

MEMO# 3299

November 26, 1991

DISTRICT OF COLUMBIA MAYOR SIGNS BILL REPEALING TAX ON NON-DISTRICT OF COLUMBIA MUNICIPAL OBLIGATIONS

November 26, 1991 TO: MONEY MARKET MEMBERS - ONE PER COMPLEX NO. 29-91 TAX COMMITTEE NO. 37-91 UNIT INVESTMENT TRUST COMMITTEE NO. 42-91 RE: DISTRICT OF COLUMBIA MAYOR SIGNS BILL REPEALING TAX ON NON-DISTRICT OF COLUMBIA MUNICIPAL OBLIGATIONS _____ Yesterday,

November 25, 1991, the Mayor signed a bill which repeals the District of Columbia income tax on interest earned on non-District municipal obligations. That tax had been scheduled to become effective for obligations purchased after 1991. The bill had been passed by the District of Columbia Council on November 5, 1991. (See Institute Memorandum to Tax Members No. 48-91, Unit Investment Trust Members No. 54-91 and Money Market Members - One Per Complex, No. 28-91, dated November 7, 1991.) By law, Congress has 30 days in which to review all acts of the District Council. Assuming that Congress has no objections, the interest on all municipal obligations will remain exempt from tax to District residents. We will keep you informed of further developments. David J. Mangefrida Jr. Assistant Counsel - Tax DJM:bmb