

# 2018

# D-20

**District of Columbia (DC)  
Corporate Franchise Tax  
Forms and Instructions**

**MyTax.DC.gov**



**Simpler. Faster. Safer.**

- **Any payment that exceeds \$5,000 per period must be paid electronically.**
- **Make tax payments electronically with ACH Debit, ACH Credit and Credit Card. If electronic payments are made using ACH Credit, please visit [MyTax.DC.gov](https://www.mytax.dc.gov) for instructions in the Electronic Funds Transfer (EFT) guide.**
- **When making a payment with your D-20 please use the voucher (D-20P) that is provided.**

## What's New:

- **Filing Deadline - For Tax Year 2018 the filing deadline will be Monday, April 15, 2019.**
- **New Tax Rate** - For taxable years beginning after December 31, 2017, the tax rate for corporations and financial institutions is 8.25% of taxable income.
- **Small Retailer Property Tax Relief Credit** - A new refundable tax credit is available for businesses that have less than \$2.5 million in federal gross receipts or sales. See Schedule SR and instructions included in this booklet for more details.
- **Combined Reporting** - When filing a combined report, do not use Schedule F of Form D-20 to derive the apportionment factor for the group. Leave Schedule F blank. Use Combined Reporting Schedule 2A, Line 9 instead.
- **Qualified High Technology Company (QHTC) Certification Process on [MyTax.DC.gov](http://MyTax.DC.gov)** - Beginning January 1, 2019 existing and new taxpayers seeking QHTC related tax benefits must complete an online application to fulfill the self-certification requirement. The new annual online certification process replaces the existing requirement of filing individual "QHTC Certs" with returns filed for QHTCs.
- **D-20CR for QHTCs** - The form for applying for QHTC Corporate Business Tax Credits is now included in this booklet.
- **FR-399 QHTC Instruction and Worksheet booklet** - electronic version can be found on the Office of Tax and Revenue's (OTR) website.

## Reminders:

- **General Instructions** - Failure to use the business or trade name that you used when registering with the DC Office of Tax and Revenue will cause processing delays with returns and/or payments.
- **Modernized e-File (MEF)** Corporate Franchise taxpayers are encouraged to e-file the D-20 return through MEF.
- **Corporate Filing Deadline** - For taxable years beginning after December 31, 2015, all returns of income required to be filed for corporations shall be filed on or before the 15th day of April of each year; except that such returns if made on the basis of a fiscal year, shall be filed on or before the 15th day of the 4th month following the close of such fiscal year.
- **Business Registration Policy** - The Office of Tax and Revenue (OTR) no longer automatically registers businesses for Corporate or Unincorporated Franchise Tax from the D-20 or D-30 tax returns. All new entities starting business operations or promoting/vending at special events in DC MUST register on [MyTax.DC.gov](http://MyTax.DC.gov) using the business registration process by completing the online FR-500 for business income (Corporate or Unincorporated Franchise, Sales and Use, Withholding Wage, Withholding Non-Wage), or FR-500B for Special Event Promoters and/or Vendors.
- **Exemption Certification** - Beginning in November 2017, organizations applying for an exemption from the District of Columbia Sales and Use Tax will be required to complete an online application and attach supporting documentation via [MyTax.DC.gov](http://MyTax.DC.gov). If the exemption is approved, OTR will issue an official certificate which will include an expiration date. Taxpayers must reapply for a new exemption prior to the expiration date on the certificate.
- **Combined Reporting** - Enter the number of members in the combined group in the space allocated on page 4. Complete Schedule 1 from DC Combined Reporting Schedule 1A.
- **Food Commodity Donations Tax Credit** - The non-refundable business tax credit for farm to food donations has been repealed effective April 7, 2017.

## Contents

Who must file a Form D-20?	4
Which other DC forms or schedules may corporations need to file?	5
When are your taxes due?	5
Filing your return	6
Payment options	6
Penalties and interest	6
Explanation of terms	8
Specific instructions for the 2018 Form D-20	9
Corporation Franchise Tax Return	17
Schedule UB Business Credits	23
Schedule SR Small Retailer Property Tax Relief Credit	25
Combined Group Members Schedule	27
Worldwide Combined Reporting Election Form	29
Form D-20CR QHTC Corporate Business Tax Credits	31
D-2220 Underpayment of Estimated Franchise Tax by Businesses	53
Form D-20P Payment Voucher	55
Form FR-120 Extension of Time to File a DC Corporation Franchise Tax Return	57
Form D-20 NOL Net Operating Loss Deduction for Tax Years Before 2000	59
Form D-20 NOL Net Operating Loss Deduction for Tax Year 2000 and Later	61
Need assistance?	<b>Back Cover</b>

Note: At the time this tax package went to print, line references to federal tax forms were correct.

## General Instructions for the D-20

### Who must file a Form D-20?

Generally, every corporation or financial institution must file a Form D-20 (including small businesses, professional corporations, and S corporations) if it is carrying on or engaging in any trade, business, or commercial activity in the District of Columbia (DC) or receiving income from DC sources.

If you perform services in DC for subsidiary corporations, you are carrying on a trade or business.

A corporation that engages an independent agent or a representative who solicits orders in DC for more than one principal and who holds himself/herself out as such must file a DC Form D-20.

Income from sales of tangible personal property or services to the US Government is treated as income from a DC source unless the:

- Corporation's principal place of business is outside DC;
- Property is delivered from outside DC; and
- Property is for use outside DC.

For District tax purposes, an S corporation is a C corporation. Therefore, it must file Form D-20 and prepare all applicable schedules on the D-20. The fact that an S corporation does not have similar schedules on the federal form should not be considered as a relief for an S corporation from completing the schedules on the D-20.

You might not have to file a Form D-20 if the corporation has been granted an exemption by the DC Office of Tax and Revenue (OTR). If you are an exempt organization with unrelated business income, as defined in the Internal Revenue Code (IRC) §512, you must file a Form D-20, by the 15th day of the fifth month after the end of your tax year. You are required to pay at least the minimum tax even if your tax is less than the minimum tax.

### Minimum Tax

The minimum tax is \$250 if DC gross receipts are \$1M or less. Minimum tax is \$1,000 if DC gross receipts are greater than \$1M. DC gross receipts for purposes of minimum tax includes District gross receipts that are derived from any activity such as sales, rents, services, commissions, etc., from any source within the District. Gross receipts are determined without deduction of any expenses.

**Note:** Each member of a combined group must use the Minimum Tax Liability Gross Receipts (MTLGR) worksheet for the purposes of determining a minimum tax liability of a member whose computed tax is less than the minimum tax.

See Minimum Tax Liability Gross Receipts Worksheet (MTLGR) below. You must complete Schedule F even if your operation is 100% in the District.

### Minimum Tax Liability Gross Receipts (MTLGR) Worksheet

**DC gross receipts for minimum tax due and only for minimum tax due is computed as follows:**

1	Amount from numerator of DC sales apportionment factor from Schedule F, Line 1, Column 2 of D-20 or D-30. Financial institutions must use amount on Schedule F, Line 2, Column 2 of D-20.	1 \$	
2	Add the adjusted basis of any property sold for which the gain is included in Line 1.	2 \$	
3	Add Non-Business income allocated to DC reported per D-20, Line 33 or D-30, Line 30.	3 \$	
4	<b>Total DC Gross Receipts</b> (Add Lines 1, 2 and 3)	4 \$	

### Minimum Tax

*The minimum tax is \$250.00 if the amount on Line 4 above is \$1,000,000 or less.*

*The minimum tax is \$1,000.00 if the amount on Line 4 above is greater than \$1,000,000.*

## **Which other DC forms or Schedules may corporations need to file?**

To download DC tax forms, visit [MyTax.DC.gov](http://MyTax.DC.gov).

### **Business Non-Refundable and Refundable Credits, Schedule UB**

The various non-refundable and refundable credits available to businesses have been consolidated on Schedule UB. The total non-refundable credits from Schedule UB, Line 9 are reported on Line 38 of the D-20. The total refundable credits from Schedule UB, Line 12 are reported on Line 41(d).

### **FR-120, Extension of Time to File a DC Corporation Franchise Tax Return**

You may request an extension of time to file your return by filing DC Form FR-120 (copy included in this booklet) no later than the return due date. An extension of time to file is not an extension of time to pay. You must pay any tax liability with the extension request, otherwise the request will be denied and you may be subject to penalties for failure to file or failure to pay. Do not use the federal extension form for DC tax purposes. For combined report filers, the designated agent shall file.

### **D-20ES, Declaration of Estimated Franchise Tax for Corporations**

A corporation must file a declaration of estimated franchise tax if it expects its DC franchise tax liability to exceed \$1000 for the taxable year. See the Form D-20ES and the Declaration of Estimated Franchise Tax for Corporations booklet for payment vouchers and details. You will automatically be assessed interest for any underpayment of DC estimated tax.

**Note:** Electronic payment required. If the amount of the payment due for a period exceeds \$5,000, you must pay electronically. Visit [MyTax.DC.gov](http://MyTax.DC.gov).

### **D-2220 Underpayment of Estimated Franchise Tax By Businesses**

You will be charged interest of 10 percent per year, compounded daily, on underpayments of estimated franchise tax installment payments. The charge is computed from the installment payment due date to the date the tax is paid. It is in addition to the penalty imposed for false statements. Interest will be assessed automatically by OTR's integrated tax system. For additional information, see Form D-2220, Underpayment of Estimated Franchise Tax by Businesses. Attach a completed Form D-2220 with your D-20.

### **FR-399 Qualified High Technology Companies (QHTC)**

If you are a Qualified High Technology Company (QHTC), you may be eligible for tax benefits such as certain exemptions, a reduced tax rate, and certain tax credits. For Taxable Years beginning after December 31, 2000, QHTCs which are corporations are granted a reduced corporate franchise tax rate of 6%, except:

- (i) QHTCs certified pursuant to DC Code §47-1805.05 before January 1, 2012, shall not be subject to the tax for 5 years after the date that the QHTC commences business in the District; and
- (ii) QHTCs certified on or after January 1, 2012, shall not be subject to the tax for 5 years after the date that the QHTC has taxable income.

The total amount that each QHTC may receive in franchise tax exemptions shall not exceed \$15 million. After the 5 year period or the \$15 million limit is reached, incorporated QHTCs pay a rate of 6%. The FR-399 is available online at [MyTax.DC.gov](http://MyTax.DC.gov).

### **Qualified High Technology Companies Tax, Corporate QHTC Franchise Tax Exemption and Credits Schedule**

Incorporated QHTCs report their tax, franchise tax exemption amount, and amount of credits on the Qualified High Technology Companies Tax, Franchise Tax Exemption and Credits Schedule on page 4 of the D-20. If you are a QHTC, fill in the QHTC oval on page 1 of the D-20, attach the Certification of Gross Revenue Worksheet from the FR-399 to the D-20. Follow the line instructions on the QHTC Schedule. If you are seeking QHTC corporate business tax credits, file the D-20CR. Complete the QHTC self-certification online at [MyTax.DC.gov](http://MyTax.DC.gov). A QHTC cannot be a member of a combined group, and a QHTC cannot be located in the DC Ballpark TIF area. For other forms, credit worksheets, and further details, see the online Publication FR-399, and DC Code §47-1817.01, et seq.

### **FR-1500 Ballpark Fee**

If you have \$5 million or more in annual DC Gross Receipts, you must file and pay the ballpark fee, with Form FR-1500, electronically. For details, visit [MyTax.DC.gov](http://MyTax.DC.gov), click on 'Business Tax Service Center', and then click on 'Ballpark-Related Fees and Taxes'. Note: Each member of a combined group is responsible for filing and paying its own ballpark fee.

### **Combined Reporting**

The District of Columbia no longer permits consolidated filing for tax years beginning after December 31, 2010. For tax years beginning after December 31, 2010, a corporation or unincorporated business entity subject to tax in the District of Columbia, engaged in a unitary business with one or more corporations or unincorporated business entities, is required to file a combined report pursuant to DC Official Code §47-1805.02a.

Combined reporting is a tax reporting method where all of the members of a unitary group are required to determine their net income based on the activities of the unitary group as a whole. Unitary group members will calculate their taxable net income derived from the unitary business as its apportioned share of the income or loss of the combined group engaged in the unitary business.

A "Unitary business" means a single economic enterprise that is made up either of separate parts of a single business entity or of a commonly owned or controlled group of business entities that are sufficiently interdependent, integrated, and interrelated through their activities so as to provide synergy and mutual benefit that produces a sharing or exchange of value among them and a significant flow of value to the separate parts.

If you are filing a combined report, enter the designated agent information and fill in the 'if Combined Report' oval on page 1 of the return. In addition, attach all applicable Federal Schedules and Forms.

The combined reporting regulations are contained in DC Municipal Regulations (DCMR) Title 9, Taxation and Assessments, §§156 through 176. Instructions and Schedules for combined reporting are located on our website at [MyTax.DC.gov](http://MyTax.DC.gov).

### **When are your taxes due?**

Non-exempt organizations must file their return and pay any tax due by:

- Calendar year filer – April 15th; or
- Fiscal year filer – the 15th day of the fourth month after the tax year closes.

Exempt organizations must file their return by the 15th day of the fifth month after the end of their tax year.

If the due date falls on a Saturday, Sunday or legal holiday, the return is due the next business day. For tax year 2018 the filing deadline will be Monday, April 15, 2019.

### Taxable year

Enter the tax period ending date on page 1 of the D-20. It can be either a calendar year or a fiscal year. You must receive OTR approval to change your taxable year. Combined report filers shall use the designated agent's tax year.

---

### Filing your return

#### By mail

- If mailing a return with a **payment**, make the check or money order (US dollars) payable to the DC Treasurer. Write your Taxpayer Identification Number (TIN), 'D-20', and the tax year on the payment. Staple your payment to the voucher Form D-20P. Do not attach the D-20P and payment to the D-20 return. Send your return and payment to:

Office of Tax and Revenue  
PO Box 96166  
Washington, DC 20090-6166

- If mailing a **no payment due or refund** return, send the return to:

Office of Tax and Revenue  
PO Box 96148  
Washington, DC 20090-6148

Mail labels for these two post office boxes are on the back flap of the return envelope included in this booklet.

**Send in your original DC return with any schedules, not a copy. Fold your return once. Be sure to keep a copy for your records.**

### Substitute forms

You may file your DC Corporation Franchise Tax Return using a 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 DC OTR.

### By Modernized e-File (MeF)

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

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

Corporate taxpayers may file the D-20ES, Declaration of Estimated Franchise Tax for Corporations, or the FR-120, Extension of Time to File a DC Corporation Franchise Tax Return. These forms can also be found on [MyTax.DC.gov](http://MyTax.DC.gov).

---

### Payment options

Refer to the Electronic Funds Transfer (EFT) Payment Guide available on the DC website at [MyTax.DC.gov](http://MyTax.DC.gov) for instructions for electronic payments.

Payment options are as follows:

- ACH Debit.** There is no fee. Taxpayers' bank routing and account numbers are stored within their online account. This account can be used to pay any existing liability. The taxpayer gives OTR the right to debit the money from their bank account. Foreign bank accounts cannot be used for business ACH Debit.
- Credit/Debit Card.** The taxpayer may pay the amount owed using Visa®, MasterCard®, Discover® or American Express®. You will be charged a fee that is paid directly to the District's credit card service provider. Payment is effective on the day it is charged.
- ACH Credit.** ACH credit is for business taxpayers only. There is no fee charged by OTR, but the taxpayer's bank may charge a fee. The taxpayer directly credits OTR's bank account. A taxpayer does not need to be registered to use this payment type, and does not need access to the website.

**Note: When making ACH Credit payments through your bank, please use the correct tax type code (00250) and tax period ending date (YYMMDD).**

- Check or money order.** Include a check or money order (US dollars), payable to the DC Treasurer, with your completed return. Write your TIN, daytime telephone number, '2018', and 'D-20' on the check or money order. Attach your payment to the Form D-20P Payment Voucher provided in this booklet. Mail the D-20P **with**, but not attached to the D-20 tax return, to:

Office of Tax and Revenue  
PO Box 96166  
Washington, DC 20090-6166

**Note:** International ACH Transaction (IAT). Your payment cannot be drawn on a foreign account. Pay by money order (US dollars) or credit card instead.

### Dishonored Payments

Make sure your check or electronic payment will clear. You will be charged a \$65 fee if your check or electronic payment is not honored by your financial institution and returned to OTR.

---

### Penalties and interest

OTR will charge –

- A penalty of 5% per month if you fail to file a return or pay any tax due on time. It is computed on the unpaid tax for each month or fraction of a month, that the return is not filed or the tax is not paid. It may not exceed an additional amount equal to 25% of the tax due;
- A 20% penalty on the portion of an underpayment of taxes if attributable to negligence. Negligence is failure to make a reasonable attempt to comply with the law or to exercise ordinary and reasonable care in preparing tax returns without the intent to defraud. One indication of negligence is failure to keep adequate books and records;
- Interest of 10% per year, compounded daily, on a late payment;
- A one-time fee to cover internal collection efforts on any unpaid balance. The collection fee assessed is 10% of the tax balance due after 90 days. Payment received by OTR on accounts subject to a collection fee are applied first to the collection fee, then to penalty, interest and tax owed;
- A civil fraud penalty of 75% of the underpayment which is attributable to fraud (see DC Code §47-4212).

## Special circumstances

### Office of Tax and Revenue (OTR) rulings

All rulings issued prior to December 31, 2002 were revoked. Taxpayers cannot rely on these rulings unless they were resubmitted to the OTR for review, and if approved, reissued. Direct any ruling questions to OTR, General Counsel at (202) 442-6500.

### Special rules on depreciation and business expenses

For federal tax purposes, businesses may deduct additional bonus depreciation and additional IRC §179 expenses. DC does not allow the additional bonus depreciation deduction nor any additional IRC §179 expenses. Do not claim the 30, 50, or 100 percent federal bonus depreciation deduction or the additional IRC §179 expenses on your DC return. DC limits the IRC §179 expense deductions to \$25,000 (\$40,000 for a QHTC).

### Net operating loss (NOL) carry backs

For federal tax purposes, businesses are allowed to carry back a NOL. **DC does not allow NOL carry backs.** Therefore, you may not claim a NOL carry back for DC tax purposes.

### Discharge of indebtedness

The District has decoupled from the section of the American Recovery and Reinvestment Act of 2009 which allows exclusion and deferral from gross income of a discharge of indebtedness. For District tax purposes, a discharge of indebtedness results in income that is includible in gross income.

### DC Ballpark 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 the D-20. A business entity located in the DC Ballpark TIF Area cannot receive QHTC tax benefits, and must complete the D-20 form and schedules the same as a corporation that is not a QHTC.

## Getting started

To complete the paper Form D-20, in general you will need:

- Copies of your completed 2018 federal forms, as applicable (1120, 1120S, 4797, 4562, etc.)
- A pen with black ink
- A calculator

Not all items will apply. Fill in only those that do apply. If an amount is zero, make no entry, leave the line blank.

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

### **Taxpayer Identification Number (TIN)**

You must have a TIN, whether it is a Federal Employer Identification Number (FEIN), Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN) or Preparer Tax Identification Number (PTIN).

