

2017

D-65

**District of Columbia (DC)
Partnership Return of Income
Tax Forms and Instructions**

MyTax.DC.gov



Simpler. Faster. Safer.

The District allows Franchise (D-20), Unincorporated Franchise (D-30), Partnership (D-65), and Fiduciary (D-41) taxpayers to file returns with attachments using a CD. Include the following on a CD:

- **A signed and dated return;**
- **Any DC schedules you are submitting;**
- **Any federal forms that must accompany the return;**
- **Indicate on the CD label, form number, FEIN and tax year being filed; and**
- **Images on the CD should be in PDF format**



What's New:

- DC Ballpark TIF Area - A fill in "if QHTC located in DC Ballpark TIF Area" oval has been added to page 1 of the D-65 return.

Reminder:

- **Third Party Designee** - On the bottom of page 2 of the D-65 form, a line has been provided to authorize another person to discuss the return with the Office of Tax and Revenue (OTR).
- **Modernized e-File (MeF)** - Partnership return filers may now e-file the D-65 Partnership Return of Income through MeF.
- **New Extension of Time to File Form** - The Extension of Time to File a DC Franchise or Partnership Return, formerly known as the FR-128, has been redesigned. The new FR-165, Extension of Time to File a DC Partnership Return, has replaced the FR-128. Please be advised that the FR-165 does not require a remittance of funds.

GENERAL INSTRUCTIONS FOR THE D-65 PARTNERSHIP RETURN

Who must file a DC Form D-65?

Except for partnerships required to file an unincorporated business franchise tax return, DC Form D-30, or corporate franchise tax return, DC Form D-20, or an LLC, or publicly traded partnership that filed a federal corporation return, all partnerships engaged in any trade or business in DC or which received income from sources in DC, must file a Form D-65.

The term “partnership” includes a limited partner, group, syndicate, pool and joint venture through or by means of which any business, financial operation, or venture is carried on. The following are excluded by law: 1) a corporation; 2) a trust or estate; or 3) an unincorporated business. The term “partner” includes a member of a syndicate, pool or joint venture.

If the return is filed on behalf of a syndicate, pool, joint venture or similar group, attach to the D-65 a copy of the agreement and all amendments to the agreement.

A limited liability company is classified as a partnership. The only exception is if IRS has classified it differently. Use the same classification on your DC return as that used on your federal return.

Who must file DC Form D-30 instead of Form D-65?

Every partnership which, during the taxable year, engaged in an “unincorporated business” as defined in paragraph (1) below, and which met the gross income threshold as stated in paragraph (2) below, must file a Form D-30, rather than Form D-65. If Form D-65 is filed instead of Form D-30, attach an explanation to the D-65.

(1)(a) A partnership with gross income of more than \$12,000 which leases real or personal property in DC, regardless of whether services are performed, (including professional partnerships) must file a Form D-30 instead of Form D-65.

(b) “Unincorporated Business”. An unincorporated business is any trade or business, conducted or engaged in by any individual, whether resident or nonresident, statutory or common-law trust, estate, partnership, or limited or special partnership, society, association, executor, administrator, receiver, trustee, liquidator, conservator, committee, assignee, or by any other entity or fiduciary, other than a trade or business conducted or engaged in by any corporation, S corporation, Q-sub, publicly traded partnership or any other form of entity treated as a corporation for District tax purposes. This includes any trade or business which, if conducted or engaged in by a corporation, would be taxable.

(c) Excluded is any trade or business which by law, custom, or ethics, cannot be incorporated or any trade or business deriving more than 80% of its gross income from personal services rendered by owners or members of the partnership or other entity in conducting or carrying on any trade or business in which capital is not a material income-producing factor.

(2) Gross income requirement for filing DC Form D-30. A return must be filed by an unincorporated business if its gross income from engaging in or carrying on any trade or business in DC plus any other gross income received from DC sources amounts to more than \$12,000 during the year, regardless of whether it had net income. For filing purposes, the words “gross income” means gross revenue before deduction of cost of goods, expenses and other deductions allowable in the determination of net income.

