

SUBTITLE 17.1
RECORDATION AND TRANSFER TAXES – YIELD EXCISE TAX

§ 17.1-1. Tax imposed.

(a) *In general.*

An excise tax, to be known as the Yield Tax, shall be levied and collected based upon the tax yield from any transaction for which recordation taxes and transfer taxes are due pursuant to Subtitles 16 and 17 of this article.

(b) *Exemptions.*

(1) *In general.*

The Yield Tax does not apply to:

- (i) any mortgage or deed of trust recorded within 6 months of the effective date of this subtitle and securing a loan the proceeds of which will provide funding for the construction and completion to the issuance of a certificate of use and occupancy of a project and for which a full but not a partial building permit has been issued prior to the effective date of this subtitle; or
- (ii) any deed and any purchase money mortgage or deed of trust related thereto for the conveyance of a residential property to be occupied by the grantee of such deed and which deed is delivered pursuant to a bona fide contract of sale that has been entered into between the grantor and grantee of such deed within 2 years of the effective date of this subtitle.

Editor's Note: This subtitle was enacted by Ordinance 18-215, effective January 11, 2019.

(2) *Supporting affidavit required.*

The facts to substantiate the foregoing exemptions shall be set forth in an affidavit made on personal knowledge of the affiant and under penalties of perjury on forms to be furnished by the Director of Finance and including supporting documents that verify compliance with the requirement for the exemption.

(Ord. 18-215.)

§ 17.1-2. Transactions assessed; Tax rate.

(a) *Transactions assessed.*

The Yield Tax shall be assessed on those transactions whose value exceeds \$1 million, as determined by Subtitles 16 and 17 of this article for the purposes of calculating the recordation and transfer taxes respectively.

(b) *Tax rate.*

The rate of tax shall be as follows:

(1) 0.15% on the amount collected under Subtitle 16 of this article; and

(2) 0.6% on the amount collected under Subtitle 17 of this article.

(Ord. 18-215.)

§ 17.1-3. Dedication of tax proceeds.

Proceeds from the tax imposed by this subtitle up to \$16 million, and one-half of the proceeds in excess of \$16 million, if any, shall be deposited in the continuing, nonlapsing fund created by City Charter, Article I, § 14 {"Affordable Housing Trust Fund"}, to be used exclusively for the purposes specified in that section, subject to appropriation pursuant to the annual Ordinance of Estimates.

(Ord. 18-215.)

§ 17.1-4. Interest and civil penalties.

In the event that the tax levied and imposed under this subtitle is not paid as required by this subtitle, the person and/or other legal entity liable for the payment of that tax shall be assessed by the Director of Finance for:

(1) the amount of the tax due;

(2) interest at the rate of ½% for each month or fraction of a month, accounting from the date when such written instrument was received for recordation; and

(3) a penalty of 10% of the tax due.

(Ord. 18-215.)

§ 17.1-5. Liability of transferors and transferees.

The tax levied and imposed by this subtitle, and all increases, interest, and penalties thereon, shall be and become, from the time due and payable, the debt of the legal and equitable transferors and transferees, jointly and severally, of the property subject to the recordation and transfer taxes upon which the Yield Tax is calculated.

(Ord. 18-215.)

§ 17.1-6. Administration of subtitle.

(a) *In general.*

In order to properly carry out and enforce the provisions of this subtitle and to collect the tax levied and imposed by this subtitle, the Director of Finance is hereby authorized and empowered:

- (1) to make, adopt, promulgate, and amend, from time to time, such rules and regulations as he may deem necessary or proper:
 - (i) to carry out and enforce the provisions of this subtitle;
 - (ii) to fully collect the tax imposed by this subtitle; and
 - (iii) to define or construe any of the terms and provisions used in this subtitle in connection with the imposition or collection of that tax;
- (2) with the approval of the City Solicitor:
 - (i) to compromise disputed claims in connection with the tax levied and imposed by this subtitle; and
 - (ii) for good and sufficient causes shown, to abate or remit interest and penalties and to rebate and refund any taxes erroneously or improperly paid; and
- (3) to delegate any of his powers, duties, and functions under the provisions of this subtitle to the City Collector.

(b) *Rules and regulations to be filed with DLR.*

Copies of all rules and regulations adopted under this subtitle shall be filed with the Department of Legislative Reference.

(Ord. 18-215.)

§ 17.1-7. Criminal penalties.

Any person who participates or aids in any manner in the evasion of the tax levied and imposed by this subtitle or who willfully violates any provision of this subtitle or of the rules and regulations adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$500 for each offense.

(Ord. 18-215.)