- **An FEIN is a valid number issued by the IRS.** To apply for an FEIN, get Form SS-4, Application for Employer Identification Number, or get this form online at [www.irs.gov/businesses](http://www.irs.gov/businesses) and click on Employer Identification Number (EIN) under Starting a Business. You may also get this form by calling 1-800-TAX-FORM (1-800-829-3676).

- **An SSN is a valid number issued by the Social Security Administration (SSA) of the United States Government.** To apply for an SSN, get form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213.
- **An Individual Taxpayer Identification Number (ITIN) is a valid number issued by the Internal Revenue Service (IRS).** The IRS issues ITINs to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security number (SSN) from the Social Security Administration (SSA). ITINs do not serve any purpose other than federal tax reporting.
- **The Preparer Tax Identification Number (PTIN) is an identification number issued by the IRS** that all paid tax preparers must use on tax returns or claims for refund.

### **Corporate tax rate and minimum tax**

The tax rate is 8.25 percent on your 'total district taxable income' on Line 36. If you are a QHTC the tax rate is 6.0 percent. The minimum tax is \$250 if your DC gross receipts are \$1 million or less. It is \$1,000 if your DC gross receipts are greater than \$1 million, even if you have a loss.

### **Incomplete forms will delay processing**

Complete all items on the D-20 and all applicable schedules including combined schedules, otherwise OTR will send the return back to you for completion and resubmission.

### **Help us identify your forms and attachments**

Write your Taxpayer Identification Number (TIN), tax form number, tax period, business name and address on any statements submitted with the return or filed separately. The TIN is used for tax administration purposes only.

All D-20 filers must pay and submit pages 1-6, Schedule UB, Schedule SR, and D-2220, if applicable. All other attachments must be on a CD. The CD should include a copy of the entire return and indicate on the CD the taxpayer identification number, tax year and tax type. Images on the CD must be in PDF format.

### **QHTC Filers**

In addition to the above, the Certification of Gross Revenue Worksheet, and the D-20CR (if applicable) must be attached to the return and on the CD.

### **Combined Reporting Filers**

If you are filing a combined report, enter the designated agent information and shade the 'fill in if Combined Report' oval on page 1 of the return. Complete and submit Combined Reporting Schedules 1A, 1B, 2A, and 2B, along with the Combined Group Members' Schedule, and the Worldwide Combined Reporting Election Form, if applicable. In addition, attach Federal Schedules J, M, M-3, Federal UTP, if applicable and Federal Forms 851, 5471, 5472, 8833, 8868, 8886, and 8975 (including Schedule A) if applicable.

Failure to use the business or trade name that you used when registering with the DC Office of Tax and Revenue will cause processing delays with returns and/or payments.

### 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 ~~3 7~~

Write 7s without a middle bar.

● ~~7~~

Fill in ovals completely.

Do not "✓" or "x" ovals.

5 7 2 0 4 . 00

### 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.

### Assembling your D-20 return

- Do not staple or otherwise damage the Bar Code located in the upper right hand corner of this form and schedule(s) being attached;
- Do not cross out the tax year on the 2018 return. If you are not filing a 2018 D-20 Corporate Franchise Tax Return, do not use this booklet. Request a booklet for the specific year you are filing by calling our Forms Center at (202) 727-4829, or visit the Customer Service Center at 1101 4th Street, SW, 2nd floor, Washington, DC 20024. You also may visit our website at [MyTax.DC.gov](http://MyTax.DC.gov) for prior year corporate franchise tax returns.
- Attach any other supporting forms or schedules as applicable:
  - o Schedule UB Business Credits
  - o Schedule SR Small Retailer Property Tax Relief Credit
  - o Worldwide Combined Reporting Election Form
  - o Combined Group Members' Schedule
  - o Combined Reporting Schedules 1A, 1B, 2A, and 2B
  - o Federal Forms 851, 5471, 5472, 8833, 8868, 8886, and 8975 (including Schedule A)
  - o Federal Schedules J, M and M-3
  - o Federal UTP
  - o Any other forms or schedules necessary to process the return.
- Staple check or money order (US dollars) to the D-20P, Payment Voucher.
- Use the appropriate mailing label on the back flap of the return envelope.

### Third Party Designee

If you want to authorize another person to discuss your 2018 tax return with OTR, fill-in the oval in the Third Party Designee block on page 2 of the D-20 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.

Filling in 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, 2020 (without regard to extensions).

### Signature and verification

An authorized officer or designated agent of the corporation must sign and date the return. A receiver, trustee, or assignee must sign any return that he/she is required to file for the corporation. Any person who prepared the return for compensation must also sign, date and provide the necessary identification number. If a firm or corporation prepares a return, it should be signed in the name of the entity. The signature requirement does not apply when a taxpayer's regular employee prepares the return. Please review the tax return before you allow a paid preparer to issue a return on your behalf.

### Explanation of terms

#### Business income

This is income from transactions and activities occurring in the regular course of trade or business. It includes income from tangible and intangible property if the acquisition, management and disposition of the property are part of the taxpayer's regular trade or business operations. Income of any type — manufacturing income, compensation for services, sales income, interest, dividends, rents, royalties, gains, operating and non-operating income from any class or from any source — is business income if it is from transactions and activities occurring in the regular course of a trade or business. Whether income is business or non-business depends on the underlying transactions and activities — the elements of a particular trade or business. In general, transactions and activities that depend on or contribute to the operation of your enterprise constitute your trade or business.

#### Commercial domicile

The principal place from which you direct or manage your trade or business.

#### Compensation

Wages, salaries, commissions and other forms of remuneration paid or accrued to employees for personal services.

#### Non-business income

All income except business income.

#### Transportation company

Any business engaged in transporting persons, goods, or property of others for hire.

#### Sales

All gross receipts which are not required to be allocated.

#### Taxable in another state

For purposes of allocating and apportioning income among DC and another jurisdiction, you must be subject in that jurisdiction to:

- a net income tax,
- a franchise tax measured by net income,
- a franchise tax for the privilege of doing business, or
- a corporate stock tax, or
- that state has the jurisdiction to subject the taxpayer to a net income tax regardless of whether in fact, the state does or does not.



---

## Specific Instructions

### Negative amounts

If you enter a negative amount on a line, fill in the oval to the left of the entry where it states: 'Fill in if minus', **do not enter a minus sign or parenthesis. Also, do not enter a negative number on a line that does not have a "Fill in if minus" indicator.**

### Allocation and apportionment required

You must complete Schedule F even if your operation is 100% in the District. Any corporation carrying on a trade or business in DC and other jurisdiction(s) must apportion its business income among DC and the other jurisdiction(s).

Apportion DC net income from trade or business activities using the appropriate apportionment factor. See D-20, page 4, Schedule F.

Note: When using the D-20 to file a combined report, do not use or fill out Schedule F on page 4 to derive the apportionment factor for the combined group. Leave Schedule F blank. Use Combined Reporting Schedule 2A instead. Likewise, when each individual member derives its individual apportionment factor, do not use Schedule F. Individual members should use Combined Reporting Schedule 2B instead to derive their apportionment factor.

---

## Non-business income

All non-business income must be allocated.

### Allocating to DC

Allocate to DC items of non-business income from sources in DC. The following gains and losses from sales or other dispositions are allocated to DC:

- Real property located in DC (other than realty used in the trade or business whether held for sale or otherwise);
- Tangible personal property (other than any tangible personal property used in the trade or business whether held for sale or otherwise) if:
  - The property had a situs in DC at the time of sale; or
  - Your principal place of business is in DC and you are not taxable in the situs state; and
- Intangible personal property (other than intangible personal property of any kind used in the trade or business whether held for sale or otherwise) is allocable to DC if the taxpayer's principal place of business is in DC.

Allocate to DC net rents and royalties from real property located in DC.

Allocate to DC any non-business interest and dividends from sources in DC unless specifically excluded from tax and/or subject to apportionment as business income.

Allocate to DC, non-business rents and royalties from patents, copyrights, trademarks, service marks, secret processes and formulas, franchises and other like property (if not used in the trade or business). These royalties are allocated according to the patent's location or use, or where the copyrighted material is published or used. If DC is the principal place of business of a corporate entity, not subject to tax anywhere else, then the rent or royalty income is allocable to DC. Income from the sale of tangible personal property to the United States Government by a corporation that has its principal place of business outside DC is income from DC sources if the property is delivered from outside DC for use in DC.

All other non-business income derived from sources in DC is allocable to DC.

Where income is allocable among DC and other jurisdictions allocate all expenses, losses and other deductions incurred in the production of the income in the same way. Losses incurred in the production of non-business income are allowable only if profits from the transaction would be taxable.

---

## Gross Income

**NOTE:** When OTR requests that a statement be attached, the statement should show the source of the items making up the entry.

### Amended returns

You must use the D-20 tax form of the year you are amending. Fill in the 'Amended Return' oval on Page 1 of the D-20 and complete the 'Tax Year Ending' box. Attach a detailed statement of the adjustment(s) and the amount of any refund received.

If the Internal Revenue Service (IRS) adjusts your federal return or if you file an amended federal return, you must file an amended DC return within 90 days of the IRS notice. If the federal adjustment makes you eligible for a DC tax refund, you must file for the DC refund within 180 days of the adjustment or filing the amended return.

Mail the amended return and any additional attachments to:

Office of Tax and Revenue  
PO Box 96166  
Washington, DC 20090-6166

### Final return

If you are not required to continue filing a return due to the ending of business operations, shade the 'fill in if final return' oval on the return. OTR will then cancel your filing requirement. Do not use this oval to indicate the return is the final for the period being reported.

## D-20, page 1, line-by-line

### Line 1 Gross receipts, minus returns and allowances

Enter the total gross receipts from sales and operations, minus returns and allowances.

### Line 2 Cost of goods sold and/or operations

Enter the figure from D-20, Schedule A, Line 7. If the production, manufacture, purchase, or sale of merchandise is an income-determining factor in the trade or business, you must take inventories of merchandise at the start and end of the tax year. You may value them at cost or market value, whichever is lower; or by another IRS-approved method. You must continue to use the method you choose until you get permission from the OTR to change. If the inventories are not consistent with the balance sheet figures, attach a statement explaining any differences.

Cost of operations (where inventories are not an income-determining factor): If the amount entered on Line 2 includes an amount associated with the cost of operations, attach a detailed statement showing: (1) salaries and wages; and (2) other costs.

### Line 3 Gross profit from sales and/or operations

Enter the result of Line 1 minus Line 2.

### Line 4 Dividends

Enter the total of all dividends reported on D-20, page 3, Schedule B. Do not include Subpart F income (as defined in IRC §952); and dividends from wholly-owned subsidiaries.

Include on Line 29(a) all dividends from sources outside DC that are not trade or business income. Dividends received by corporations, financial institutions, or investment firms are business income not subject to allocation. Do not include dividends paid on securities issued by the United States or its instrumentalities, if it is non-business income. Dividends received from the following corporations with their principal place of business in DC are non-business income:

- Corporations subject to this franchise tax;
- Insurance corporations, including bonding companies and real estate title insurance companies; and
- Banks, if the bank dividends were paid to a bank-holding company.

#### **Line 5 Interest**

Enter all the interest which the corporation received or is credited with during the tax year, including interest paid on obligations of a State, Territory of the United States, or any of their political subdivisions, except those of DC.

Exclude any interest income on obligations or securities issued by the United States or its instrumentalities which is included in income for federal tax purposes.

Interest received by a corporation not engaged in a trade or business in DC is not considered income from DC sources if it is from one of the following organizations with a principal place of business in DC:

- Corporations subject to this franchise tax;
- Insurance corporations, including bonding companies and real estate title insurance companies; and
- Banks, if the bank interest was paid to a bank-holding company.

Report this non-business interest income on Line 29(a). When interest income is related to trade or business activity, carried on or engaged in, in DC enter it on Line 5, do not enter it on Line 29(a). Attach a statement providing the detailed description and amount.

#### **Line 6 Gross rental income**

Enter from D-20, page 6, Schedule I the gross rental income received from real or personal property rental. Enter expenses such as repairs, interest, taxes and depreciation on the Schedule I. Enter rental income related to a trade or business on Line 6, do not enter it on line 29(a).

**Note:** DC does not allow the additional bonus depreciation allowed under federal law and limits the additional IRC §179 expenses. If you claimed bonus depreciation on your federal return, adjust the depreciation you claim on the D-20 by that amount. Attach a computation showing that your DC claimed depreciation does not include the federal bonus depreciation and that the basis of the depreciated property for DC tax purposes has not been reduced by the additional federal bonus depreciation amount. DC allows a maximum of \$25,000 in IRC §179 expenses (\$40,000 for a QHTC). If you claimed these additional expenses on your federal return, reduce such expenses taken on your D-20 by that additional amount.

#### **Line 7 Gross royalties**

Report royalty income and related expenses on the D-20 in the same manner and detail as rental income and rental expenses. Royalties from patents you developed from the licensing of processes or a trade name and sales of know-how are business income.

#### **Line 8(a) Net capital gain (loss)**

Capital gains or losses are treated by DC in the same manner as they are for federal corporation income tax purposes. (See detailed instructions on federal Schedule D, Form 1120, U.S. Corporation Income Tax Return.) IRC §1231 gains are business income.

**Note:** Since the additional federal bonus depreciation is not allowed for DC tax purposes, recalculate the capital gain/loss you reported on your federal return without taking into account the additional federal bonus depreciation. Attach a statement showing the adjustment.

**Note:** Depreciation recapture is considered ordinary income and is to be reported on the D-20.

**Line 8(b) Ordinary gain (loss)** from Part II, Federal Form 4797  
Enter the total ordinary gain (or loss) from federal Form 4797 Sales of Business Property. Attach a copy of your Form 4797 to the D-20.

#### **Line 9 Other Income (loss)**

Enter the total income not reported elsewhere on the return; attach a detailed statement. Enter any International Banking Facility income on Lines 9 and 29(a); attach a detailed statement listing the source of this income. Do not enter other income related to a trade or business on Line 29(a); enter it on line 9. Attach a statement.

#### **Line 10 Total gross income**

Enter the total of Lines 3 - 9.

---

## **Deductions**

#### **Line 11 Compensation of officers**

Enter the total compensation for all officers shown on D-20, page 3, Schedule C. Include compensation for services rendered in any capacity, other than salaries connected with the production of income from U.S. Treasury securities included on Line 29(b).

#### **Line 12 Salaries and wages**

Enter all salaries and wages not deducted elsewhere on the return, except salaries connected with the production of income from U.S. Treasury securities. Also, do not include wages connected with computing the Economic Development Zone incentives credit, QHTC wage credit, and Bone Marrow Credit.

#### **Line 13 Repairs**

Enter the cost of incidental repairs, including labor, supplies and other items that do not add to the value of, or appreciably prolong, the property's life. You may charge a capital account for new buildings, machinery, equipment and/or permanent improvements or betterments that increase the value or appreciably prolong the life of the property.

#### **Line 14 Bad debts**

Report bad debts in the same manner as you report them for federal tax purposes. Attach a copy of any information you submitted with your federal return.

#### **Line 15 Rent**

Enter rent paid or accrued for business property in which you have no equity. If property is leased from an affiliated corporation, or from one of the stockholders, attach a statement giving the lessor's name and address, rent paid and a description of the property.

#### **Line 16 Taxes**

Enter taxes reported on D-20, page 3, Schedule D. Note: Taxes reported on your federal Form 1120 must be reported on Schedule D. Do not deduct these taxes:

- Income and excess profit taxes;
- DC franchise tax; and
- Taxes assessed for local benefits of a kind tending to increase the value of the property assessed.

**Payments to related parties**

(Lines 17 and 22). DC legislation allows the deduction of certain interest and intangible expenses, including royalty expenses paid directly or indirectly to related parties if:

- the principal purpose of the payment was not the avoidance of tax;
- the payments were made at arm's length; and
- the related party paid income tax equal to or greater than 4.5 percent of the amount of interest or intangible expense in another jurisdiction.

You are allowed ordinary and necessary deductions if the income they are related to is subject to the DC corporation franchise tax and subject to IRC limitations either directly or through the inclusion of this income in the determination of the DC apportionment factor.

**Line 17(a) Interest**

Enter interest paid or accrued on business debt. Apply any federal limitation under IRC § 163(j) to this deduction. If any interest income is not taxable, then the related interest expense is not deductible.

**Line 17(b) Minus nondeductible payments to related entities**

Subtract the nondeductible payments made to related parties. Refer to **Payments to Related Parties** instructions.

**Line 18 Contributions and/or gifts**

Enter contributions and/or gifts made in the tax year if no portion benefits any private stockholder or individual. The total amount claimed cannot be more than 15% of net income (Line 26) computed without regard to any deduction for contributions. Attach a statement with detailed information about contributions and gifts. Contribution and gift carry-overs are not allowed.

**Note:** A charitable expense incurred by a member of a combined group shall, to the extent allowable as a deduction pursuant to IRC §170 (1986), be subtracted first from the business income of the combined group, subject to the income limitations of that section applied to the entire business income of the group, and any remaining amount shall then be treated as a nonbusiness expense allocable to the member that incurred the expense, subject to the income limitations of that section applied to the nonbusiness income of that specific member.

**Line 19 Amortization**

Enter the amortization amount from your federal Form 4562 (or 4562FY), Depreciation and Amortization and attach a copy.

**Line 20 Depreciation**

Enter the depreciation amount from your federal Form 4562 subject to limits described herein on page 7 and in the note below.\* The depreciation allowance does not apply to inventories, stock-in-trade, or land. Use the same depreciation method on your DC return as that used on your federal return. Attach a copy of your Form 4562.

\***Note:** If you claimed the additional federal bonus depreciation amount and/or the additional IRC §179 expenses above \$25,000 on your federal return, do not claim them on your D-20. In addition, do not reduce the basis of the depreciable property for DC tax purposes by the additional write off and/or federal bonus depreciation. Attach a statement showing your write off and/or of the depreciation amount.

A QHTC may deduct the lesser of \$40,000 **or** the actual cost of personal property, as described in IRC §179(d)(1).

**Line 21 Depletion**

Enter the depletion amount shown on your federal form. Attach an explanation of how you determined the depletion allowance.

**Line 22(a) Royalty payments**

Royalty payments are deductible only if paid to unrelated entities. See DC Code §47-1803.03(d)(7)(D)(v) for the definition of related entity. See DC Code §47-1803.03(d)(7)(B) for the limited exceptions to the general disallowance of such payments.

**Line 22(b) Minus nondeductible payments to related entities**

If you are the recipient of a related entity's royalty payments and you are filing a return and paying tax on these payments in the District, see the instructions for Line 24 to determine whether you can deduct any of the payment amount from your income.

**D-20 page 2, line-by-line****Line 23 Pension, profit-sharing plans**

Enter the contributions made to employees' pension, profit-sharing, stock bonus and annuity plans. These are deductible to the same extent as they are on your federal return.

**Line 24 Other deductions**

Enter advertising and other allowable deductions connected with the business of income production, subject to the DC corporation franchise tax. Enter deductions connected directly and indirectly with non-business income production, as well as International Banking Facility deductions, on Line 29(b). If you are the recipient of royalty, interest or other intangible payments from a related entity that has not deducted the payment amounts on their return and you are filing a return and paying tax on these payments in the District, enter expenses related to this income on Line 24.