NOTE: For District tax purposes, taxpayers are not permitted to claim the additional federal 30 or 50 percent bonus depreciation per Internal Revenue Code (IRC) 168(k), nor the additional Internal Revenue Code (IRC) Section 179 expenses. Taxpayers should keep a separate depreciation schedule for DC tax purposes.

When is your return due?

You must file your return by:

- Calendar year filer – April 17, 2018; or
- Fiscal year filer – the fifteenth day of the fourth month following the ending of the taxable year you entered at the top of the DC Form D-65.

If the due date falls on a Saturday, Sunday or legal holiday, the return is due the next business day.

If you are requesting an extension of time to file, submit DC Form FR-165, Extension of Time to File a DC Partnership Return, by the due date of your return. Do not use the federal extension of time to file form to request a DC extension.

How to file your return

File your DC Form D-65 with the Office of Tax and Revenue, 1101 4th Street, SW, FL4, Washington, DC 20024.

Sign and date the return. Make a copy for yourself. If submitting the return with attachments, you must submit using a CD.

Include the following on the CD:

- The signed D-65 return;
- Any attachments and/or schedules (federal Form 1065, and Schedule K-1). Include copies of all the schedules and statements accompanying the Form 1065. Also attach a schedule showing the pass-through distribution of income for all members of the partnership, and copies of the completed federal K-1 schedule; and
- Write on the CD label, “D-65”, your FEIN, tax year being filed, and statements accompanying the Form D-65 on the CD.

Assembling your D-65 return

Do not staple or otherwise damage the Bar Code located in the upper right hand corner of this form or schedule(s) being attached.

Substitute forms

You may file your DC tax return using a computer-prepared or computer-generated substitute form, provided the form is approved in advance by the Office of Tax and Revenue (OTR). The fact that a software package is available for retail purchase does not mean that the substitute form has been approved for use. Call or check with the software developer to determine if its form is approved by the DC OTR.

By Modernized e-File (MeF)

MeF offers most DC Partnership return filers a full federal/state electronic filing program. There are three ways in which taxpayers can file their federal and District returns together electronically:

1. Through an authorized software provider listed on the Internal Revenue Service (IRS) website;
2. Through a tax practitioner who is an authorized e-File provider; or
3. Through a commercial online filing service. This allows taxpayers to transmit their DC and federal returns from their PC.

Special filing circumstances

Combined Reporting

If the partnership is unitary with a combined group, fill in the “if unitary” oval on page 1 of Form D-65. In addition, provide the designated agent’s name and Federal Employer Identification Number (FEIN) on page 1 of the form.

Qualified High Technology Companies (QHTC)

If you are a QHTC, fill in the QHTC oval on page 1 of the D-65. A QHTC claiming exemption for a partnership must attach Form QHTC-CERT to Form D-65. For additional information, see Publication FR-399, Qualified High Technology Companies.

DC Ballpark Tax Increment Financing (TIF) Area

If a business entity claiming to be a QHTC is located in the DC Ballpark TIF Area as specified in DC Code §2-1217.12, fill in the ‘if QHTC located in DC Ballpark TIF Area’ oval on page 1 of Form D-65. A business entity located in the DC Ballpark TIF Area cannot receive QHTC tax benefits. See DC Code §47-1817.01(5)(B)(iii).

DC Apportionment Factor

All businesses other than financial institutions engaging in a trade or business both in and outside of DC must use the single sales factor formula to apportion its business income. Businesses domiciled in DC and not subject to tax elsewhere must report 100 percent of their non-business income to DC. Businesses carrying on a trade or business in DC and other jurisdictions must apportion trade or business income to DC. Multiply the total income by a fraction. The numerator is the partnership’s total sales in DC during the tax year. The denominator is the partnership’s total sales everywhere during the tax year. Sales other than sales of tangible personal property shall be apportioned to the District by using the market-based sourcing rules.

