

Pub. Law 757
All 70 Stat. 600.

year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902, as amended (D. C. Code, sec. 47-1701), is amended by striking out the third and fourth sentences and inserting in lieu thereof the following: "Each gas, electric-lighting, and telephone company shall pay, in addition to the taxes herein mentioned, the franchise tax imposed by the District of Columbia Income and Franchise Tax Act of 1947, and the tax imposed upon stock in trade of dealers in general merchandise under paragraph numbered 2 of section 6 of said Act approved July 1, 1902, as amended."

68 Stat. 118.

61 Stat. 328.
D. C. Code 47-
ch. 15.
D. C. Code 47-
1207.
Exemptions.

(b) Notwithstanding subsection (a) of this section, the Corporation shall be exempt from the following taxes:

(1) The gross sales tax levied under the District of Columbia Sales Tax Act;

63 Stat. 112.
D. C. Code 47-
2601 to 47-
2629.

(2) The compensating use tax levied under the District of Columbia Use Tax Act;

63 Stat. 124.
D. C. Code 47-
2701 to 47-2714.
63 Stat. 128.

(3) The excise tax upon the issuance of titles to motor vehicles and trailers levied under subsection (j) of section 6 of the District of Columbia Traffic Act of 1925, as amended (D. C. Code, sec. 40-603 (j) (4));

(4) The taxes imposed on tangible personal property, to the same extent that the Capital Transit Company was exempt from such taxes immediately prior to the effective date of this section under the provisions of the Act of July 1, 1902, as amended; and

(5) The mileage tax imposed by subparagraph (b) of paragraph 31 of section 7 of the Act approved July 1, 1902, as amended (D. C. Code, sec. 47-2331 (b)).

47 Stat. 555;
68 Stat. 119.

SEC. 9. (a) Except as hereinafter provided, the Corporation shall not, with respect to motor fuel purchased on or after September 1, 1956, pay any part of the motor vehicle fuel tax levied under the Act entitled "An Act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924, as amended (D. C. Code, title 47, chapter 19).

Motor vehicle
fuel tax.

(b) For the purposes of this section—

43 Stat. 106.
D. C. Code 47-
1901 to 47-1919.
Definitions.

(1) the term "a $6\frac{1}{2}$ per centum rate of return" means a $6\frac{1}{2}$ per centum rate of return net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on the system rate base of the Corporation, except that with respect to any period for which the Commission utilizes the operating ratio method to fix the rates of the Corporation, such term shall mean a return of $6\frac{1}{2}$ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, based on gross operating revenues; and

(2) the term "full amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income" means the amount which would have been payable in the absence of write-offs in connection with the retirement of street railway property as contemplated by section 7 of this part, but only to the extent that such write-offs are not included as an operating expense in determining net earnings for rate-making purposes.

(c) As soon as practicable after the twelve-month period ending on August 31, 1957, and as soon as practicable after the end of each subsequent twelve-month period ending on August 31, the Commission shall determine the Corporation's net operating income for such twelve-month period and the amount in dollars by which it exceeds or is less than a $6\frac{1}{2}$ per centum rate of return for such twelve-month period. In such determination the Commission shall include as an operating expense the full amount of the motor vehicle fuel tax which would be due but for the provisions of this section on the motor fuel purchased by the Corporation during the twelve-month period, and

Determination of
tax by operating
ratio.