**Note:** Relocation costs incurred by a QHTC are not deductible if the QHTC credits for relocation are taken.

**Line 25 Total deductions**

Enter the total of Lines 11-24.

**Line 26 Net income**

Subtract Line 25 from Line 10; enter the amount on Line 26.

**Line 27 Net operating loss deduction (before year 2000)**

Enter any DC net operating loss carried forward from a year before 2000. (DC does not allow net operating loss (NOL) carrybacks.) A form for claiming the NOL, D-20 NOL, is provided in this booklet. Complete NOL deduction form and attach with the return.

**Line 28 Net income after net operating loss deduction**

Subtract Line 27 from Line 26 and enter the result on Line 28. Also enter the amount on Line 35, if it is entirely from a DC trade or business.

**Line 29(a) Non-business income**

Enter non-business income on Line 29(a).

**Line 29(b) Expense related to non-business income**

Enter expenses related to non-business income. Include expenses related to the purchase or production of income from U.S. Treasury securities. Attach a detailed explanation of income and expense allocation.

**Line 30 Net income subject to apportionment**

Subtract Line 29(c) from Line 28

**Line 31 DC apportionment factor**

Enter the apportionment factor from Form D-20, Schedule F, column 3, Line 5. If the return is a Combined Report, enter the apportionment factor from Combined Reporting Schedule 2A, column 1, Line 9.

**Line 32 Net income from trade or business apportioned to DC**  
Multiply Line 30 amount by Line 31 apportionment factor.

**Line 33 Other income/deductions attributable to DC**  
Enter the Line 29(c) income/deduction attributable to the District.

**Note:** If you are a partner in a partnership that filed an unincorporated business franchise tax return and claimed a deduction for the salary allowance, you must add the post-apportioned distributive share of the unincorporated business salary allowance attributable to the partner under DC Code §47-1803.03(a)(11), and the unincorporated business exemption amount attributable to the partner under DC Code §47-1808.04, on Line 33 of the D-20. If filing a combined report, this amount will be reflected as an addition under the partner's column on Line 33 of Schedules 1A and 1B of the combined report.

Also you must include a statement to reflect the specific amounts for each of following items:

- portion of Line 29(c) attributable to DC;
- portion of unincorporated business salary allowance attributable to DC;
- portion of unincorporated business exemption attributable to DC.

**Line 34 - Total taxable income before apportioned NOL deduction**

Line 32 plus or minus Line 33.

**Line 35 Apportioned NOL deduction** (for year 2000 and later)  
Enter any DC apportioned net operating loss carry-forward occurring in the year 2000 or later. A form, D-20 NOL, for claiming the NOL is provided in this booklet. Complete the NOL deduction form and submit with this return.

**Line 36 Total District taxable income**  
Enter the result of subtracting Line 35 from Line 34.

**Line 37 Tax**  
Unless you are a QHTC, calculate the tax by multiplying any positive amount on Line 36 (Total District taxable income) by 8.25 percent. Enter the result on Line 37. If you are a QHTC, skip Lines 37-39 and complete the QHTC Schedule on page 4 of Form D-20, Lines 1-10.

**Line 38 Minus nonrefundable credits**  
Subtract the nonrefundable credits entered from Schedule UB, Line 9. Employers who hire at least 10 DC residents after January 1, 2010, and continue to employ such DC employees for at least one year for any business project that encourages, promotes and stimulates economic development in key economic sectors, may qualify for an annual job growth tax credit. See instructions for Schedule UB Business Credits on page 14.

**Line 39 Total DC gross receipts**  
From Line 4 of (MTLGR) worksheet.

**Line 40 Net tax**  
Line 37 minus Line 38 unless you are a QHTC. If you are a QHTC enter the amount of QHTC Schedule, Line 9 from page 4 of the D-20. Enter the result on Line 40, except:

1. If Line 39 is less than or equal to \$1M and Line 40 is less than \$250, enter \$250;
2. If Line 39 is greater than \$1M and Line 40 is less than \$1,000, enter \$1,000.

**Line 41 Payments and refundable credits**  
Enter on Line 41(c) the total amount of estimated franchise tax payments made in 2018, including any credit carry forward brought forward from a prior year. Attach an explanation of detailed payments to the return.

**Note:** The credits cannot be shared among combined group members.

**Line 42 If this is an amended 2018 return, enter refund requested with original return.**

**Line 43 Total payments and credits.** Add Lines 41(a) through 41(d). Do not include Line 42.

**Line 44 Estimated tax interest**  
If you are filing Form D-2220, Underpayment of Estimated Franchise Tax by Businesses, with your D-20 return, fill in the oval and enter the amount on Line 44. Attach the D-2220 to the return.

**Line 45 Total Amount Due**  
If Line 43 is smaller than the total of Lines 40 and 44, enter the amount due.

**Line 46 Overpayment**  
If Line 43 is larger than the total of Lines 40 and 44, enter the amount overpaid.

**Line 47 Amount to be applied to 2019 estimated franchise tax**

**Line 48 Amount to be refunded**  
Subtract Line 47 amount from Line 46 amount and enter the result on Line 48.

## Form D-20 schedules

### Schedule E – Reconciliation of the net income reported on Federal and DC Returns

Complete this schedule, and attach statement(s) to provide details and explain any differences between the net income reported on your federal return and that reported on your D-20.

### Schedule F – DC apportionment Factor

All businesses other than financial institutions engaging in a trade or business both in and outside DC must use the single sales factor formula to apportion their business income. Businesses domiciled in DC and not subject to tax elsewhere must report 100% of their net business income as DC income and allocate 100% of their non-business income to DC. Businesses carrying on a trade or business in DC and in other jurisdictions must apportion trade or business income to DC. Multiply the total income by a fraction. The numerator is the taxpayer's total sales in DC during the tax year. The denominator is the taxpayer'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.

Financial institutions must use a two-factor formula, determined by multiplying the financial institution's base (net income for the tax year) by an apportionment fraction. The numerator is the sum of the payroll factor plus the gross income factor; the denominator is 2.

#### • Sales factor

- The sales factor for all businesses except financial institutions and transportation companies is a fraction. The numerator is the taxpayer's total sales in DC during the tax year. The denominator is the taxpayer's total sales everywhere during the tax year.

- **Financial institutions** — the sales factor is a fraction. The numerator is the financial institution's gross income in DC during the tax year. The denominator is the financial institution's total gross income during the tax year.

- A financial institution whose commercial domicile is in DC and which is subject to tax in another jurisdiction, includes in the numerator of the DC income factor, any income which the other jurisdiction does not require to be included in the numerator of its income factor.

- If the predominant part of the secured property is or will be located in DC, treat all interest, loan placement fees, discount, net gain and other forms of gross income from each loan, secured primarily by real estate, as located in DC.
- If the loan originated in DC, treat all interest, loan placement fees, discount and net gain from unsecured loans and loans secured primarily by tangible or intangible personal property, or any resulting interest, as located in DC.
- For any financial institution whose commercial domicile is in DC, treat income from securities, investments, money market instruments, or any other source not required to be apportioned to outside DC, as located in DC. This income includes, but is not limited to, interest, dividends and net gains.
- Treat all fees, commissions, service charges and other forms of gross income from sales of depository or financial services as located in DC if the service is performed in DC. Include sales or services performed in two or more tax jurisdictions in the numerator of the jurisdiction where the most income-producing activity is performed, based on performance cost.
  - If the property is located in DC, treat gross income from leases of tangible property as located in DC.
  - If the financial institution's principal office is located in DC, then treat all income (previously described) that is located in a jurisdiction where the financial institution is not subject to tax as being located in DC.
- **Transportation companies** — the sales factor is a fraction: the numerator is the total revenue units the company first received as originating or connecting traffic at a point in DC. Add to this the total of revenue units the company discharged or unloaded at a point in DC, upon termination of the transportation movement or upon transfer to a connecting carrier. The denominator is twice the total revenue units originated everywhere during the tax year. One ton of freight equals one revenue unit; ten passengers equal one revenue unit. If the company's revenue is predominantly from transporting passengers, you may use the number of passengers loaded and discharged, in place of the originating and terminating tonnage.
- **Tangible personal property sales**, including sales to the U.S. Government, are considered as taking place in DC, regardless of where title is transferred, F.O.B. point, or other sales conditions, if the property:
  - Is delivered or shipped to a purchaser in DC; or
  - Has an ultimate destination in DC, after all transportation (including that of the purchaser's) is complete; or
  - Is delivered or shipped from an office, store, factory, warehouse or other storage place in DC to a purchaser in a jurisdiction outside DC — and you are not taxable in that jurisdiction.

Except for transportation companies, non-tangible personal property sales are considered to take place in DC if the income-producing activity or service is performed:

- In DC; or
- The proportion of the income-producing activity or service performed in DC is greater than that performed in any other jurisdiction, based on performance cost.

- **Payroll factor**

- **Financial institutions** — financial institutions must use a two-factor formula, determined by multiplying the financial institution's base (net income for the tax year) by an apportionment fraction. The numerator is the sum of the payroll factor plus the gross income factor; the denominator is 2.

The payroll factor is a fraction: the numerator is the total compensation the financial institution paid to or accrued for persons performing services in DC during the tax year. The denominator is the total compensation the financial institution paid or accrued elsewhere during the tax year. Compensation is paid in DC if it is paid to an employee located or having a regular presence in DC. Any compensation paid to an employee located in a state where the financial institution is not taxable is treated as paid in DC, if the institution's principal office is in DC.

The value of compensation paid or accrued other than cash is its fair market value on the date of the payment or accrual. Do not include in either the numerator or denominator any compensation paid or accrued to employees for personal services rendered in the production of non-business income. Also, do not include payments to independent contractors.

## General

If your use of the income allocation and apportionment rules results in a tax that does not fairly represent your tax liability on income from your trade or business or from non-business sources in DC, you may petition for, or OTR may require, if reasonable:

- a separate accounting, unless the entity is conducting a unitary business;
- exclusion of one or more factors;
- inclusion of one or more factors that reflect the extent of your trade or business in DC; or
- use of any other method to effect a fair allocation and apportionment of income.

### Schedule G - Balance sheets (page 5 of Form D-20)

Submit balance sheets for the start and end of the tax year. Conform them to the corporation's books and records and your federal return. Attach an explanation of any variation. For combined reporting you may submit a separate balance sheet for each member.

### Schedule H-1 Reconciliation of income (Loss) per Books with income (Loss) per Return and H-2 Analysis of Unappropriated Retained Earnings per Books (page 5 of Form D-20)

Generally, these schedules must conform to the corresponding schedules on the federal form filed for the corporation. Use Schedule H-1 to reconcile the difference between the income (loss) per books with income (loss) per Federal return. Attach statement(s) to provide details.

**NOTE:** If you filed a federal Schedule M-3, Net Income (Loss) Reconciliation for Corporations with Total Assets of \$10 Million or More, with your Form 1120, attach a copy of it to your D-20.

*Remember, attach all requested statements to your D-20 return.*

### Supplemental Information (page 6 of Form D-20)

Provide all the information requested in this schedule.

### Combined Group Members' Schedule

If filing a Combined Report, it is necessary to identify each member of the DC Combined Group subject to the franchise tax. Complete and submit the Combined Group Members' Schedule. Fill in Columns A through F for all members of the group and attach a copy of Federal Forms 851, 5471 and 8975 (including Schedule A). File this schedule each year that a DC Combined Report is filed.

### Worldwide Combined Reporting Election Form

If the Worldwide Combined Reporting Election Form is completed and submitted, ensure the "Fill in if Worldwide" oval is shaded on D-20, page 1. Submit this form with the initial year of election.

### Schedule UB, Business Credits

Use this schedule to claim: the Economic Development Zone Incentives Credits (see instructions); QHTC credits (see instructions); the Organ and Bone Marrow donor credit (see below); the Job Growth Incentive Act credit (see below); the Alternative Fuel Infrastructure Installation Credit; the Alternative Fuel Vehicle Conversion Credit (see below); the Employer-Assisted Home Purchase Tax Credit (see below); and the Small Retailer Property Tax Relief Credit (see below). The **Organ and Bone Marrow Donor Act of 2006** provides a credit to an employer who allows an employee up to 30 days paid leave to donate an organ and up to 7 days paid leave to donate bone marrow. This is a non-refundable credit equal to 25% of the regular salary paid to the donor-employee during the leave period. This credit may not be used to reduce the required \$250 or \$1,000 minimum tax payment. An employer claiming this credit may not also deduct the salary paid the employee for the same leave period. This credit is not available if the employee is eligible for leave under the Family and Medical Leave Act of 1993.

The 2011 Budget Support Act of 2010 authorized funds for the **Job Growth Incentive Act tax credits**. The credit must be approved by the Mayor in advance of starting the project. The process for applying for the credit is found in DC Official Code §47-1807.54. The approval will provide the amount of the allowable credit and the periods for which the credit can be claimed if the employer continues to qualify. The allowable approved amount of the credit can be claimed on Schedule UB, Business Credits, Line 4 for D-20 filers or Line 15 for D-30 filers.

In order to apply for the credit, the employer must be planning a project that:

- Will bring a net job growth to DC of at least 10 new jobs with an average yearly wage of at least 120% of the average yearly wage of DC residents;
- Will increase income tax and payroll revenue for DC;
- Will result in a retention of any new positions for at least one year; and
- Would not have occurred but for the job growth tax credit.

Beginning in 2014, through the taxable year ending December 31, 2026, there are 2 non-refundable credits allowed against DC Corporate Franchise Tax for: (1) alternative fuel infrastructure installation; and, (2) alternative fuel vehicle conversion. (See DC Code §47-1807.10 and §47-1807.11)

The **alternative fuel infrastructure credit** is a credit in the amount of 50% of the equipment and labor costs attributable to the purchase and installation of alternative fuel storage and dispensing or charging equipment on a qualified alternative fuel vehicle refueling property. The equipment and labor costs for which this tax credit may be claimed may not include costs associated with the purchase of land, access to land, the purchase of an existing qualified alternative fuel vehicle refueling property, or construction or purchase of any structure.

If the amount of the tax credit exceeds the tax otherwise due, the amount of the credit not used may be carried forward for up to 2 tax years. If the alternative fuel storage and dispensing equipment or charging equipment on a qualified alternative fuel vehicle refueling property is no longer used to dispense or sell alternative fuel to the public, any unused tax credit is forfeited and the taxpayer may not claim a tax credit for the portion of the tax year after the date on which the alternative fuel storage and dispensing equipment was no longer used to dispense or sell alternative fuel to the public.

The **alternative fuel vehicle conversion credit** is a credit in the amount of 50% of the equipment and labor costs attributable to the cost of converting a motor vehicle licensed in the District that operates on petroleum diesel or petroleum derived gasoline to a motor vehicle that operates on an alternative fuel. This credit is limited to \$19,000 per vehicle.

The term "alternative fuel" means a fuel used to power a motor vehicle that consists of one or more of the following:

- a. At least 85% ethanol;
- b. Natural gas;
- c. Compressed natural gas;
- d. Liquefied natural gas;
- e. Liquefied petroleum gas;
- f. Biodiesel, excluding kerosene;
- g. Electricity provided by a vehicle-charging station; or
- h. Hydrogen.

The term "qualified alternative fuel vehicle refueling property" means a property in the District that contains equipment available for use by the public for storing and dispensing alternative fuel, including charging electrically.

If you are claiming one of these credits complete the Commercial Form, Alternative Fuel Vehicle Conversion and Infrastructure Credits, available online at [MyTax.DC.gov](http://MyTax.DC.gov). Attach it to the D-20, Schedule UB.

The **Employer-Assisted Home Purchase Tax Credit** is a credit equal to 1/2 of the amount of the homeownership assistance provided by the employer to its eligible employees during the taxable year; provided, that: (a) the credit shall not exceed \$2,500 for any one eligible employee who receives homeownership assistance; (b) the assistance is provided through a certified employer-assisted home purchase program; (c) the assistance is used for the purchase of a qualified residential real property; and (d) the eligible employee is a new homebuyer. "Homeownership assistance" means money provided to an eligible employee for the down payment or other acquisition costs for the purchase of the principal place of residence of the employee. "New homebuyer" means an employee (and, if married or in a registered domestic partnership, the employee's spouse or registered domestic partner) who did not own a principal place of residence in the District during the previous 12 months. "Certified employer-assisted home purchase program" means a program: (a) through which an employer provides homeownership assistance to its employees; (b) which is provided uniformly to its employees; provided, that the employer may limit eligibility for the program by establishing a maximum income limit and may limit assistance to new homebuyers; and (c) which is certified by the Mayor.

To claim the credit, the employer shall attach to its tax return a statement certifying, for each person for whom the employer is claiming the credit: (i) the person is an eligible employee of the employer; (ii) the employer provided homeownership assistance to the employee under a certified employer-assisted home purchase

program; (iii) the amount of homeownership assistance provided to the employee; (iv) the employee used the homeownership assistance to purchase qualified residential property; (v) the household size and household income of the employee; (vi) the address of the qualified residential real property; and (vii), the employee intends to reside in the property for at least 5 years. A copy of the certification by the Mayor of the employer’s employer- assisted affordable homeownership program must be provided. See DC Code §47-1807.07 for further details. A worksheet for computation of the credit is on the reverse side of Schedule UB.

**Small Retailer Property Tax Relief Credit.** For taxable years starting January 1, 2018, a business that has less than \$2.5 million in federal gross receipts or sales, may claim a credit against corporate or unincorporated business franchise tax equal to the total class 2 real property taxes paid by the business for a retail owned location in the District not to exceed \$5,000; or 10% of the rent paid by

the business for rental retail location not to exceed \$5,000. The Small Retailer Property Tax Relief Credit does not apply if the business is exempt from or receives any tax credits towards its real property tax; or the rental retail location or the owned retail location is otherwise exempt from real property tax.

To be eligible for the credit, the business must own or lease a building or part of a building in the District that: is classified, in whole or in part as Class 2 Property as defined in DC Code §47-813; is the primary place of the retail business; has a Certificate of Occupancy for commercial use; and is a retail establishment from which the business of selling tangible personal property is conducted, or in or from which any retail sales are made. In addition, the business must file a Sales and Use Tax return, and must be current on all District of Columbia tax filings and payments. See Schedule SR with instructions, and DC. Code §§ 47-1807.14 and 47-1808.14 for further details.

### Economic Development Zone Incentives Credits

**Supporting Documentation Required** If you are claiming an Economic Development Zone Incentives (EDZI) credits against your DC franchise tax liability, you **MUST** attach to your return:

1. A copy of the DC Council resolution approving the qualification for any credits claimed;
2. A certification of eligible employees issued by the DC Department of Employment Services; and
3. A completed EDZI Credit Worksheet.

If you do not have items 1 and 2, you do not qualify for this credit.