Report the DC apportionment factor on Schedule F, Line 2, page 2 of Form D-65.

Amended returns

You must use the Form D-65 of the year you are amending. Prior year forms can be obtained from MyTax.DC.gov. Fill in the ‘Amended Return’ oval on page 1 of the D-65 and complete the ‘Tax Period Ending’ box. If the IRS adjusts your federal return or if you file an amended federal return, you must file an amended DC return within 90 days.

Mail the amended return and any attachments to the Office of Tax and Revenue, 1101 4th Street, SW, FL4, Washington, DC 20024.

Final return

If you are not required to continue filing a return for this entity, fill in the “final return” oval on the return. We will then cancel your filing requirement.

Items exempt from tax

All items of income received and claimed as exempt from tax must be explained in a copy of the Schedule K of the federal Form 1065. Attach the copy to your DC Form D-65. Some items of this type are:

- (1) Tax-Free Interest. Attach a statement reporting interest on:
 - (a) obligations of a state, territory of the United States or any political subdivision thereof, or DC; and
 - (b) obligations of the United States, its agencies, or instrumentalities.

(2) Proceeds from life insurance policies. In general, the proceeds of life insurance policies paid to the partnership due to the death of a partner are exempt. However, if any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable.

Information at source

Every partnership which in the course of its trade or business, during calendar year 2017, pays (1) interest, rents, commissions, or other fixed or determinable income of \$600 or more, or (2) salaries and wages of \$600 or more, must submit copies of federal Forms 1095 and 1099 unless the payment is specifically exempted by District of Columbia Municipal Regulations (DCMR) Rule 9-111.

No Remittance Due

The D-65 Partnership Return is considered to be an information return which means no remittance is due or should be tendered with the D-65 return, or form FR-165 extension request. If taxes are due as a result of any activity associated with a partnership, then a D-20 (DC Corporation Franchise Tax Return), a D-30 (DC Unincorporated Business Franchise Tax Return), or a D-40 (DC Individual Income Tax Return) with Federal Schedule C and/or SE, must also be filed to report and pay the taxes which are due.

Getting started

Do not cross out the tax year on the 2017 return. If you are not filing a 2017 D-65 Partnership Return, do not use this booklet. Request a booklet for the specific year you are filing by calling our Forms Center at (202) 442-6546, or visit the Customer Service Administration at 1101 4th Street, SW, FL2, Washington, DC 20024. You may also visit our website at MyTax.DC.gov for prior year partnership returns.

Use the same method of accounting on your DC Form D-65 as that used on your federal tax return.

To complete the paper Form D-65, in general you will need:

- Copies of your completed 2017 federal forms as applicable (1065, Schedule K, Schedule K-1, etc.)
- A pen with black ink
- A calculator

Not all items will apply. If an amount is zero, make no entry, leave the line blank.

The return must be filed for calendar year 2017, or other taxable year beginning in 2017, covering the same tax period reported on the return filed with the IRS. Fill in the tax period ending on page 1 as MMY.

All entries on the return and attachments are whole dollars only. Do not enter cents. Round cents to the nearest dollar.

Examples:

- \$10,500.50 rounds to \$10,501
- \$10,500.49 rounds to \$10,500

Federal Employer Identification Number (FEIN)

You must have an FEIN. A Federal Employer Identification Number (FEIN) is a number issued by the IRS. To apply for an FEIN, get Form SS-4, Application for Employer Identification Number at www.irs.gov. You may also get this form by calling 1-800-TAX-FORM (1-800-829-3676).

Filling out the form

To aid us in processing your return, please follow these rules:

Do not print outside the boxes.

Use black ink.

Print in CAPITAL letters.

ROBERTS

Leave a space between words and between words and numbers.

8 ELM

Write 3s with a rounded top, not a flat top.

3.7 ~~37~~

Write 7s without a middle bar.

•  ~~✓~~ ~~x~~

Fill in ovals completely. Do not "✓" or "x" ovals.

