title XII of such Act (D.C. Code, sec. 47–1586f(a)(4)) is amended to read as follows:

"(4) EMPLOYERS.—Every employer required to deduct and withhold tax under this article shall make a return of, and pay to the District, the tax required to be withheld under this article for such periods and at such times as the District of Columbia Council may prescribe."

70 Stat. 79.

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

"(b) FAILURE TO FILE EMPLOYER'S RETURN.—In the case of any employer—

"(1) who pursuant to this article is required to withhold taxes on wages, make a return of such taxes, and pay to the District the

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taxes required to be withheld pursuant to this article, and

"(2) who fails to withhold such taxes, make such return, or pay to the District the taxes required to be withheld pursuant to this article,

there shall be imposed on such employer a civil penalty (in addition to any criminal penalty provided for in this article) of 5 per centum of the amount required to be shown as tax on such return if the failure is for not more than one month, with an additional 5 per centum for each additional month or fraction thereof during which such failure continues, not exceeding 25 per centum in the aggregate." Civil penalty.

SEC. 204. (a) The amendment of any provision of the District of Columbia Income and Franchise Tax Act of 1947 shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before such amendment; but all rights and liabilities under such Act shall continue, and may be enforced in the same manner and to the same extent, as if such amendment had not been made. 61 Stat. 328. D.C. Code 47-1551 note.

(b) All offenses committed, and all penalties incurred, under any provision of law hereby amended, may be prosecuted and punished in the same manner and with the same effect as if this title had not been enacted.

SEC. 205. The amendments made by sections 201 and 202 of this title shall be applicable to taxable years beginning after December 31, 1967. The amendments made by section 203 of this title shall take effect on the date of enactment of this Act. Effective dates.

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

SEC. 301. Section 107 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601, par. 7) is amended by striking out ": *Provided, however*, That the word 'food' shall not include spiritous or malt liquors and beer" and inserting after the period at the end of such section the following new sentence: "The word 'food' shall not include spiritous or malt liquors, beer, or wines." Sales tax. "Food." 68 Stat. 117.

SEC. 302. Subsection (a) of section 114 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601, par 14(a)) is amended by adding at the end thereof the following new paragraph: "Retail sale"; "sale at retail." 63 Stat. 113.

"(7)(A) The sale of or charges to subscribers for local telephone service. The inclusion of such sales and charges in the definition of the terms 'retail sale' and 'sale at retail' shall not authorize any tax to be imposed under this title on so much of any amount paid for the installation of any instrument, wire, pole, switchboard, apparatus, or equipment as is properly attributable to such installation.

"(B) The term 'local telephone service' means— "Local telephone service."

"(i) the access to a local telephone system, and the privilege of telephonic quality communication with substantially all persons having telephone or radio telephone stations constituting a part of such local telephone system, and

"(ii) any facility or service provided in connection with a service described in clause (i) of this subparagraph.

The term 'local telephone service' does not include any service which is a 'toll telephone service' or a 'private communication service' as defined in subparagraphs (C) and (D).

"(C) The term 'toll telephone service' means— "Toll telephone service."

"(i) a telephonic quality communication for which (a) there is a toll charge which varies in amount with the distance and elapsed

transmission time of each individual communication and (b) the charge is paid within the United States, and

"(ii) a service which entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telephonic communications to or from all or a substantial portion of the persons having telephone or radio telephone stations in a specified area which is outside the local telephone system area in which the station provided with this service is located.

"Private communication service."

"(D) The term 'private communication service' means—

"(i) the communication service furnished to a subscriber which entitles the subscriber—

"(a) to exclusive or priority use of any communication channel or groups of channels, or

"(b) to the use of an intercommunication system for the subscriber's stations,

regardless of whether such channel, groups of channels, or intercommunication system may be connected through switching with a service described in subparagraph (B) or (C),

"(ii) switching capacity, extension lines and stations, or other associated services which are provided in connection with, and are necessary or unique to the use of, channels, or systems described in clause (i) of this subparagraph, and

"(iii) the channel mileage which connects a telephone station located outside a local telephone system area with a central office in such local telephone system,

except that such term does not include any communication service unless a separate charge is made for such service."

Exemptions.

63 Stat. 114.

SEC. 303. Section 114(b)(2) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601, par. 14(b)(2)) is amended to read as follows:

"(2)(A) Sales of transportation and communication services other than sales of local telephone service.

"(B) Sales of local telephone service rendered by means of a coin-operated telephone available to the public; except that where such coin-operated telephone service is furnished for a guaranteed amount, the amounts paid under such guarantee plus any fixed monthly or other periodic charge shall be subject to the tax imposed on local telephone service by this title."

Rates.

SEC. 304. Section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602) is amended to read as follows:

"SEC. 125. A tax is imposed upon all vendors for the privilege of selling at retail certain tangible personal property and for the privilege of selling certain selected services (defined as 'sales at retail' in this title). The rate of such tax shall be 4 per centum of the vendor's gross receipts from the sale of such tangible personal property and services, except that the rate of tax with respect to sales or charges for any room or rooms, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients, shall be 5 per centum of the gross receipts from such sales or charges, and the rate of tax with respect to sales of food for human consumption off the premises where such food is sold shall be 1 per centum of the gross receipts from such sales."

Exemptions.