The EDZI Amendment Act allows a qualified business, under certain circumstances, to take various credits against its franchise tax liability. A qualified business is one that is approved as qualified under Section 5 of EDZI by the DC Office of Economic Development. You **MUST** complete the worksheet below and include it with the other attachments to your return. The following credits are allowed under EDZI to qualified businesses:

1. A non-refundable credit (not exceeding \$7,500 per certified employee) against the franchise tax in an amount equal to 50 percent of the wages of all certified employees who meet the requirements of Section 10(b) of EDZI;
2. A non-refundable credit against the franchise tax in an amount equal to 50 percent of the insurance premiums attributable to all employees for whom it obtains employer liability insurance under the District of Columbia Workers Compensation Act of 1979;

3. A non-refundable rent credit for lessors against the franchise tax. The credit allowed is the difference between the rental market value of the space leased to a licensed non-profit child care center and the actual rent stated in the lease agreement as indicated in the DC Council resolution approving the qualification of the business. A non-profit child care center is a child development center as defined in Section 10 of EDZI; and

Economic Development Zone Incentives credits shall not reduce the minimum tax liability under DC Code §47-1807.02(b) or §47-1808.03(b). For credits 1, 2, & 3 listed above, amounts not used as an offset against the tax may be carried forward or back for up to 5 years, except that no portion of the credits shall be claimed for any taxable year in which the qualified business was not located within an economic development zone or did not employ a certified employee.

Economic Development Zone Incentives Credit Worksheet			
Column 1 - Credit Category	Column 2	Column 3	Column 4
A. Certified employees wages maximum \$7,500 per certified employee in any taxable year	Total Wages \$	50% of Wages Col. 2 x .50 = \$	
B. Certified (eligible employees) workers compensation liability insurance premiums	Total Premiums \$	50% of Premiums Col. 2 x .50 = \$	
C. Child care center rent (lessor).....	Rental market value .....	\$ _____	
	Minus rent shown on lease agreement .....	\$ _____	
	Total child care center credit.....		\$
	Total of Column 4		\$
	Add any EDZI credit carry forward from a previous year		\$
	Total EDZI credit (enter on Line 1, Schedule UB)		\$







Important: Print in CAPITAL letters using black ink.

Taxpayer Identification Number (TIN)  Number of business locations  OFFICIAL USE ONLY Vendor ID# 0000  
 In DC:  Outside DC:  Fill in  if QHTC located in DC Ballpark TIF Area  
 Name of corporation  Tax period ending (MMYY)   Fill in  if Amended Return  
 Business mailing address #1  Fill in  if Final Return  
 Business mailing address #2  Fill in  if Certified QHTC  
 City  State  Zip Code + 4   Fill in  if Combined Report\*  
 Designated Agent Name  Designated Agent TIN  \*You must fill in the Designated Agent info below  
 \*\*Worldwide form must be filed with this return

• READ INSTRUCTIONS BEFORE PREPARING RETURN • (To allocate non-business items, see instructions)

		Enter dollar amounts only. If amount is zero, leave line blank; if minus, enter amount and fill in oval.	
GROSS INCOME	1 Gross receipts, minus returns and allowances	1 \$	00
	2 Cost of goods sold (from D-20 Schedule A) and/or operations (attach statement)	2 \$	00
	3 Gross profit from sales and/or operations Line 1 minus Line 2	3 \$	00
	4 Dividends from Form D-20, Schedule B	4 \$	00
	5 Interest (attach statement)	5 \$	00
	6 Gross rental income from D-20, Schedule I, Column 3, Line 6	6 \$	00
	7 Gross royalties (attach statement)	7 \$	00
	8(a) Net capital gain (loss) (attach a copy of your federal Schedule D) Fill in if minus: <input type="checkbox"/>	8(a) \$	00
	(b) Ordinary gain (loss) from Part II, fed. Form 4797, (attach copy) Fill in if minus: <input type="checkbox"/>	8(b) \$	00
	9 Other income (loss) (attach statement) Fill in if minus: <input type="checkbox"/>	9 \$	00
10 Total gross income. Add Lines 3-9. Fill in if minus: <input type="checkbox"/>	10 \$	00	
DEDUCTIONS	11 Compensation of officers from Form D-20, Schedule C	11 \$	00
	12 Salaries and wages	12 \$	00
	13 Repairs	13 \$	00
	14 Bad debts	14 \$	00
	15 Rent	15 \$	00
	16 Taxes from Form D-20, Schedule D	16 \$	00
	17(a) Interest payments \$ <input type="text"/> 00		
	(b) Minus nondeductible payments to related entities \$ <input type="text"/> 00 =	17c \$	00
	18 Contributions and/or gifts (attach statement)	18 \$	00
	19 Amortization (attach a copy of your federal Form 4562)	19 \$	00
	20 Depreciation (attach a copy of your federal Form 4562. Do not include any additional IRC 179 expenses or IRC 168(k) depreciation)	20 \$	00
	21 Depletion (attach statement)	21 \$	00
22(a) Enter royalty payments made \$ <input type="text"/> 00			
(b) Minus nondeductible payments to related entities \$ <input type="text"/> 00 =	22c \$	00	



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

		ENTER DOLLAR AMOUNTS ONLY											
DEDUCTIONS	23 Pension, profit-sharing plans	23	\$									00	
	24 Other deductions (attach statement)	24	\$									00	
	25 Total deductions. Add Lines 11-24.	25	\$									00	
	26 Net income Line 10 minus Line 25. Fill in if minus: <input type="radio"/>	26	\$									00	
	27 Net operating loss deduction for years before 2000	27	\$									00	
TAXABLE INCOME	28 Net income after net operating loss deduction Line 26 minus Line 27. Fill in if minus: <input type="radio"/>	28	\$									00	
	29 (a) Non-business income/state adjustment (attach statement) Fill in if minus: <input type="radio"/>	29a	\$									00	
	(b) Expense related to non-business income (attach statement)	29b	\$									00	
	(c) 29(a) minus 29(b) Fill in if minus: <input type="radio"/>	29c	\$									00	
	30 Net income subject to apportionment Line 28 minus Line 29(c) Fill in if minus: <input type="radio"/>	30	\$									00	
	31 DC apportionment factor from Form D-20, Schedule F, Col. 3, Line 5. If Combined Report, from Combined Reporting Schedule 2A, Col. 1 Line 9.	31											
	32 Net income from trade or business apportioned to DC Line 30 amount multiplied by Line 31 factor. Fill in if minus: <input type="radio"/>	32	\$										00
	33 Other income/deductions attributable to DC (attach statement - see instructions) Fill in if minus: <input type="radio"/>	33	\$										00
	34 Total taxable income before apportioned NOL deduction Line 32 plus or minus Line 33. Fill in if minus: <input type="radio"/>	34	\$										00
	35 Apportioned NOL deduction (Losses occurring in year 2000 and later)	35	\$										00
	36 Total DC taxable income. Line 34 minus Line 35. Fill in if minus: <input type="radio"/> If QHTC, skip Lines 37-39. Complete QHTC Schedule on Page 4, Lines 1-10.	36	\$										00
	37 Tax 8.25% of Line 36	37	\$										00
	38 Minus nonrefundable credits from Schedule UB, Line 9	38	\$										00
TAX PAYMENTS AND CREDITS	39 Total DC gross receipts from Line '4' MTLGR Worksheet \$ _____ .00	39	\$									00	
	40 Net tax. Line 37 minus Line 38. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M.	40	\$										00
	41 Payments and refundable credits:	(a) Tax paid, if any, with request for an extension of time to file	41a	\$									00
		(b) Tax paid, if any, with original return if this is an amended return	41b	\$									00
		(c) 2018 estimated franchise tax payments	41c	\$									00
		(d) Refundable credits from Schedule UB, Line 12	41d	\$									00
	42 If this is an amended 2018 return, enter refund requested with original return.	42	\$										00
	43 Total payments and credits. Add Lines 41(a) through 41(d). Do not include Line 42.	43	\$										00
	44 Estimated tax interest (Fill in oval if D-2220 attached) <input type="radio"/>	44	\$										00
	45 Total Amount Due. If Line 43 is smaller than the total of Lines 40 and 44, enter amount due. Will this payment come from an account outside of the U.S.? <input type="radio"/> Yes <input type="radio"/> No See instructions.	45	\$										00
46 Overpayment. If Line 43 is larger than the total of Lines 40 and 44, enter amount overpaid.	46	\$										00	
47 Amount you want to apply to your 2019 estimated franchise tax.	47	\$										00	
48 Amount to be refunded. Line 46 minus Line 47.	48	\$										00	

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 the information available to the preparer.

\_\_\_\_\_  
Officer's signature Title Date Telephone number of person to contact

PAID PREPARER ONLY

Preparer's signature (if other than taxpayer) \_\_\_\_\_ Date \_\_\_\_\_ Firm name \_\_\_\_\_ Firm address \_\_\_\_\_

Preparer's PTIN \_\_\_\_\_

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



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

Schedule A - Cost of Goods Sold (See specific instructions for Line 2.)		Schedule B - Dividends (See specific instructions for Line 4.)	
1. Inventory at beginning of year.....	\$	NAME AND ADDRESS OF DECLARING CORPORATION	AMOUNT
2. Merchandise bought for manufacture or sale.....			\$
3. Salaries and wages.....			
4. Other costs per books (attach statement)..... (Additional federal depreciation and additional IRC § 179 expenses are not allowable.)			
5. Total .....	\$		
6. Minus: Inventory at end of tax year.....			
7. Cost of goods sold (Enter here and on D-20 Line 2.)	\$		
<b>Method of inventory valuation:</b>		<b>Total Dividends</b>	
		Minus deduction for Subpart F Income.	
		\$	
		Minus deduction for dividends received from wholly-owned subsidiary	
		<b>TOTAL (Enter here and on D-20, Line 4.)</b>	
		\$	

Schedule C - Compensation of officers (See specific instructions for Line 11. If more than 3 offices attach additional sheets as needed.)						
Col. 1 Name and Address of Officer	Col. 2 Official Title	Col. 3 Percent of Time Devoted to Business	Percent of Corporation Stock Owned		Col. 6 Amount of Compensation	Col. 7 Expense Account Allowances
			Col. 4 Common	Col. 5 Preferred		
		%	%	%	\$	\$
		%	%	%		
		%	%	%		
TOTAL COMPENSATION OF OFFICERS (Enter here and on D-20, Line 11.)					\$	

Schedule D - Taxes (See specific instructions for Line 16.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
		TOTAL (Enter here and on D-20, Line 16.)	\$

Schedule E - Reconciliation of the net income reported on Federal and DC returns			
1. Taxable income before net operating loss deduction and special deductions (page 1 of your Federal corporate return).	\$	7. Total DC taxable income reported (from D-20, Line 36).	\$
UNALLOWABLE DEDUCTIONS AND ADDITIONAL INCOME		NON-TAXABLE INCOME AND ADDITIONAL DEDUCTIONS	
2. Income taxes (see specific instructions for line 16).		8. Net income apportioned or allocated to outside DC.	
3. DC income taxes and franchise taxes imposed by DC Revenue Act of 1947, as amended.		9. Other non-taxable income and additional deductions including NOL (itemize):	
4. Interest on obligations of states, territories of the U.S. or any Political Subdivision thereof.		(a) _____	
5. Other unallowable deductions and additional income (itemize, include additional federal depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1-5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_



**Schedule F - DC apportionment factor** (See instructions) **Note: If this is a combined report do not use Schedule F to derive the apportionment factor for the group. Leave Schedule F blank. Use Combined Reporting Schedule 2A, Line 9 instead.**

Round cents to the nearest dollar. Carry all factors to six decimal places

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor <small>(Column 2 divided by Column 1)</small>
For all businesses other than financial institutions:			
1. <b>SALES FACTOR:</b> All gross receipts of the business other than gross receipts from non-business income.	\$ _____ 00	\$ _____ 00	. _____
For Financial Institutions:			
2. <b>SALES FACTOR:</b> All gross income of the financial institution other than gross income from non-business income.	\$ _____ 00	\$ _____ 00	. _____
3. <b>PAYROLL FACTOR:</b> Total compensation paid or accrued by the financial institution.	\$ _____ 00	\$ _____ 00	. _____
4. <b>SUM OF FACTORS:</b> (For Financial Institutions add Lines 2 and 3 of Column 3)			. _____
5. <b>DC APPORTIONMENT FACTOR:</b> For businesses other than financial institutions enter the number from Line 1, Column 3. Enter on D-20, Line 31. For financial institutions divide Line 4, Column 3 by 2. If there are less than two factors, use Line 4, Column 3. Enter on D-20, Line 31.			. _____

**For Combined Reporting**

Enter the number of members in the combined group

Complete Schedule 1 from the DC Combined Reporting Schedule 1A Designated Agent

Schedule 1 - Combined Report Tax Due				
Tax Due Combined Group Report	Tax Due Intercompany Eliminations	Tax Due Total Before Eliminations	Tax Due Designated Agent	Tax Due Member 1
Tax Due Member 2	Tax Due Member 3	Tax Due Member 4	Tax Due Member 5	

**Qualified High Technology Companies Tax, Exemption and Credits Schedule** (See instructions)

1	Initial Date Of Taxable Income (MMYY) <input style="width: 40px;" type="text"/>	
2	Cumulative Amount of QHTC Franchise Tax Exemption Previously Used	\$ _____ .00
3	Total DC taxable income. D-20 Line 36. <span style="float: right;">Fill in if minus: <input type="radio"/></span>	3 \$ _____ 00
4	Qualified High Technology Companies Franchise Tax 6.0% of Line 3	4 \$ _____ 00
5	Minus nonrefundable credits from Schedule UB, Line 9	5 \$ _____ 00
6	Tentative Tax. Subtract Line 5 from Line 4	6 \$ _____ 00
7	Minus QHTC Franchise Tax Exemption This Return	7 \$ _____ 00
8	Total DC gross receipts from Line '4' MTLGR Worksheet	\$ _____ 00
9	Net tax. Line 6 minus Line 7. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M. Enter here and on page 2, Line 40. Complete page 2, Lines 41 through 48.	9 \$ _____ 00
10	Amount of QHTC Franchise Tax Exemption Remaining	\$ _____ 00

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

**Schedule G - Balance Sheets** Beginning of Taxable Year End of Taxable Year

Table with columns for (A) Amount and (B) Total at both Beginning and End of Taxable Year. Rows include ASSETS (1-14) and LIABILITIES AND CAPITAL (15-26).

**Schedule H-1 - Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Table for reconciling book income with tax return. Rows 1-6 show book income and adjustments. Rows 7-9 show tax return adjustments. Row 10 shows the resulting Taxable Income.

**Schedule H-2 - Analysis of Unappropriated Retained Earnings per Books**

Table for analyzing unappropriated retained earnings. Rows 1-4 show beginning balance, net income, and other increases. Rows 5-6 show distributions and other decreases. Row 7 shows total, and Row 8 shows ending balance.



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

**Schedule I – Income from Rent**

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. I-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. I-1)
1.		\$	\$	\$	\$
2.					
3.					
4.					
5.					
<b>6. TOTAL</b> (Enter the total of Column 3 on D-20, Line 6. Enter total of Column 4, 5, and 6 on appropriate deduction lines.)		\$	\$	\$	\$

\*excludes federal depreciation and additional IRC §179 expenses.

**Schedule I-1 – Explanation of deductions claimed in Columns 5 and 6 of Schedule I.**

Column No.	Explanation	Amount	Column No.	Explanation	Amount
		\$			\$

**Supplemental Information**

1. STATE OR COUNTRY OF INCORPORATION \_\_\_\_\_ 2.(a) DATE OF INCORPORATION \_\_\_\_\_ 2.(b) DATE BUSINESS BEGAN IN DC \_\_\_\_\_ 3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN: \_\_\_\_\_

4. THE CORPORATION'S BOOKS ARE IN THE CARE OF – \_\_\_\_\_ 5. LOCATED AT – \_\_\_\_\_

6. During 2018, has the Internal Revenue Service made or proposed any adjustments to your federal income tax return, or did you file any amended returns with the IRS? YES  NO  If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 9 under Amended returns. If you have already provided OTR with a detailed statement, enter the date it was sent.  MM/DD/YYYY

7. Is this corporation unitary with another entity?  YES  NO If yes, explain: \_\_\_\_\_

8. Is this return made on the accrual basis?  YES  NO If no, indicate basis used:  Cash Basis  Other (specify) \_\_\_\_\_

9. Did you file a franchise tax return with DC for the year 2017?  YES  NO If no, state reason \_\_\_\_\_

10. Did you withhold DC income tax from wages paid to your DC resident employees during 2018?  YES  NO If no, state reason: \_\_\_\_\_

11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2018?  YES  NO

12. (a) Has the business been terminated?  YES  NO If yes, explain and give date: \_\_\_\_\_  
 (b) Have you moved out of DC?  YES  NO

13. Did you file an annual ballpark fee return?  YES  NO



OFFICIAL USE ONLY Vendor ID# 0000

Important: Print in CAPITAL letters using black ink. Attach to your Form D-20 or D-30.

Taxpayer Identification Number Fill in if FEIN Fill in if filing a D-20 Return Fill in if SSN Fill in if filing a D-30 Return

Enter your business name

D-20 Return

Nonrefundable Credits (Nonrefundable Credits may not be applied against the required minimum tax)

Table with 12 rows for D-20 Nonrefundable Credits. Includes Economic Development Zone Incentives Credits, Qualified High Technology Company Credits, Organ and Bone Marrow Donor Credit, Job Growth Incentive Act, Alternative fuel infrastructure, Alternative fuel vehicle conversion, and Employer-assisted Home Purchase Tax Credit.

Refundable Credits

Table with 3 rows for D-20 Refundable Credits. Includes Qualified High Technology Company Retraining Costs Credit, Small Retailer Property Tax Relief Credit, and Total the refundable D-20 credits.

D-30 Return

Nonrefundable Credits (Nonrefundable Credits may not be applied against the required minimum tax)

Table with 10 rows for D-30 Nonrefundable Credits. Includes Economic Development Zone Incentives Credit, Organ and Bone Marrow Donor Credit, Job Growth Incentive Act, Alternative fuel infrastructure, Alternative fuel vehicle conversion, and Employer-assisted Home Purchase Tax Credit.

Refundable Credits

Table with 2 rows for D-30 Refundable Credits. Includes Small Retailer Property Tax Relief Credit and Total the refundable D-30 credits.

**Organ and Bone Marrow Donor Credit**

An employer who provides an employee with paid leave to donate an organ (up to 30 days leave) or to donate bone marrow (up to 7 days leave) is eligible to claim a credit against the franchise tax. The credit is equal to 25% of the salary paid to the employee during the leave period. If you take the credit, you may not also deduct the salary paid to the donor employee for that period. This credit is not available if the employee is eligible for leave under the Family and Medical Leave Act of 1993.

<b>Organ and Bone Marrow Donor Credit</b> — Computation —			
<b>Column 1 Credit Category</b>	<b>Column 2 Total Paid Leave</b>	<b>Column 3 Leave Credit Calculation</b>	<b>Column 4 Total Credit</b>
<b>Organ Donor(s)</b>	<b>Total Paid Leave Wages</b> \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
<b>Bone Marrow Donor(s)</b>	<b>Total Paid Leave Wages</b> \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
		<b>Total of Col. 4. Enter here and on Schedule UB.*</b>	\$ _____

\*Line 3 of Schedule UB for D-20 filers  
Line 14 of Schedule UB for D-30 filers

<b>Employer-Assisted Home Purchase Tax Credit</b> — Computation —	
1. Number of Eligible Employees	<input style="width: 40px; height: 20px;" type="text"/>
2. Amount of Homeownership Assistance provided during this period to Eligible Employees.....x 50%	\$ _____
3. Tax Credit ..... (Cannot exceed Line 2 amount and limited to \$2,500 per Eligible Employee)	\$ _____
<p><b>Enter amount from Line 3 on Line 7 of Schedule UB for D-20 filers, or Line 18 of Schedule UB for D-30 filers.</b></p>	

**Employer-Assisted Home Purchase Tax Credit**

An employer who provides homeownership assistance to eligible employees through a certified home purchase program may be eligible to claim a credit against the franchise tax if certain conditions are met. See instructions and DC Code Section 47-1807.07 for further details.