Do not enter cents. Round cents to the nearest dollar.

57204.00

Note: Your social security number is used for tax purposes only.

Signature

The return must be signed by a partner or member. If receivers, trustees in bankruptcy, or assignees are in control of the property or business organization, they must sign the return.

When the return is prepared by someone (for compensation) other than a member or an employee of the partnership, they must sign as the preparer at the bottom of page 2 of the DC Form D-65.

Preparer Tax Identification Number (PTIN)

If you are a paid preparer, you are required to have an IRS PTIN issued by the IRS. A PTIN is a number issued and authorized by the IRS to file a return on the taxpayer's behalf

Personal information

Complete the personal information as instructed using CAPITAL letters and black ink. Use one block per letter, including using a space between address fields. Please write clearly, otherwise this can delay processing your return.

Third Party Designee

If you want to authorize another person to discuss your 2017 tax return with OTR, check the oval in the Third Party Designee block on page 2 of the D-65 and enter the designee's name and phone number. If you want to authorize your paid preparer, enter 'preparer' in the 'third party designee' block.

Checking the oval gives the designee authorization to:

- Give OTR any information missing from your return;
- Contact OTR for information about processing your return and the status of any refund or payment; and
- Request, receive and/or respond to OTR notices related to your return.

The authorization does not:

- Give the designee the right to receive your refund;
- Bind you to any additional tax liability related to your return; or
- Otherwise represent you before OTR.

This authorization automatically ends on April 15, 2019 (without regard to extensions).

Business Name: _____



Federal Employer Identification No.: _____

Schedule F - DC apportionment factor (See instructions.)

Round cents to the nearest dollar. If an amount is zero, leave the line blank.

Carry all factors to six decimal places

	Column 1 TOTAL	Column 2 in DC	DC Apportionment Factor
1. SALES FACTOR: All gross receipts of the partnership other than gross receipts from items of non-business income.	\$ _____ .00	\$ _____ .00	(Column 2 divided by Column 1)
2. DC APPORTIONMENT FACTOR: Column 2 divided by Column 1.			_____

A. Date entity was organized (MMYY) _____

B. Fill in your accounting method cash accrual other (specify) _____

C. Number of partners in this partnership _____

D. Is this a limited partnership? YES NO

E. Is this a limited liability company? YES NO

F. Are any partners in this partnership also partnerships or corporate entities? YES NO

G. Is this partnership a partner in another partnership? YES NO

H. Was there a distribution or transfer of property that caused an adjustment of the basis of the partnership's assets under IRC Section 754? YES NO

I. Was a D-65 filed for the preceding year? YES NO

J. Was a 2017 DC unincorporated business franchise tax return (Form D-30) filed for this business? If "YES," enter the name under which the return was filed. YES NO

K. Did you file and pay an annual ballpark fee return? YES NO

L. Have you filed annual federal income tax information return Forms 1099 and 1096? YES NO

M. Did you withhold DC income tax from the wages of your DC employees during 2017? YES NO

If "NO," state reason: _____

N. During 2017, has the IRS made or proposed any adjustments to your federal partnership Form 1065, or did you file amended returns with the IRS? YES NO

If "YES," submit a separate, detailed explanation and an amended D-65 return reflecting the adjustments to: Office of Tax and Revenue, 1101 4th Street, SW, FL4, Washington DC 20024.

- Attach a copy of the Form 1065 with the K-1 and any other schedules you filed.
- Attach a schedule showing the pass-through distribution of income to all members of the partnership.
- If you are filing Form D-65, instead of Form D-30, attach an explanation.

Third party designee To authorize another person to discuss this return with OTR, fill in here and enter the name and phone number of that person. See instructions.
Designee's name _____ Phone number _____

PLEASE SIGN HERE
Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on all information available to the preparer.
Partner or member's signature _____ Date _____

PAID PREPARER ONLY
Preparer's signature (if other than taxpayer) _____ Date _____
Firm name _____
Firm address _____

Telephone number of person to contact

Paid Preparer's Tax Identification Number (PTIN)

If you want to allow the paid preparer to discuss this return with the Office of Tax and Revenue fill in the oval.