SEC. 305. (a) Section 128 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2605) is amended—

(1) by adding after paragraph (c) the following new paragraph:

"(d) Sales of materials and services to the printing clerks of the

majority and minority rooms of the House of Representatives for use in the operation of such rooms, and sales of materials and services made by such clerks in connection with the operation of such rooms.";

(2) by amending paragraph (i) to read as follows:

"(i) Sales of food, beverages, and other goods made to any person for use in the operation of the majority and minority cloakrooms of the House of Representatives and sales of such food, beverages, and other goods made by such person in connection with the operation of such cloakrooms."; and

(3) by redesignating paragraph (r) as paragraph (q).

71 Stat. 276; 80 Stat. 856. D.C. Code 47-2605.

(b) Paragraph (d) of such section 128, added by paragraph (1) of subsection (a) of this section, shall apply with respect to sales of materials and services made on or after January 1, 1961.

Effective date.

SEC. 306. Section 201(b)(2) of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2701, par. 1(b)(2)) is amended to read as follows:

Use tax. "Retail sale," exemption. 63 Stat. 125.

"(2) Sales of transportation and communication services other than sales of local telephone service."

SEC. 307. The last sentence of section 212 of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2702) is amended to read as follows: "The rate of the tax imposed by this section shall be 4 per centum of the sales price of the tangible personal property or services rendered or sold, except that the rate of tax with respect to sales of food for human consumption off the premises where such food is sold shall be 1 per centum of the sales price of such sales."

Rate.

SEC. 308. Except as provided in section 305(b), the amendments made by 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. The imposition of sales tax on local telephone service shall be applicable to the sales price or charge made by a vendor for local telephone service as stated on the bills rendered to the purchaser by the vendor on and after such effective date.

Effective date.

TITLE IV—GENERAL PROVISIONS

SEC. 401. No funds appropriated for the government of the District of Columbia may be used—

(1) to provide transportation for students enrolled in the public schools of the District of Columbia if the transportation is provided solely to change the racial balance in any public school in the District of Columbia, or

(2) for the cost of education (including the cost of transportation) of any individual in an elementary or secondary school located outside the District of Columbia, except (A) any handicapped individual for whom education facilities do not exist in the public school system of the District of Columbia and (B) any individual under the care, custody, or guardianship of the District of Columbia placed in a foster home or in an institution located outside the District of Columbia.

SEC. 402. No funds appropriated for the government of the District of Columbia may be used to furnish materials or services to promote or further any demonstration in the District of Columbia undertaken for the purpose of influencing legislation or other governmental actions of the United States Government or the government of the District of Columbia, except that nothing in this section shall preclude the government of the District Columbia from taking such emergency action as the Commissioner of the District of Columbia determines necessary for the preservation of the health, safety, or welfare of any person within the District of Columbia.

D.C. Council. Licensing authority. 48 Stat. 322.

SEC. 403. The first sentence of the second paragraph of section 7 of the District of Columbia Alcoholic Beverage Control Act (D.C. Code, sec. 25–107) is amended to read as follows: "The District of Columbia Council shall have authority to make rules and regulations for the issuance, transfer, and revocation of licenses; to facilitate and insure the collection of taxes; to govern the operation of the business of licensees, with full power and authority to prescribe the terms and conditions under which alcoholic beverages may be sold by each class of licensees; to forbid the issuance of licenses for manufacture, sale, or storage of alcoholic beverages in such localities in, and such sections and portions of, the District of Columbia as the Council may deem proper in the public interest; to limit the number of licenses of each class to be issued in the District of Columbia and to limit the number of licenses of each class in any locality in, or sections or portions of, the District of Columbia as the Council may deem proper in the public interest; to forbid the issuance of licenses for businesses conducted on such premises as the Council, in the public interest, may deem inappropriate; to forbid the issuance of any class or classes of licenses for businesses established subsequent to the date of enactment of this Act near or around schools, colleges, universities, churches, or public institutions; to prescribe the hours during which alcoholic beverages may be sold; and to prohibit the sale of any or all alcoholic beverages on such days as the Council determines necessary in the public interest."

License applicants, citizenship. 48 Stat. 328.

SEC. 404. Section 14(a) of the District of Columbia Alcoholic Beverage Control Act (D.C. Code, sec. 25–115(a)) is amended—

(1) by striking out in paragraph 2 "a citizen of the United States,";

(2) by adding immediately after paragraph 2 the following new paragraph:

"3. That (A) each individual, each member of a partnership, and each principal officer of a corporation (other than a club) is a citizen of the United States, and (B) a majority of the principal officers of a club are citizens of the United States."; and

(3) by redesignating paragraphs 3, 4, and 5 and all references thereto, as paragraphs 4, 5, and 6, respectively.

Approved August 2, 1968.

Public Law 90-451

August 3, 1968
[S. 2445]

AN ACT

To amend part I of the Federal Power Act to clarify the manner in which the licensing authority of the Commission and the right of the United States to take over a project or projects upon or after the expiration of any license shall be exercised.

Federal Power Commission. Licensing authority. 49 Stat. 842.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Federal Power Act, as amended (16 U.S.C. 800), is amended by adding thereto the following new subsection:

"(c) Whenever, after notice and opportunity for hearing, the Commission determines that the United States should exercise its right upon or after the expiration of any license to take over any project or projects for public purposes, the Commission shall not issue a new license to the original licensee or to a new licensee but shall submit its recommendation to Congress together with such information as it may consider appropriate."