**2018** SCHEDULE SR Small Retailer  
Property Tax Relief Credit



Important: Read eligibility requirements before completing.  
Print in CAPITAL letters using black ink.

OFFICIAL USE ONLY Vendor ID#0000

Taxpayer Identification Number   
 Fill in  if FEIN      Fill in  if filing a D-20 Return  
 Fill in  if SSN      Fill in  if filing a D-30 Return

Enter your business name  Sales and Use Tax Account Number

Mailing address (number, street and suite number if applicable)

City  State  Zip Code +4

Address of Class 2 DC Property (number, street and suite number if applicable) for which you are claiming the credit if different from above

City  State  Zip Code +4

Certificate of Occupancy Permit Number

If member of a Combined Group, Taxpayer Identification Number of Designated Agent

- ◆ **Do not claim this credit if your qualified business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or the qualified owned retail location is otherwise exempt from real property tax.**
- ◆ **The credit equals the total Class 2 real property taxes paid by a qualified corporation or qualified unincorporated business for a qualified retail owned location during the taxable year not to exceed \$5,000; or 10% of the total rent paid by a qualified corporation or qualified unincorporated business for a qualified rental retail location not to exceed \$5,000.**

1 Amount of federal gross receipts or sales. <i>Do not make claim if \$2.5m or more.</i>	1 \$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
2 If tenant, amount of rent paid in taxable year 2018 on qualified retail location.	2 \$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
3 Enter the Class 2 property taxes paid in 2018 on qualified owned retail location or 10% of rent paid in taxable year 2018 on qualified rental retail location.	3 \$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
4 Property Tax Credit Limit.	4 \$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
5 Small Retailer Property Tax Relief Credit. Enter the smaller of Line 3 or Line 4 here, and on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.	5 \$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00

6 Owner/Landlord's name

Owner/Landlord's address (number and street)

Telephone number

City  State  Zip Code +4

7 If Owner, enter information from your real property tax bill or assessment. If a section is blank on your property tax bill, leave it blank here.

Square number  Suffix number  Lot number

## Instructions for Schedule SR

### Small Retailer Property Tax Relief Credit

For taxable years beginning after December 31, 2017, a qualified corporation, or qualified unincorporated business, may claim a credit against corporate or unincorporated business franchise tax as follows:

(1) a tax credit equal to 10% of the total rent paid by the corporation/unincorporated business for a qualified rental retail location during the taxable year not to exceed \$5,000: or

(2) a tax credit equal to the total Class 2 real property taxes paid by the qualified corporation/unincorporated qualified business for a qualified retail owned location during the taxable year not to exceed the lesser of the real property tax paid during the taxable year or \$5,000.

The credit in any one taxable year may exceed the qualified corporation/qualified unincorporated business's franchise tax liability, including any minimum tax due for that taxable year and is refundable to the qualified corporation/qualified unincorporated business claiming the credit.

The credit shall not apply if the qualified corporation/qualified unincorporated business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or qualified owned retail location is otherwise exempt from real property tax.

### Qualified Corporation/Qualified Unincorporated Business Defined

The term "qualified corporation" or "qualified unincorporated business" means a corporation or unincorporated business that: is engaged in the business of making sales at retail and files a sales tax return reflecting those sales; has less than \$2,500,000 in federal gross receipts or sales; and is current on all District tax filings and payments.

### Qualified Retail Rental Location/Qualified Retail Owned Location Defined

The term "qualified retail rental location" or "qualified retail owned location" means a building or part of a building in the District that during the taxable year is: a

retail establishment the premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made; the primary place of the retail business of the qualified corporation/qualified unincorporated business; leased or owned by the qualified corporation/qualified unincorporated business; classified, in whole or in part, as Class 2 Property as defined in DC Code §47-813; and has obtained a Certificate of Occupancy for commercial use.

### Line Instructions

**Line 1** Enter the total amount of federal gross receipts or sales. If you have federal gross receipts or sales of \$2.5 million or more you are ineligible to claim the credit.

**Line 2** If you are a tenant, enter the amount of rent paid on the qualified retail rental location in taxable year 2018.

**Line 3** If you are an owner, enter the amount of Class 2 real property taxes paid on the qualified retail owned location in 2018, or, if you are a tenant, enter the amount of 10% of the rent paid on the qualified retail rental location in taxable year 2018.

**Line 4** The credit limit is \$5,000.

**Line 5** Enter the smaller of Line 3 or Line 4 on Line 5. This is the amount of the credit that may be claimed. Enter the Line 5 amount on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.

**Line 6** For the qualified retail location, enter the Owner or Landlord's name, address and telephone number.

**Line 7** If the property is a qualified retail owned location, enter the Square number, Suffix number and Lot number for the property as it appears on your real property tax bill or assessment.

**Note:** In addition to other requirements as listed above, all businesses must have a sales and use tax account with the Office of Tax and Revenue and file all required returns in order to qualify for this credit. Unincorporated businesses must file a D-30 Unincorporated Business Franchise Tax return in addition to other requirements in order to claim this credit. A business with multiple locations in the District may claim the credit for only one property owned or leased.



Combined Group Members' Schedule



1 8 2 3 0 0 3 1 0 0 0 0

NOTE: READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

Important: Print in CAPITAL letters using black ink.

Taxpayer Identification Number of Designated Agent

[Grid for Taxpayer Identification Number]

Taxable year ending MMY

[Grid for Taxable year ending MMY]

Worldwide

Name of Designated Agent

[Grid for Name of Designated Agent]

Telephone number

[Grid for Telephone number]

Business mailing address line #1

[Grid for Business mailing address line #1]

Business mailing address line #2

[Grid for Business mailing address line #2]

City

[Grid for City]

State

Zip Code + 4

[Grid for State]

[Grid for Zip Code + 4]

[Grid for Zip Code + 4]

A List the designated agent and all combined members	B Taxpayer Identification Number	C Was a separate DC franchise tax return filed in the prior year?	D Is the member new to the combined group?	E Was gross income received from District sources?	F Does the member have nexus in DC?
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: If more than 14 combined members, continue list on a separate sheet of paper.

# Combined Group Members' Schedule

## Instructions

It is necessary to identify each member of the DC Combined Group subject to the franchise tax.

Attach a copy of Federal Forms 851, 5471, and 8975 (including Schedule A).

File this schedule each year that a DC Combined Report is filed.

**Column A** - List the designated agent and all combined members included in the DC Combined Reporting group.

**Column B** - Give the Taxpayer Identification Number (TIN) for each member listed.

**Column C** - Indicate if each member listed filed a separate DC franchise tax return in the prior tax year.

**Column D** - Indicate if any members are new to the DC Combined Group.

**Column E** - Indicate if the member received gross income from DC sources.

**Column F** - Indicate if the member has nexus in DC.

Worldwide Combined Reporting Election Form



Taxpayer Identification Number of Designated Agent

Input field for Taxpayer Identification Number

Taxable Year YYYY

Input field for Taxable Year

Worldwide

Name of Designated Agent

Input field for Name of Designated Agent

Telephone number

Input field for Telephone number

Business address line #1

Input field for Business address line #1

Business address line #2

Input field for Business address line #2

City

Input field for City

State

Input field for State

Zip code +4

Input field for Zip code +4

- In accordance with the provisions of DC Official Code § 47-1810.07 and the combined reporting regulations, election is hereby made to report on a worldwide unitary combined basis.
• A worldwide unitary combined reporting election is binding for and applicable to the tax year it is made and all years thereafter for a period of ten years.
• It may be withdrawn or reinstated after withdrawal, prior to the expiration of the ten-year period, only upon written request for reasonable cause based on extraordinary hardship due to unforeseen changes in DC tax statutes, law or policy and only with the written permission from the Office of Tax and Revenue.
• Upon the expiration of the ten-year period, a taxpayer may withdraw from the worldwide unitary combined reporting election.
• Withdrawal must be made in writing within one year of the expiration of the election and is binding for a period of ten years, subject to the same conditions as applied to the original election.

Date Beginning Tax Period: MMDDYYYY

Input field for Date Beginning Tax Period

Date Ending Tax Period: MMDDYYYY

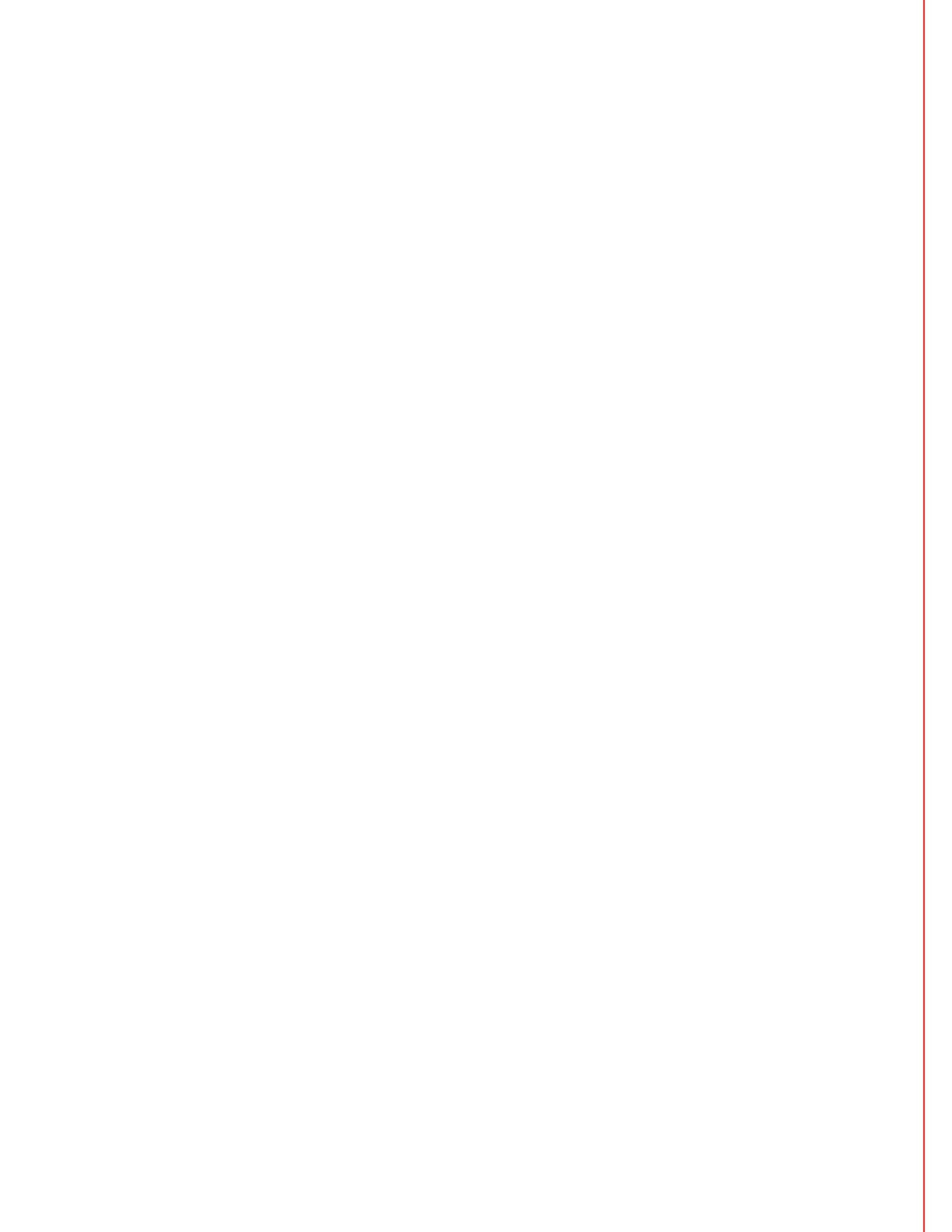
Input field for Date Ending Tax Period

Authorized Signature

Printed Name

Date

Under penalties of law, I declare that the designated agent has authorized me to sign on behalf of all members of the combined group, and that I have examined this form and the information contained herein is, to the best of my knowledge and belief, correct and complete.



D-20CR 20\_\_\_\_\_  
QHTC Corporate Business Tax Credits  
(File With Form D-20)



0 0 3 9 9 0 2 1 0 0 0 0

Official Use Only: VENDOR ID# 0000

Tax Return Year Beginning \_\_\_\_\_, 20\_\_ and ending \_\_\_\_\_, 20\_\_

TAXPAYER IDENTIFICATION NUMBER: \_\_\_\_\_

BUSINESS NAME AS SHOWN ON TAX RETURN FORM D-20: \_\_\_\_\_

Initial year of certification as QHTC

**PART A — TAX CREDIT FOR RELOCATION COSTS**

- 1. Number of eligible employees who reside in DC
- 2. Number of eligible employees who reside outside DC
- 3. Tax credit for employees residing in DC (limited \$7,500 per employee, see instructions) ..... \$
- 4. Tax credit for employees residing outside DC (limited \$5,000 per employee, see instructions) ..... \$
- 5. Total tax credit (add lines 3 and 4) ..... \$

\$
\$
\$

**PART B – TAX CREDIT FOR 10% OF WAGES PAID TO QUALIFIED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

- 1. Number of eligible employees
- 2. Total Wages paid during this period to Qualified Employees ..... \$
- 3. Tax credit – Line 2 x 0.10 (Limited to \$5,000 per employee in the tax year.) ..... \$

\$
\$

**PART C — TAX CREDIT FOR 50% OF WAGES PAID TO QUALIFIED DISADVANTAGED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

- 1. Employees eligible in First year  2. Months in First year
  - 3. Total Wages paid during tax year 20\_\_ to Qualified Disadvantaged Employees ..... \$
  - 4. Tax credit (50% of line 3) ..... \$
- The credit is 50% of qualified disadvantaged employee wages paid during the first 24 months of employment beginning after December 31, 2000, not to exceed \$15,000 per employee per year.

\$
\$

**PART D — TAX CREDIT FOR THE COSTS OF RETRAINING QUALIFIED DISADVANTAGED EMPLOYEES DURING THE FIRST 18 MONTHS OF THEIR EMPLOYMENT**

- 1. Number of employees eligible, first 12 months.
  - 2. Total expenditures for retraining Qualified Disadvantaged Employees paid or incurred during this period. \$
  - 3. Amount of Retraining Costs Tax Credit ..... \$
- (Limited to \$20,000 per employee for retraining costs incurred during the first 18 months of employment beginning after December 31, 2000.)

\$
\$



**PART E – SUMMARY OF QHTC TAX CREDITS**

**Non-refundable credits**

1a. Relocation Costs Tax Credit (Part A, Line 5) plus any carryover . . . . .	\$
b. Amount of credit carried forward . . . . .	\$
2a. Qualified Employee Wages Tax Credit (Part B, Line 3) plus any carryover . . . . .	\$
b. Amount of credit carried forward . . . . .	\$
3a. Qualified Disadvantaged Employee Wages Tax Credit (Part C, Line 4) plus any carryover . . . . .	\$
b. Amount of credit carried forward . . . . .	\$
4a. Retraining Costs Tax Credit (Part D, Line 3) plus any carryover . . . . .	\$
b. Amount used as nonrefundable credit . . . . .	\$
c. Amount of excess unused credit . . . . .	\$
d. Amount of excess unused credit carried forward * . . . . .	\$
5. Total non-refundable QHTC Tax Credits (add Lines 1a, 2a, 3a and 4b - enter on Schedule UB, Line 2) .	\$

**Refundable credits**

6a. Amount of Unused Retraining Costs Tax Credit (Part E, Line 4c) . . . . .	\$
b. Amount of refund if elected (limited to 50% of the credit) * . . . . . (Line 6a X .50)	\$
7. Total refundable QHTC Tax Credit (Line 6b, enter on Schedule UB, Line 10)	\$

\* **Note:** Only the excess unused portion of the Retraining Tax Credit can be claimed as a 50% refund. If an election is made to carry the excess unused credit forward, then the excess unused portion cannot be claimed as a refundable credit.



# INSTRUCTIONS FOR FORM D-20CR

## Who may use Form D-20CR?

A business which is a corporation, including a Limited Liability Company (LLC) which has elected to be treated as a corporation for Federal tax purposes and is certified as a QHTC may file a Form D-20CR to claim the applicable credits listed on Form D-20CR.

## Should the Certification of Gross Revenue Worksheet be submitted with the Form D-20CR?

Yes, it must be submitted in the first year that the business is a QHTC for six or more months and in all subsequent years.

## Which forms are required to claim QHTC credits?

A company must file a DC corporate franchise tax return (D-20) to claim the credits entered on the Form D-20CR. The QHTC Self-Certification on [MyTax.DC.gov](http://MyTax.DC.gov) must also be completed. (This is required even if the company has been previously certified as a QHTC.)

## Claiming a Tax Credit Carryover

When claiming a tax credit carryover on your return please attach a copy of your form D-20CR for the year(s) from which the carryover originated.

## Part A - Tax credit for relocation costs

An incorporated QHTC is allowed a credit (subject to a dollar limitation) against its QHTC franchise tax for each dollar reimbursed to or paid on behalf of each qualified employee for relocation costs. The credit may not exceed:

- \$5,000 for each employee who relocates his or her employment to DC from outside DC but does not relocate his or her principal residence to DC. The total annual credit for a QHTC may not exceed \$250,000; and
- \$7,500 for each employee who relocates his or her employment to DC from outside DC and also relocates his or her principal residence to DC. The total annual credit for a QHTC may not exceed \$1,000,000. For purposes of this credit, the principal residence is determined as of the last day of the first six months of employment in DC by a QHTC. This credit may be carried forward for 10 years.

## Part B- Tax credit for wages paid to qualified employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against the QHTC franchise tax equal to 10% of the wages paid during the first 24 calendar months to a qualified employee. The qualified employee must be hired after December 31, 2000 and employed in DC by the QHTC in the "permitted activities." This credit may be carried forward for 10 years.

## Part C - Tax credit for 50% of the wages paid to qualified disadvantaged employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against its QHTC franchise tax equal to 50% of the wages paid to each qualified disadvantaged employee during the first 24 calendar months of employment. The credit claimed is limited to \$15,000 a year for each qualified disadvantaged employee. It may be carried forward for 10 years.