Mail return to: Office of Tax and Revenue, 1101 4th Street, SW, FL4, Washington DC 20024
Make no payment with this return.

Instructions for Form FR-165 (Partnership)

Do not send any payment with this form.

Purpose

Use Form FR-165 to request a 6-month extension of time to file a Partnership Return of Income (Form D-65).

When to file

The request for an extension of time to file must be submitted no later than the due date of the return.

Where to submit your request

Mail the completed FR-165 to:
Office of Tax and Revenue, 1101 4th Street, SW, FL4, Washington, DC 20024

Note: If you are a Qualified High Technology Company please submit a completed DC Form QHTC-CERT with your extension request.

Extension of time to file

A 6-month extension of time to file will be allowed if you complete this form properly, and file it on time. When you file your return (D-65), attach a copy of the FR-165 which you filed. A separate extension request must be filed for each return. Blanket requests for extensions will not be accepted.

Federal extension forms

The Office of Tax and Revenue does not accept the federal application for an extension of time to file. **You must use DC Form FR-165.**

Additional extension of time

No additional extension of time to file will be granted beyond the 6-month extension unless the taxpayer is outside the continental limits of the United States. In that case, an additional extension up to 6 months may be granted, but in no case shall such extension be granted for more than one year.

Key Website Resources

DC Official Code

www.lexisnexis.com/hottopics/dccode/

DC Regulations

www.dcregs.dc.gov/

US Department of State Tax Exemption Cards

www.state.gov/ofm/tax/

DC Tax Forms/Publications

MyTax.DC.gov

Mailing Address for Returns

MyTax.DC.gov

Electronic Funds Transfer (EFT) Guide

MyTax.DC.gov

NACHA Guidelines

www.nacha.org/

Social Security Administration

www.ssa.gov/

Internal Revenue Service

www.irs.gov

Need assistance?

File or pay online: MyTax.DC.gov.

Get tax forms Download forms at MyTax.DC.gov. Request forms by mail: 202-442-6546

Pick up forms:

Office of Tax and Revenue

1101 4th St SW 2nd Floor

8:15 am–5:30 pm

Ask tax questions; get tax forms preparation help free

Visit our Walk-In Center, 1101 4th St SW 2nd Floor; or

Contact our Customer Service Administration: 202-727-4TAX(4829)

Regular hours

8:15 am–5:30 pm

Monday–Friday

Do you need help with this form?

Visit our Walk-In Center, at 1101 4th St SW 2nd Floor.

Are you unable to hear or speak?

Call the DC Relay Service, 202-727-3363.

[Spanish] Si necesita ayuda en Español, por favor llame al [\(202\) 727-4829](tel:2027274829) para proporcionarle un intérprete **de manera gratuita**.

[Vietnamese] Nếu quý vị cần giúp đỡ về tiếng Việt, xin gọi [\(202\) 727-4829](tel:2027274829) để chúng tôi thu xếp có thông dịch viên đến giúp quý vị **miễn phí**.

[French] Si vous avez besoin d'aide en Français appelez-le [\(202\) 727-4829](tel:2027274829) et l'assistance d'un interprète vous sera **fournie gratuitement**.

[Amharic] በአማርኛ አርዳታ ከፈለጉ በ [\(202\) 727-4829](tel:2027274829) ይደውሉ። የጎን አስተርጓሚ ይመደብልዎታል።

[Korean] 한국어로 언어 지원이 필요하신 경우 [\(202\) 727-4829](tel:2027274829) 로 연락을 주시면 **무료로** 통역이 제공됩니다.

[Chinese] 如果您需要用(中文)接受幫助，請電洽 [\(202\) 727-4829](tel:2027274829) 將**免費**向您提供口譯員服務。