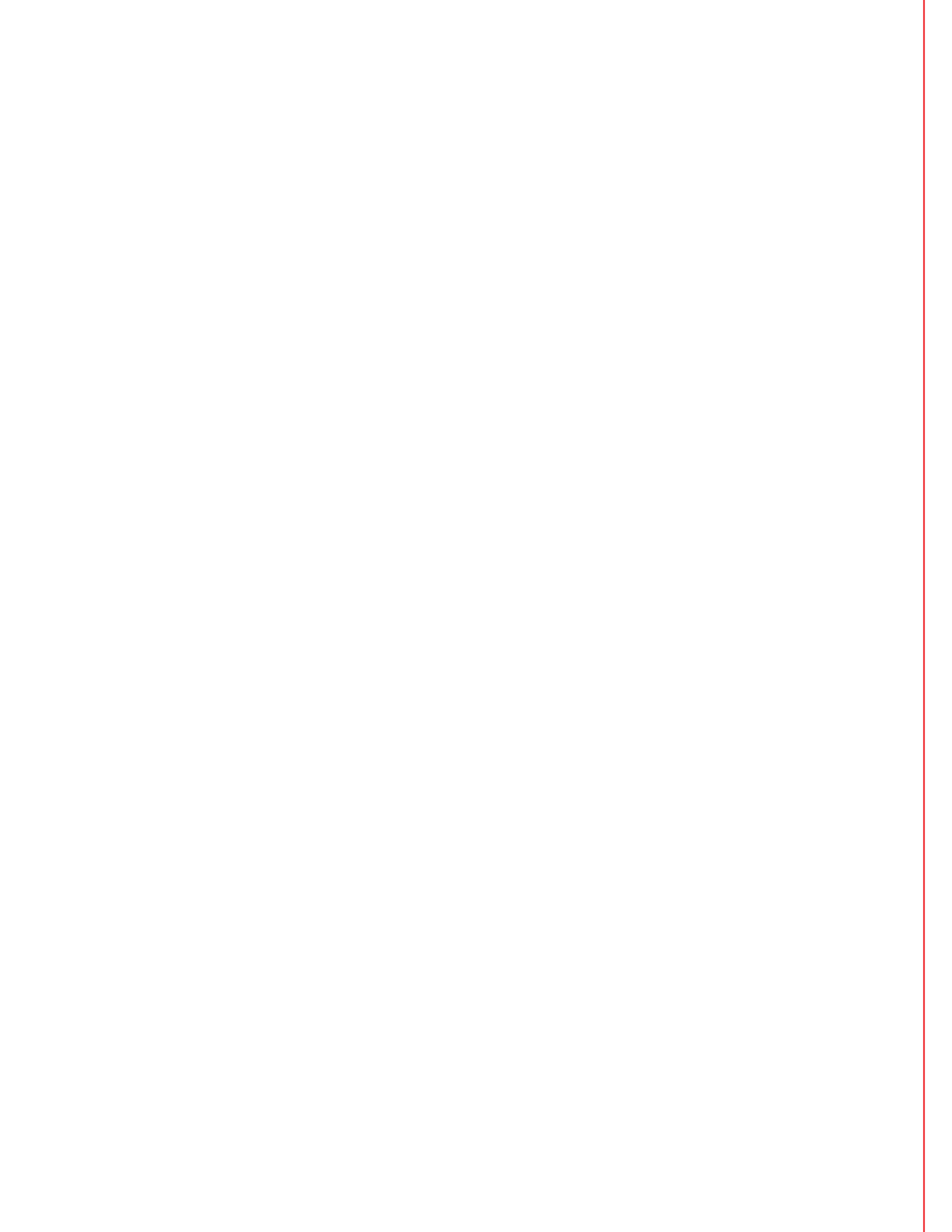
## Part D- Tax credit for the costs of retraining qualified disadvantaged employees during the first eighteen months of employment

An incorporated QHTC is allowed a credit against the QHTC franchise tax for expenditures paid or incurred during the taxable year for retraining qualified disadvantaged employee(s). See DC Code §47-1817.04. The credit claimed under this section is limited to \$20,000 for each qualified disadvantaged employee during the first 18 months of employment. If the amount of the credit exceeds the tax due, the unused amount of the credit may be carried forward for 10 years, or taken as a refundable credit in an amount up to 50% of the credit.

## Part E- Summary of QHTC tax credits

This is a summary of the tax credits claimed in Parts A through D. Copy the correct lines when completing Part E. Enter the amount of non-refundable credits from Line 5 of Part E on Schedule UB, Line 2. Enter the amount of refundable credits from Line 7 of Part E on Schedule UB, Line 10.

**\*Note:** "TYBA" means "tax year beginning after".





Important: Print in CAPITAL letters using black ink.

Taxpayer Identification Number (TIN) \_\_\_\_\_ Number of business locations \_\_\_\_\_ OFFICIAL USE ONLY Vendor ID# 0000

In DC: \_\_\_\_\_ Outside DC: \_\_\_\_\_ Fill in  if QHTC located in DC Ballpark TIF Area

Name of corporation \_\_\_\_\_ Tax period ending (MMYY) \_\_\_\_\_ Fill in  if Amended Return

Business mailing address #1 \_\_\_\_\_ Fill in  if Final Return

Business mailing address #2 \_\_\_\_\_ Fill in  if Certified QHTC

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code + 4 \_\_\_\_\_ Fill in  if Combined Report\*

Designated Agent Name \_\_\_\_\_ Designated Agent TIN \_\_\_\_\_ \*You must fill in the Designated Agent info below

Fill in  if Worldwide\*\* \*\*Worldwide form must be filed with this return

**• READ INSTRUCTIONS BEFORE PREPARING RETURN •** (To allocate non-business items, see instructions)

Enter dollar amounts only. If amount is zero, leave line blank; if minus, enter amount and fill in oval.

<b>GROSS INCOME</b>	1	Gross receipts, minus returns and allowances	1	\$	_____	.00
	2	Cost of goods sold (from D-20 Schedule A) and/or operations (attach statement)	2	\$	_____	.00
	3	Gross profit from sales and/or operations Line 1 minus Line 2	3	\$	_____	.00
	4	Dividends from Form D-20, Schedule B	4	\$	_____	.00
	5	Interest (attach statement)	5	\$	_____	.00
	6	Gross rental income from D-20, Schedule I, Column 3, Line 6	6	\$	_____	.00
	7	Gross royalties (attach statement)	7	\$	_____	.00
	8(a)	Net capital gain (loss) (attach a copy of your federal Schedule D) Fill in if minus: <input type="radio"/>	8(a)	\$	_____	.00
	8(b)	Ordinary gain (loss) from Part II, fed. Form 4797, (attach copy) Fill in if minus: <input type="radio"/>	8(b)	\$	_____	.00
	9	Other income (loss) (attach statement) Fill in if minus: <input type="radio"/>	9	\$	_____	.00
10	<b>Total gross income.</b> Add Lines 3-9. Fill in if minus: <input type="radio"/>	10	\$	_____	.00	
<b>DEDUCTIONS</b>	11	Compensation of officers from Form D-20, Schedule C	11	\$	_____	.00
	12	Salaries and wages	12	\$	_____	.00
	13	Repairs	13	\$	_____	.00
	14	Bad debts	14	\$	_____	.00
	15	Rent	15	\$	_____	.00
	16	Taxes from Form D-20, Schedule D	16	\$	_____	.00
	17(a)	Interest payments \$ _____ 00		\$	_____	.00
	(b)	Minus nondeductible payments to related entities \$ _____ 00 =	17c	\$	_____	.00
	18	Contributions and/or gifts (attach statement)	18	\$	_____	.00
	19	Amortization (attach a copy of your federal Form 4562)	19	\$	_____	.00
	20	Depreciation (attach a copy of your federal Form 4562. Do not include any additional IRC 179 expenses or IRC 168(k) depreciation)	20	\$	_____	.00
	21	Depletion (attach statement)	21	\$	_____	.00
22(a)	Enter royalty payments made \$ _____ 00		\$	_____	.00	
(b)	Minus nondeductible payments to related entities \$ _____ 00 =	22c	\$	_____	.00	



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

		ENTER DOLLAR AMOUNTS ONLY										
DEDUCTIONS	23 Pension, profit-sharing plans	23	\$								00	
	24 Other deductions (attach statement)	24	\$								00	
	25 Total deductions. Add Lines 11-24.	25	\$								00	
	26 Net income Line 10 minus Line 25. Fill in if minus: <input type="radio"/>	26	\$								00	
	27 Net operating loss deduction for years before 2000	27	\$								00	
TAXABLE INCOME	28 Net income after net operating loss deduction Line 26 minus Line 27. Fill in if minus: <input type="radio"/>	28	\$								00	
	29 (a) Non-business income/state adjustment (attach statement) Fill in if minus: <input type="radio"/>	29a	\$								00	
	(b) Expense related to non-business income (attach statement)	29b	\$								00	
	(c) 29(a) minus 29(b) Fill in if minus: <input type="radio"/>	29c	\$								00	
	30 Net income subject to apportionment Line 28 minus Line 29(c) Fill in if minus: <input type="radio"/>	30	\$								00	
	31 DC apportionment factor from Form D-20, Schedule F, Col. 3, Line 5. If Combined Report, from Combined Reporting Schedule 2A, Col. 1 Line 9.	31										
	32 Net income from trade or business apportioned to DC Line 30 amount multiplied by Line 31 factor. Fill in if minus: <input type="radio"/>	32	\$									00
	33 Other income/deductions attributable to DC (attach statement - see instructions) Fill in if minus: <input type="radio"/>	33	\$									00
	34 Total taxable income before apportioned NOL deduction Line 32 plus or minus Line 33. Fill in if minus: <input type="radio"/>	34	\$									00
	35 Apportioned NOL deduction (Losses occurring in year 2000 and later)	35	\$									00
	36 Total DC taxable income. Line 34 minus Line 35. Fill in if minus: <input type="radio"/> <b>If QHTC, skip Lines 37-39. Complete QHTC Schedule on Page 4, Lines 1-10.</b>	36	\$									00
	37 Tax 8.25% of Line 36	37	\$									00
	38 Minus nonrefundable credits from Schedule UB, Line 9	38	\$									00
39 Total DC gross receipts from Line '4' MTLGR Worksheet	39	\$									00	
TAX PAYMENTS AND CREDITS	40 Net tax. Line 37 minus Line 38. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M.	40	\$								00	
	41 Payments and refundable credits:											
	(a) Tax paid, if any, with request for an extension of time to file	41a	\$								00	
	(b) Tax paid, if any, with original return if this is an amended return	41b	\$								00	
	(c) 2018 estimated franchise tax payments	41c	\$								00	
	(d) Refundable credits from Schedule UB, Line 12	41d	\$								00	
	42 If this is an amended 2018 return, enter refund requested with original return.	42	\$								00	
	43 Total payments and credits. Add Lines 41(a) through 41(d). Do not include Line 42.	43	\$								00	
	44 Estimated tax interest (Fill in oval if D-2220 attached) <input type="radio"/>	44	\$								00	
	45 Total Amount Due. If Line 43 is smaller than the total of Lines 40 and 44, enter amount due. Will this payment come from an account outside of the U.S.? <input type="radio"/> Yes <input type="radio"/> No See instructions.	45	\$								00	
46 Overpayment. If Line 43 is larger than the total of Lines 40 and 44, enter amount overpaid.	46	\$								00		
47 Amount you want to apply to your 2019 estimated franchise tax.	47	\$								00		
48 Amount to be refunded. Line 46 minus Line 47.	48	\$								00		

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 the information available to the preparer.			
	Officer's signature _____	Title _____	Date _____	Telephone number of person to contact _____

PAID PREPARER ONLY	Preparer's signature (if other than taxpayer) _____	Date _____	Firm name _____	Firm address _____
	Preparer's PTIN _____	If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval. <input type="radio"/>		



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

Schedule A - Cost of Goods Sold (See specific instructions for Line 2.)		Schedule B - Dividends (See specific instructions for Line 4.)	
1. Inventory at beginning of year.....	\$	NAME AND ADDRESS OF DECLARING CORPORATION	AMOUNT
2. Merchandise bought for manufacture or sale.....			\$
3. Salaries and wages.....			
4. Other costs per books (attach statement)..... (Additional federal depreciation and additional IRC § 179 expenses are not allowable.)			
5. Total .....	\$		
6. Minus: Inventory at end of tax year.....			
7. Cost of goods sold (Enter here and on D-20 Line 2.)	\$		
<b>Method of inventory valuation:</b>		<b>Total Dividends</b>	
		Minus deduction for Subpart F Income.	
		\$	
		Minus deduction for dividends received from wholly-owned subsidiary	
		<b>TOTAL (Enter here and on D-20, Line 4.)</b>	
		\$	

Schedule C - Compensation of officers (See specific instructions for Line 11. If more than 3 offices attach additional sheets as needed.)						
Col. 1 Name and Address of Officer	Col. 2 Official Title	Col. 3 Percent of Time Devoted to Business	Percent of Corporation Stock Owned		Col. 6 Amount of Compensation	Col. 7 Expense Account Allowances
			Col. 4 Common	Col. 5 Preferred		
		%	%	%	\$	\$
		%	%	%		
		%	%	%		
TOTAL COMPENSATION OF OFFICERS (Enter here and on D-20, Line 11.)					\$	

Schedule D - Taxes (See specific instructions for Line 16.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
TOTAL (Enter here and on D-20, Line 16.)			\$

Schedule E - Reconciliation of the net income reported on Federal and DC returns			
1. Taxable income before net operating loss deduction and special deductions (page 1 of your Federal corporate return).	\$	7. Total DC taxable income reported (from D-20, Line 36).	\$
UNALLOWABLE DEDUCTIONS AND ADDITIONAL INCOME		NON-TAXABLE INCOME AND ADDITIONAL DEDUCTIONS	
2. Income taxes (see specific instructions for line 16).		8. Net income apportioned or allocated to outside DC.	
3. DC income taxes and franchise taxes imposed by DC Revenue Act of 1947, as amended.		9. Other non-taxable income and additional deductions including NOL (itemize):	
4. Interest on obligations of states, territories of the U.S. or any Political Subdivision thereof.		(a) _____	
5. Other unallowable deductions and additional income (itemize, include additional federal depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1-5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_



**Schedule F - DC apportionment factor** (See instructions) **Note: If this is a combined report do not use Schedule F to derive the apportionment factor for the group. Leave Schedule F blank. Use Combined Reporting Schedule 2A, Line 9 instead.**

Round cents to the nearest dollar. Carry all factors to six decimal places

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor <small>(Column 2 divided by Column 1)</small>
For all businesses other than financial institutions:			
1. <b>SALES FACTOR:</b> All gross receipts of the business other than gross receipts from non-business income.	\$ _____ 00	\$ _____ 00	. _____
For Financial Institutions:			
2. <b>SALES FACTOR:</b> All gross income of the financial institution other than gross income from non-business income.	\$ _____ 00	\$ _____ 00	. _____
3. <b>PAYROLL FACTOR:</b> Total compensation paid or accrued by the financial institution.	\$ _____ 00	\$ _____ 00	. _____
4. <b>SUM OF FACTORS:</b> (For Financial Institutions add Lines 2 and 3 of Column 3)			. _____
5. <b>DC APPORTIONMENT FACTOR:</b> For businesses other than financial institutions enter the number from Line 1, Column 3. Enter on D-20, Line 31. For financial institutions divide Line 4, Column 3 by 2. If there are less than two factors, use Line 4, Column 3. Enter on D-20, Line 31.			. _____

**For Combined Reporting**

Enter the number of members in the combined group

Complete Schedule 1 from the DC Combined Reporting Schedule 1A Designated Agent

Schedule 1 - Combined Report Tax Due				
Tax Due Combined Group Report	Tax Due Intercompany Eliminations	Tax Due Total Before Eliminations	Tax Due Designated Agent	Tax Due Member 1
Tax Due Member 2	Tax Due Member 3	Tax Due Member 4	Tax Due Member 5	

**Qualified High Technology Companies Tax, Exemption and Credits Schedule** (See instructions)

1	Initial Date Of Taxable Income (MMYY) <input style="width: 40px; border: 1px solid black;" type="text"/> <input style="width: 40px; border: 1px solid black;" type="text"/>	
2	Cumulative Amount of QHTC Franchise Tax Exemption Previously Used	\$ _____ .00
3	Total DC taxable income. D-20 Line 36. <span style="float: right;">Fill in if minus: <input type="radio"/></span>	3 \$ _____ 00
4	Qualified High Technology Companies Franchise Tax 6.0% of Line 3	4 \$ _____ 00
5	Minus nonrefundable credits from Schedule UB, Line 9	5 \$ _____ 00
6	Tentative Tax. Subtract Line 5 from Line 4	6 \$ _____ 00
7	Minus QHTC Franchise Tax Exemption This Return	7 \$ _____ 00
8	Total DC gross receipts from Line '4' MTLGR Worksheet	\$ _____ 00
9	Net tax. Line 6 minus Line 7. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M. Enter here and on page 2, Line 40. Complete page 2, Lines 41 through 48.	9 \$ _____ 00
10	Amount of QHTC Franchise Tax Exemption Remaining	\$ _____ 00

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

Schedule G - Balance Sheets		Beginning of Taxable Year		End of Taxable Year	
		(A) Amount	(B) Total	(A) Amount	(B) Total
<b>ASSETS</b>	1. Cash . . . . .				
	2. Trade notes and accounts receivable . . . . .				
	(a) MINUS: Allowance for bad debts . . . . .				
	3. Inventories . . . . .				
	4. Gov't obligations: (a) U.S. and its instrumentalities . . . . .				
	(b) States, subdivisions thereof, etc. . . . .				
	5. Other current assets (attach statement) . . . . .				
	6. Loans to stockholders . . . . .				
	7. Mortgage and real estate loans . . . . .				
	8. Other investments (attach statement) . . . . .				
	9. Buildings and other fixed depreciable assets . . . . .				
	(a) MINUS: Accumulated depreciation . . . . .				
	10. Depletable assets . . . . .				
	(a) MINUS: Accumulated depletion . . . . .				
11. Land (net of any amortization) . . . . .					
12. Intangible assets (amortizable only) . . . . .					
(a) MINUS: Accumulated amortization . . . . .					
13. Other assets (attach statement) . . . . .					
14. <b>TOTAL ASSETS</b> . . . . .					
<b>LIABILITIES AND CAPITAL</b>	15. Accounts payable . . . . .				
	16. Mortgages, notes, bonds payable in less than 1 year . . . . .				
	17. Other current liabilities (attach statement) . . . . .				
	18. Loans from stockholders . . . . .				
	19. Mortgages, notes, bonds payable in 1 year or more . . . . .				
	20. Other liabilities (attach statement) . . . . .				
	21. Capital stock: (a) Preferred stock . . . . .				
	(b) Common stock . . . . .				
	22. Paid-in or capital surplus (attach statement) . . . . .				
	23. Retained earnings - Appropriated (attach statement) . . . . .				
	24. Retained earnings - Unappropriated . . . . .				
	25. MINUS: Cost of treasury stock . . . . .		( )		( )
26. <b>TOTAL LIABILITIES AND CAPITAL</b> . . . . .					

**Schedule H-1 – Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1. Net income per books . . . . .	\$	7. Income recorded on books this year and not included in this return (itemize). Tax-exempt interest \$ _____	\$
2. Federal income tax . . . . .		8. Deductions on this tax return and not charged against book income this year (itemize). (a) Depreciation . . . . \$ _____ (b) Depletion . . . . . \$ _____	
3. Excess of capital losses over capital gains . . . . .			
4. Taxable income not recorded on books this year (itemize) . . . . .		9. TOTAL of Lines 7 and 8 . . . . .	\$
5. Expenses recorded on books this year and not deducted on this return (itemize). (a) Depreciation . . . . . \$ _____ (b) Depletion . . . . . \$ _____		10. Taxable Income (federal Form 1120, page 1, line 28 should equal Line 6 minus Line 9 of this Schedule.)	\$
6. TOTAL of Lines 1 through 5. . . . .	\$		

**Schedule H-2 – Analysis of Unappropriated Retained Earnings per Books**

1. Balance at beginning of year . . . . .	\$	5. Distributions: (a) Cash . . . . .	\$
2. Net income per books . . . . .		(b) Stock . . . . .	
3. Other increases (itemize) . . . . .		(c) Property . . . . .	
		6. Other decreases (itemize). _____	
4. TOTAL of Lines 1, 2 and 3. . . . .	\$	7. TOTAL of Lines 5 and 6. . . . .	\$
		8. Balance at end of year (Line 4 minus Line 7) . . . . .	\$



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

**Schedule I – Income from Rent**

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. I-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. I-1)
1.		\$	\$	\$	\$
2.					
3.					
4.					
5.					
<b>6. TOTAL</b> (Enter the total of Column 3 on D-20, Line 6. Enter total of Column 4, 5, and 6 on appropriate deduction lines.)		\$	\$	\$	\$

\*excludes federal depreciation and additional IRC §179 expenses.

**Schedule I-1 – Explanation of deductions claimed in Columns 5 and 6 of Schedule I.**

Column No.	Explanation	Amount	Column No.	Explanation	Amount
		\$			\$

**Supplemental Information**

1. STATE OR COUNTRY OF INCORPORATION \_\_\_\_\_ 2.(a) DATE OF INCORPORATION \_\_\_\_\_ 2.(b) DATE BUSINESS BEGAN IN DC \_\_\_\_\_ 3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN: \_\_\_\_\_

4. THE CORPORATION'S BOOKS ARE IN THE CARE OF – \_\_\_\_\_ 5. LOCATED AT – \_\_\_\_\_

6. During 2018, has the Internal Revenue Service made or proposed any adjustments to your federal income tax return, or did you file any amended returns with the IRS? YES  NO  If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 9 under Amended returns. If you have already provided OTR with a detailed statement, enter the date it was sent.  MM/DD/YYYY

7. Is this corporation unitary with another entity?  YES  NO If yes, explain: \_\_\_\_\_

8. Is this return made on the accrual basis?  YES  NO If no, indicate basis used:  Cash Basis  Other (specify) \_\_\_\_\_

9. Did you file a franchise tax return with DC for the year 2017?  YES  NO If no, state reason \_\_\_\_\_

10. Did you withhold DC income tax from wages paid to your DC resident employees during 2018?  YES  NO If no, state reason: \_\_\_\_\_

11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2018?  YES  NO

12. (a) Has the business been terminated?  YES  NO If yes, explain and give date: \_\_\_\_\_  
 (b) Have you moved out of DC?  YES  NO

13. Did you file an annual ballpark fee return?  YES  NO



**2018** SCHEDULE UB Business Credits



OFFICIAL USE ONLY  
Vendor ID# 0000

**Important:** Print in CAPITAL letters using black ink.  
Attach to your Form D-20 or D-30.

Taxpayer Identification Number  Fill in  if FEIN  if filing a D-20 Return  
 Fill in  if SSN  if filing a D-30 Return

Enter your business name

**D-20 Return**

**Nonrefundable Credits** (Nonrefundable Credits may not be applied against the required minimum tax)

1	Economic Development Zone Incentives Credits (see worksheet).	1	\$	<input type="text"/>	00
2	Qualified High Technology Company Credits from Part E, Line 5, DC Form D-20CR.	2	\$	<input type="text"/>	00
3	Organ and Bone Marrow Donor Credit (see computation on reverse side).	3	\$	<input type="text"/>	00
4	Job Growth Incentive Act	4	\$	<input type="text"/>	00
5	Enter alternative fuel credits. See instructions				
	5a Alternative fuel infrastructure. <input type="text"/> \$ <input type="text"/> 00				
	# of stations				
	5b Alternative fuel vehicle conversion. <input type="text"/> \$ <input type="text"/> 00				
	# of vehicles				
6	Total alternative fuel credits. Add Lines 5a and 5b only and enter here.	6	\$	<input type="text"/>	00
7	Employer-assisted Home Purchase Tax Credit (see computation on reverse side). 7a <input type="text"/>	7	\$	<input type="text"/>	00
8	RESERVED # of employees	8	\$	<input type="text"/>	00
9	Total the nonrefundable D-20 credits, enter here and on Form D-20, Line 38. If QHTC, enter here and on QHTC Schedule, Line 5.	9	\$	<input type="text"/>	00

**Refundable Credits**

10	Qualified High Technology Company Retraining Costs Credit from Part E, Line 7, DC Form D-20CR.	10	\$	<input type="text"/>	00
11	Small Retailer Property Tax Relief Credit	11	\$	<input type="text"/>	00
12	Total the refundable D-20 credits, enter here and on Form D-20, Line 41(d).	12	\$	<input type="text"/>	00

**D-30 Return**

**Nonrefundable Credits** (Nonrefundable Credits may not be applied against the required minimum tax)

13	Economic Development Zone Incentives Credit (see worksheet).	13	\$	<input type="text"/>	00
14	Organ and Bone Marrow Donor Credit (see computation on reverse side)	14	\$	<input type="text"/>	00
15	Job Growth Incentive Act	15	\$	<input type="text"/>	00
16	Enter alternative fuel credits. See instructions				
	16a Alternative fuel infrastructure. <input type="text"/> \$ <input type="text"/> 00				
	# of stations				
	16b Alternative fuel vehicle conversion. <input type="text"/> \$ <input type="text"/> 00				
	# of vehicles				
17	Total alternative fuel credits. Add Lines 16a and 16b only and enter here.	17	\$	<input type="text"/>	00
18	Employer-assisted Home Purchase Tax Credit (see computation on reverse side). 18a <input type="text"/>	18	\$	<input type="text"/>	00
19	RESERVED # of employees	19	\$	<input type="text"/>	00
20	Total the nonrefundable D-30 credits, enter here and on Form D-30, Line 38.	20	\$	<input type="text"/>	00

**Refundable Credits**

21	Small Retailer Property Tax Relief Credit	21	\$	<input type="text"/>	00
22	Total the refundable D-30 credits, enter here and on Form D-30, Line 41(d).	22	\$	<input type="text"/>	00

**Organ and Bone Marrow Donor Credit**

An employer who provides an employee with paid leave to donate an organ (up to 30 days leave) or to donate bone marrow (up to 7 days leave) is eligible to claim a credit against the franchise tax. The credit is equal to 25% of the salary paid to the employee during the leave period. If you take the credit, you may not also deduct the salary paid to the donor employee for that period. This credit is not available if the employee is eligible for leave under the Family and Medical Leave Act of 1993.

<b>Organ and Bone Marrow Donor Credit</b>			
<b>— Computation —</b>			
<b>Column 1 Credit Category</b>	<b>Column 2 Total Paid Leave</b>	<b>Column 3 Leave Credit Calculation</b>	<b>Column 4 Total Credit</b>
<b>Organ Donor(s)</b>	<b>Total Paid Leave Wages</b> \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
<b>Bone Marrow Donor(s)</b>	<b>Total Paid Leave Wages</b> \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
		<b>Total of Col. 4. Enter here and on Schedule UB.*</b>	\$ _____

\*Line 3 of Schedule UB for D-20 filers  
Line 14 of Schedule UB for D-30 filers

<b>Employer-Assisted Home Purchase Tax Credit</b>	
<b>— Computation —</b>	
<b>1. Number of Eligible Employees</b>	<input type="text"/>
<b>2. Amount of Homeownership Assistance provided during this period to Eligible Employees.....x 50%</b>	\$ _____
<b>3. Tax Credit ..... (Cannot exceed Line 2 amount and limited to \$2,500 per Eligible Employee)</b>	\$ _____
<p align="center"><b>Enter amount from Line 3 on Line 7 of Schedule UB for D-20 filers, or Line 18 of Schedule UB for D-30 filers.</b></p>	

**Employer-Assisted Home Purchase Tax Credit**

An employer who provides homeownership assistance to eligible employees through a certified home purchase program may be eligible to claim a credit against the franchise tax if certain conditions are met. See instructions and DC Code Section 47-1807.07 for further details.

2018 SCHEDULE SR Small Retailer Property Tax Relief Credit



Important: Read eligibility requirements before completing. Print in CAPITAL letters using black ink.

OFFICIAL USE ONLY Vendor ID#0000

Taxpayer Identification Number. Fill in circles if FEIN or SSN. Fill in circles if filing a D-20 or D-30 Return.

Enter your business name and Sales and Use Tax Account Number.

Mailing address (number, street and suite number if applicable).

City, State, and Zip Code +4.

Address of Class 2 DC Property (number, street and suite number if applicable) for which you are claiming the credit if different from above.

City, State, and Zip Code +4.

Certificate of Occupancy Permit Number.

If member of a Combined Group, Taxpayer Identification Number of Designated Agent.

- Do not claim this credit if your qualified business is exempt from or receives any tax credits towards its real property tax... The credit equals the total Class 2 real property taxes paid by a qualified corporation or qualified unincorporated business...

Table with 5 rows and 3 columns. Columns: Line number, Description, and Amount. Row 1: Amount of federal gross receipts or sales. Row 2: If tenant, amount of rent paid in taxable year 2018 on qualified retail location. Row 3: Enter the Class 2 property taxes paid in 2018 on qualified owned retail location or 10% of rent paid in taxable year 2018 on qualified rental retail location. Row 4: Property Tax Credit Limit. Row 5: Small Retailer Property Tax Relief Credit.

6 Owner/Landlord's name and address (number and street), Telephone number, City, State, and Zip Code +4.

7 If Owner, enter information from your real property tax bill or assessment. If a section is blank on your property tax bill, leave it blank here. Square number, Suffix number, Lot number.

## Instructions for Schedule SR

### Small Retailer Property Tax Relief Credit

For taxable years beginning after December 31, 2017, a qualified corporation, or qualified unincorporated business, may claim a credit against corporate or unincorporated business franchise tax as follows:

(1) a tax credit equal to 10% of the total rent paid by the corporation/unincorporated business for a qualified rental retail location during the taxable year not to exceed \$5,000: or

(2) a tax credit equal to the total Class 2 real property taxes paid by the qualified corporation/unincorporated qualified business for a qualified retail owned location during the taxable year not to exceed the lesser of the real property tax paid during the taxable year or \$5,000.

The credit in any one taxable year may exceed the qualified corporation/qualified unincorporated business's franchise tax liability, including any minimum tax due for that taxable year and is refundable to the qualified corporation/qualified unincorporated business claiming the credit.

The credit shall not apply if the qualified corporation/qualified unincorporated business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or qualified owned retail location is otherwise exempt from real property tax.

### Qualified Corporation/Qualified Unincorporated Business Defined

The term "qualified corporation" or "qualified unincorporated business" means a corporation or unincorporated business that: is engaged in the business of making sales at retail and files a sales tax return reflecting those sales; has less than \$2,500,000 in federal gross receipts or sales; and is current on all District tax filings and payments.

### Qualified Retail Rental Location/Qualified Retail Owned Location Defined

The term "qualified retail rental location" or "qualified retail owned location" means a building or part of a building in the District that during the taxable year is: a

retail establishment the premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made; the primary place of the retail business of the qualified corporation/qualified unincorporated business; leased or owned by the qualified corporation/qualified unincorporated business; classified, in whole or in part, as Class 2 Property as defined in DC Code §47-813; and has obtained a Certificate of Occupancy for commercial use.

### Line Instructions

**Line 1** Enter the total amount of federal gross receipts or sales. If you have federal gross receipts or sales of \$2.5 million or more you are ineligible to claim the credit.

**Line 2** If you are a tenant, enter the amount of rent paid on the qualified retail rental location in taxable year 2018.

**Line 3** If you are an owner, enter the amount of Class 2 real property taxes paid on the qualified retail owned location in 2018, or, if you are a tenant, enter the amount of 10% of the rent paid on the qualified retail rental location in taxable year 2018.

**Line 4** The credit limit is \$5,000.

**Line 5** Enter the smaller of Line 3 or Line 4 on Line 5. This is the amount of the credit that may be claimed. Enter the Line 5 amount on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.

**Line 6** For the qualified retail location, enter the Owner or Landlord's name, address and telephone number.

**Line 7** If the property is a qualified retail owned location, enter the Square number, Suffix number and Lot number for the property as it appears on your real property tax bill or assessment.

**Note:** In addition to other requirements as listed above, all businesses must have a sales and use tax account with the Office of Tax and Revenue and file all required returns in order to qualify for this credit. Unincorporated businesses must file a D-30 Unincorporated Business Franchise Tax return in addition to other requirements in order to claim this credit. A business with multiple locations in the District may claim the credit for only one property owned or leased.



Combined Group Members' Schedule

NOTE: READ INSTRUCTIONS BEFORE COMPLETING THIS FORM



Important: Print in CAPITAL letters using black ink.

Taxpayer Identification Number of Designated Agent

Grid for Taxpayer Identification Number of Designated Agent

Taxable year ending MMY

Grid for Taxable year ending MMY

Worldwide

Name of Designated Agent

Grid for Name of Designated Agent

Telephone number

Grid for Telephone number

Business mailing address line #1

Grid for Business mailing address line #1

Business mailing address line #2

Grid for Business mailing address line #2

City

Grid for City

State

Grid for State

Zip Code + 4

Grid for Zip Code + 4

A List the designated agent and all combined members	B Taxpayer Identification Number	C Was a separate DC franchise tax return filed in the prior year?	D Is the member new to the combined group?	E Was gross income received from District sources?	F Does the member have nexus in DC?
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: If more than 14 combined members, continue list on a separate sheet of paper.

# Combined Group Members' Schedule

## Instructions

It is necessary to identify each member of the DC Combined Group subject to the franchise tax.

Attach a copy of Federal Forms 851, 5471, and 8975 (including Schedule A).

File this schedule each year that a DC Combined Report is filed.

**Column A** - List the designated agent and all combined members included in the DC Combined Reporting group.

**Column B** - Give the Taxpayer Identification Number (TIN) for each member listed.

**Column C** - Indicate if each member listed filed a separate DC franchise tax return in the prior tax year.

**Column D** - Indicate if any members are new to the DC Combined Group.

**Column E** - Indicate if the member received gross income from DC sources.

**Column F** - Indicate if the member has nexus in DC.

Worldwide Combined Reporting Election Form



Taxpayer Identification Number of Designated Agent

Input field for Taxpayer Identification Number

Taxable Year YYYY

Input field for Taxable Year

Worldwide

Name of Designated Agent

Input field for Name of Designated Agent

Telephone number

Input field for Telephone number

Business address line #1

Input field for Business address line #1

Business address line #2

Input field for Business address line #2

City

Input field for City

State

Input field for State

Zip code +4

Input field for Zip code +4

- In accordance with the provisions of DC Official Code § 47-1810.07 and the combined reporting regulations, election is hereby made to report on a worldwide unitary combined basis.
• A worldwide unitary combined reporting election is binding for and applicable to the tax year it is made and all years thereafter for a period of ten years.
• It may be withdrawn or reinstated after withdrawal, prior to the expiration of the ten-year period, only upon written request for reasonable cause based on extraordinary hardship due to unforeseen changes in DC tax statutes, law or policy and only with the written permission from the Office of Tax and Revenue.
• Upon the expiration of the ten-year period, a taxpayer may withdraw from the worldwide unitary combined reporting election.
• Withdrawal must be made in writing within one year of the expiration of the election and is binding for a period of ten years, subject to the same conditions as applied to the original election.

Date Beginning Tax Period: MMDDYYYY

Input field for Date Beginning Tax Period

Date Ending Tax Period: MMDDYYYY

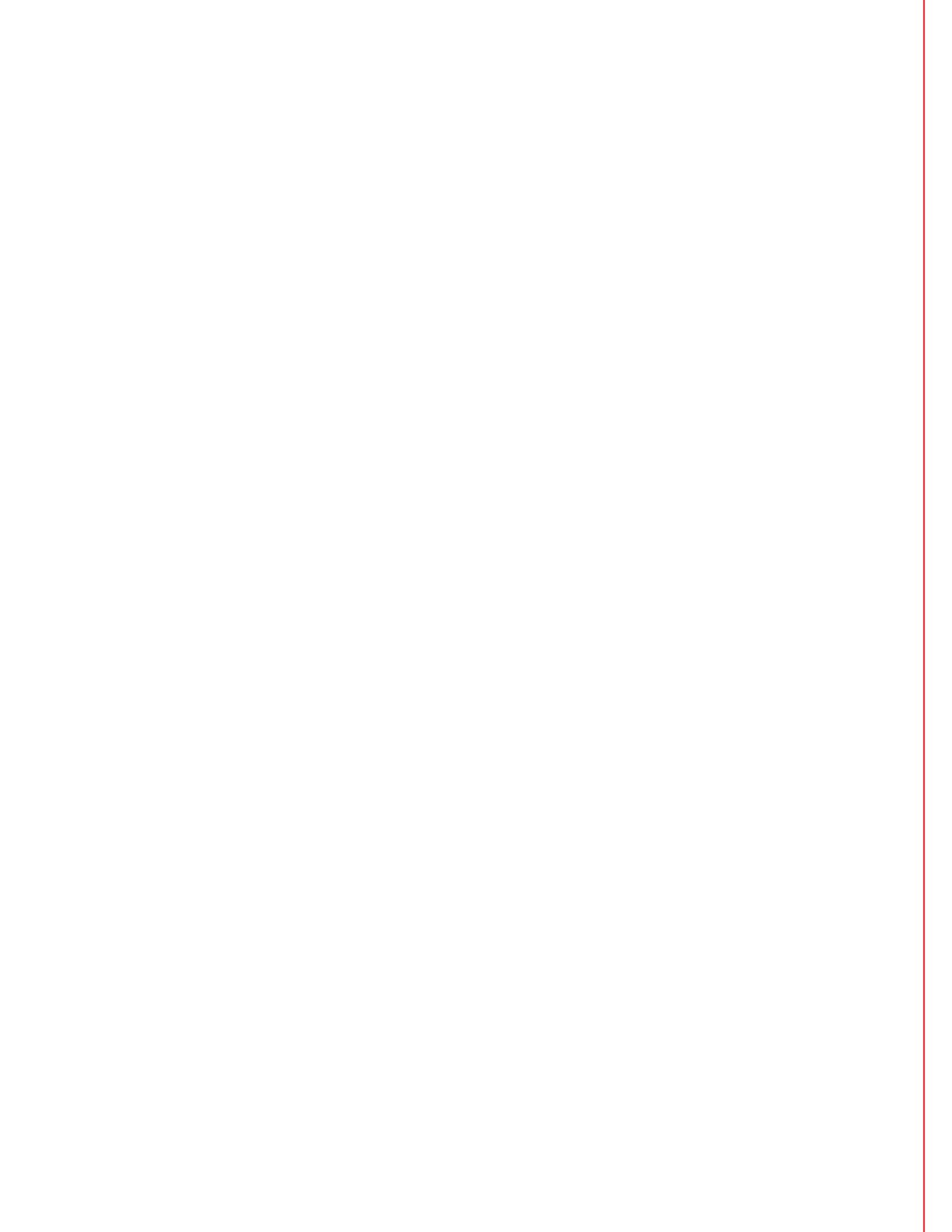
Input field for Date Ending Tax Period

Authorized Signature

Printed Name

Date

Under penalties of law, I declare that the designated agent has authorized me to sign on behalf of all members of the combined group, and that I have examined this form and the information contained herein is, to the best of my knowledge and belief, correct and complete.





D-20CR 20\_\_\_\_\_  
**QHTC Corporate Business Tax Credits**  
 (File With Form D-20)



Official Use Only: VENDOR ID# 0000

Tax Return Year Beginning \_\_\_\_\_, 20\_\_ and ending \_\_\_\_\_, 20\_\_

Initial year of  
certification as QHTC

TAXPAYER IDENTIFICATION NUMBER: \_\_\_\_\_

BUSINESS NAME AS SHOWN ON TAX RETURN FORM D-20: \_\_\_\_\_

**PART A — TAX CREDIT FOR RELOCATION COSTS**

1. Number of eligible employees who reside in DC
2. Number of eligible employees who reside outside DC
3. Tax credit for employees residing in DC (limited \$7,500 per employee, see instructions) .....
4. Tax credit for employees residing outside DC (limited \$5,000 per employee, see instructions) .....
5. Total tax credit (add lines 3 and 4) .....

\$
\$
\$

**PART B – TAX CREDIT FOR 10% OF WAGES PAID TO QUALIFIED EMPLOYEES  
DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Number of eligible employees
2. Total Wages paid during this period to Qualified Employees .....
3. Tax credit – Line 2 x 0.10 (Limited to \$5,000 per employee in the tax year.) .....

\$
\$

**PART C — TAX CREDIT FOR 50% OF WAGES PAID TO QUALIFIED DISADVANTAGED EMPLOYEES  
DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Employees eligible in First year  2. Months in First year
  3. Total Wages paid during tax year 20\_\_ to Qualified Disadvantaged Employees .....
  4. Tax credit (50% of line 3) .....
- The credit is 50% of qualified disadvantaged employee wages paid during the first 24 months of employment beginning after December 31, 2000, not to exceed \$15,000 per employee per year.

\$
\$

**PART D — TAX CREDIT FOR THE COSTS OF RETRAINING QUALIFIED DISADVANTAGED  
EMPLOYEES DURING THE FIRST 18 MONTHS OF THEIR EMPLOYMENT**

1. Number of employees eligible, first 12 months.
  2. Total expenditures for retraining Qualified Disadvantaged Employees paid or incurred during this period.
  3. Amount of Retraining Costs Tax Credit .....
- (Limited to \$20,000 per employee for retraining costs incurred during the first 18 months of employment beginning after December 31, 2000.)

\$
\$



**PART E – SUMMARY OF QHTC TAX CREDITS**

**Non-refundable credits**

1a. Relocation Costs Tax Credit (Part A, Line 5) plus any carryover . . . . .	\$
b. Amount of credit carried forward . . . . .	\$
2a. Qualified Employee Wages Tax Credit (Part B, Line 3) plus any carryover . . . . .	\$
b. Amount of credit carried forward . . . . .	\$
3a. Qualified Disadvantaged Employee Wages Tax Credit (Part C, Line 4) plus any carryover . . . . .	\$
b. Amount of credit carried forward . . . . .	\$
4a. Retraining Costs Tax Credit (Part D, Line 3) plus any carryover . . . . .	\$
b. Amount used as nonrefundable credit . . . . .	\$
c. Amount of excess unused credit . . . . .	\$
d. Amount of excess unused credit carried forward * . . . . .	\$
5. Total non-refundable QHTC Tax Credits (add Lines 1a, 2a, 3a and 4b - enter on Schedule UB, Line 2) .	\$

**Refundable credits**

6a. Amount of Unused Retraining Costs Tax Credit (Part E, Line 4c) . . . . .	\$
b. Amount of refund if elected (limited to 50% of the credit) * . . . . . (Line 6a X .50)	\$
7. Total refundable QHTC Tax Credit (Line 6b, enter on Schedule UB, Line 10)	\$

\* **Note:** Only the excess unused portion of the Retraining Tax Credit can be claimed as a 50% refund. If an election is made to carry the excess unused credit forward, then the excess unused portion cannot be claimed as a refundable credit.

# INSTRUCTIONS FOR FORM D-20CR

## Who may use Form D-20CR?

A business which is a corporation, including a Limited Liability Company (LLC) which has elected to be treated as a corporation for Federal tax purposes and is certified as a QHTC may file a Form D-20CR to claim the applicable credits listed on Form D-20CR.

## Should the Certification of Gross Revenue Worksheet be submitted with the Form D-20CR?

Yes, it must be submitted in the first year that the business is a QHTC for six or more months and in all subsequent years.

## Which forms are required to claim QHTC credits?

A company must file a DC corporate franchise tax return (D-20) to claim the credits entered on the Form D-20CR. The QHTC Self-Certification on [MyTax.DC.gov](http://MyTax.DC.gov) must also be completed. (This is required even if the company has been previously certified as a QHTC.)

## Claiming a Tax Credit Carryover

When claiming a tax credit carryover on your return please attach a copy of your form D-20CR for the year(s) from which the carryover originated.

## Part A - Tax credit for relocation costs

An incorporated QHTC is allowed a credit (subject to a dollar limitation) against its QHTC franchise tax for each dollar reimbursed to or paid on behalf of each qualified employee for relocation costs. The credit may not exceed:

- \$5,000 for each employee who relocates his or her employment to DC from outside DC but does not relocate his or her principal residence to DC. The total annual credit for a QHTC may not exceed \$250,000; and
- \$7,500 for each employee who relocates his or her employment to DC from outside DC and also relocates his or her principal residence to DC. The total annual credit for a QHTC may not exceed \$1,000,000. For purposes of this credit, the principal residence is determined as of the last day of the first six months of employment in DC by a QHTC. This credit may be carried forward for 10 years.

## Part B- Tax credit for wages paid to qualified employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against the QHTC franchise tax equal to 10% of the wages paid during the first 24 calendar months to a qualified employee. The qualified employee must be hired after December 31, 2000 and employed in DC by the QHTC in the "permitted activities." This credit may be carried forward for 10 years.

## Part C - Tax credit for 50% of the wages paid to qualified disadvantaged employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against its QHTC franchise tax equal to 50% of the wages paid to each qualified disadvantaged employee during the first 24 calendar months of employment. The credit claimed is limited to \$15,000 a year for each qualified disadvantaged employee. It may be carried forward for 10 years.

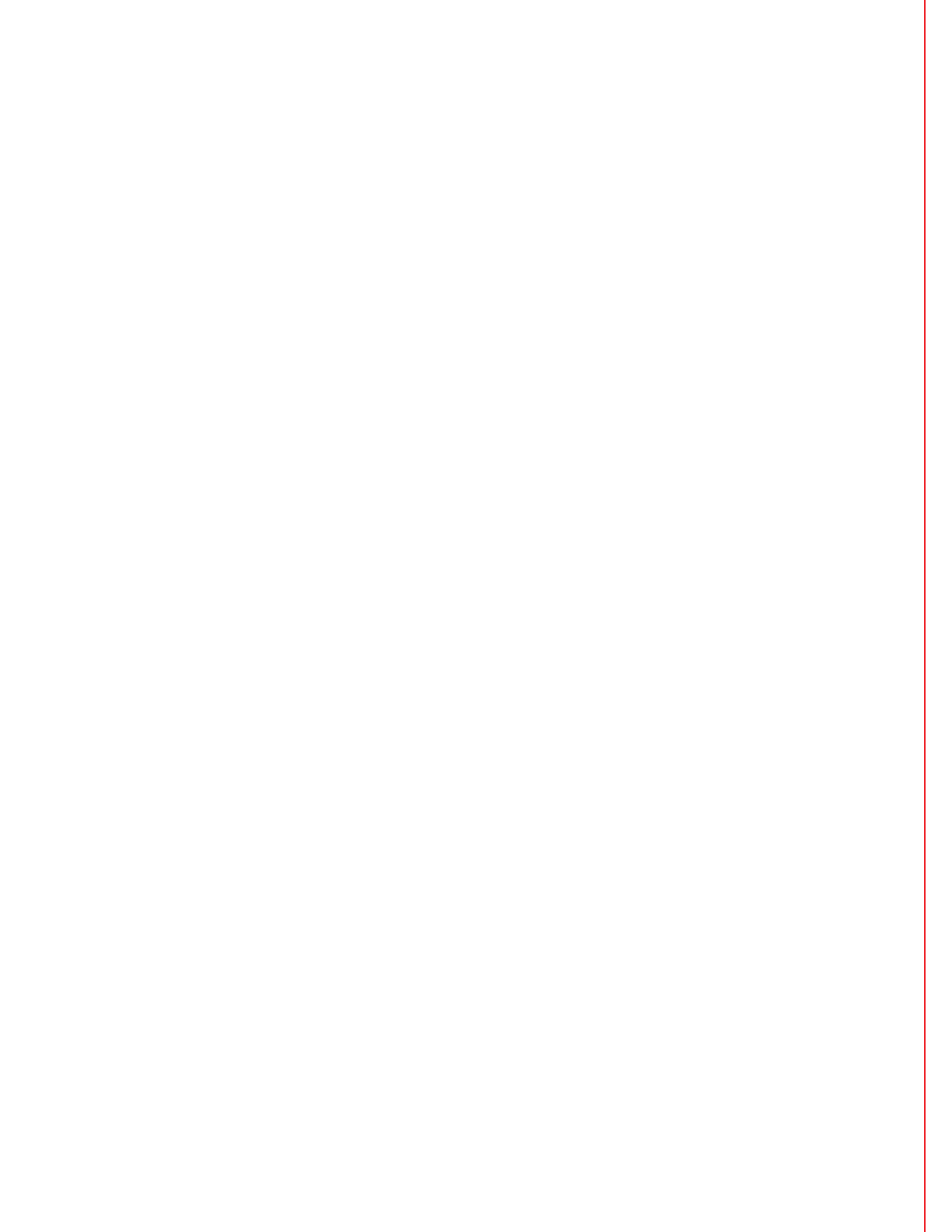
## Part D- Tax credit for the costs of retraining qualified disadvantaged employees during the first eighteen months of employment

An incorporated QHTC is allowed a credit against the QHTC franchise tax for expenditures paid or incurred during the taxable year for retraining qualified disadvantaged employee(s). See DC Code §47-1817.04. The credit claimed under this section is limited to \$20,000 for each qualified disadvantaged employee during the first 18 months of employment. If the amount of the credit exceeds the tax due, the unused amount of the credit may be carried forward for 10 years, or taken as a refundable credit in an amount up to 50% of the credit.

## Part E- Summary of QHTC tax credits

This is a summary of the tax credits claimed in Parts A through D. Copy the correct lines when completing Part E. Enter the amount of non-refundable credits from Line 5 of Part E on Schedule UB, Line 2. Enter the amount of refundable credits from Line 7 of Part E on Schedule UB, Line 10.

**\*Note:** "TYBA" means "tax year beginning after".





**IMPORTANT: Please read the instructions on the reverse before completing this form**

Business Name (from your D-20 or D-30 return)	Taxpayer Identification Number (TIN)
Person to contact if there are questions	Daytime telephone number

**No underpayment interest is due and this form should not be filed if:**

- A. Your tax liability on taxable income after deducting DC applicable credits and estimated tax payments is less than \$1001, or
- B. You have made the required periodic DC estimated franchise tax payments and the total is equal to or more than 110% of last year's taxes or 90% of the current year's taxes. Note: In order to use the prior year 110% exception, you must have filed a DC franchise tax return last year and you must have been in business in DC for the entire year.

**Computation of Underpayment Interest**

1	2018 DC franchise tax liability from Forms D-20, or D-30.	\$	
2	Multiply the amount on Line 1 by 90% (.90).	\$	
3	2017 DC franchise tax liability from Forms D-20, or D-30 X 110%.	\$	
4	Minimum estimated tax requirement for tax year 2017 (lesser of Lines 2 and 3).	\$	
5	Multiply the amount on Line 4 by 25% (.25). <i>Note: If your income was not evenly received over 4 periods, see instructions on the reverse of this form on the "Annualized Income" method.</i>	\$	

Due dates shown are for calendar year; for fiscal year, use the 15<sup>th</sup> day of the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup> and 12<sup>th</sup> months after the end of the fiscal year.

**Due date of Payments**

1 <sup>st</sup> Period	2 <sup>nd</sup> Period	3 <sup>rd</sup> Period	4 <sup>th</sup> Period
04/15/18	06/15/18	09/15/18	12/15/18

6 Enter the amount from Line 5 or the annualized amount in each period (the 2<sup>nd</sup> period includes the 1<sup>st</sup> period amount, 3<sup>rd</sup> period includes the 1<sup>st</sup> and 2<sup>nd</sup> period amounts, the 4<sup>th</sup> period includes all period amounts).

--	--	--	--

Check here  if you are using the "Annualized Income" method.

7 DC estimated taxes paid each period (the 2<sup>nd</sup> period includes the 1<sup>st</sup> period amount, 3<sup>rd</sup> period includes 1<sup>st</sup> and 2<sup>nd</sup> period amounts, the 4<sup>th</sup> period includes all period amounts).

--	--	--	--

8 Underpayment each period (Line 6 minus Line 7).

--	--	--	--

9 Underpayment Interest Factors.

.0175      .0265      .0262      .0348

10 Line 8 multiplied by Line 9.

--	--	--	--

11 Underpayment Interest - Total of amounts from Line 10. Pay this amount.

\$

(See D-2220 instructions).

# Instructions for Underpayment of Estimated Tax by D-20 or D-30 Filers

## Estimated Tax Interest

DC law requires any business that expects its DC franchise tax liability to exceed \$1000 for the tax year to file a declaration of estimated franchise tax using the payment vouchers in:

- D-20ES – Declaration of Estimated Franchise Tax for Corporations; or
- D-30ES – Declaration of Estimated Franchise Tax for Unincorporated Businesses.

The law states that any business required to file and pay estimated tax that fails to pay the amount required by the due date is subject to interest on the underpayment of estimated franchise tax.

### When is interest assessed for Underpayment of Estimated Franchise Tax?

A 10% interest, compounded daily, is assessed if your total DC estimated franchise tax payments compared to your DC franchise tax liability do not equal at least the smaller of:

- 90% of the tax due on your 2018 DC franchise tax return; or
- 110% of the tax due on your 2017 DC franchise tax return (consisting of 12 months).

You must have filed a 2017 DC franchise tax return to use the 110% exception.

A penalty will be assessed if any statement made on an estimated tax payment voucher is not true and accurate to the best of the signatory's knowledge.

### Are there any exceptions?

You are not subject to interest for underpayment of estimated franchise tax if:

- You had no DC franchise tax liability for the tax year 2017 and in that year, you did business in DC for the entire 12 months;
- The franchise tax due for 2018, minus any estimated tax payments, is less than \$1001;
- Your total DC estimated franchise tax payments are equal to or greater than 110% of your 2017 DC franchise tax liability for the entire year; or
- Your remaining tax due after totaling all credits and estimated tax payments is less than 10% of your total DC franchise tax liability for the year.

## When do you use this form?

- You may use this form to calculate your underpayment interest. If you do, attach it to your tax return and enter the underpayment interest on Line 44 of Forms D-20 or D-30. Fill-in the oval if the D-2220 is attached. If you do not wish to calculate the interest, OTR will do it when your return is processed and will notify you of the amount due.
- You may also complete this form if you believe the interest amount assessed by OTR for underpayment of estimated franchise tax is incorrect.

### How do you file this form?

Attach it to your return if you complete the form before filing your tax return. If you complete the D-2220 after filing and receiving a notice of interest assessment, send it to:

Office of Tax and Revenue  
1101 4th St SW, 2nd Floor  
Washington DC 20024

## Completing this form

### Line 1

Enter the amount from your 2018 D-20 or D-30.

### Line 2

Multiply the amount on Line 1 by 90% (.90). Your estimated franchise tax payments must be equal to or greater than this amount.

### Line 3

Enter 110% of the amount from your 2017 DC Forms D-20 or D-30. If your 2017 return was amended or corrected, multiply 110% times the corrected amount.

### Line 4

Enter the lesser of the amounts on Line 2 and Line 3. If you did not file a DC franchise tax return for 2017, you may only use Line 2. This is your minimum estimated franchise tax payment for 2018.

### Line 5

Multiply the amount on Line 4 by 25% (.25). This gives you an even distribution of your tax liability over the four periods of the tax year.

### Line 6

Enter the amount required from Line 5 under each of the payment columns. For example, if Line 5 is \$2000, you would enter \$2000 for the 1<sup>st</sup> period, \$4000 for the 2<sup>nd</sup> period, \$6,000 for the 3<sup>rd</sup> period and \$8,000 for the 4<sup>th</sup> period.

**Annualized income method:** If your income was different for each period, determine the percentage for each period (divide the period income by the full year's income). Multiply Line 4 by each period's percentage and enter the amounts earned by period on Line 6. Accumulate the periodic amounts as shown above. Check the "Annualized Income" box.

### Line 7

Enter the amount of estimated franchise tax payments made in each period. Include the amounts from the previous period with the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> periods. For example, if your estimated payment amount is \$1,000 in each period, you would enter \$1,000 in the 1<sup>st</sup> period, \$2,000 in the 2<sup>nd</sup> period, \$3,000 in the 3<sup>rd</sup> period and \$4,000 in the 4<sup>th</sup> period.

### Line 8 Underpayment each period

For each column, subtract Line 7 from Line 6. If Line 7 exceeds Line 6, you have no underpayment interest. If there is an amount remaining, this is your periodic underpayment amount.

### Line 9 Underpayment Interest Factors

These are the underpayment interest factors by period.

### Line 10

For each period, multiply the amount on Line 8 by the factor on Line 9. This is your underpayment interest amount by period.

### Line 11 Underpayment Interest

Add the amounts on Line 10 for each period. This is your total underpayment of estimated franchise tax penalty.

- If you are filing the D-2220 with your D-20 or D-30 return, enter the amount on Line 44 and pay the total amount with the return. Fill in the oval on Line 44 and attach the D-2220 to the return.
- If you are filing the D-2220 form separately, pay the amount you owe and attach to the D-20P Payment Voucher, using the applicable mailing address.

Make the check or money order payable to the **DC Treasurer.**

**D-20P PAYMENT VOUCHER**  
**See instructions on back**

Detach at perforation and mail the voucher, with payment attached. See mailing address on back.



**2018 D-20P Payment Voucher for Corporation Franchise Tax**



1 8 0 2 0 P 1 1 0 0 0 0 0  
 Official Use Only Vendor ID# 0000

Important: Print in CAPITAL letters using black ink.

Amount of payment (dollars) \$           00 *To avoid penalties and interest, your payment must be postmarked no later than the due date of your return.*

Taxpayer Identification Number

Business name or Designated Agent name  Tax period ending (MMYY)

Business mailing address (number, street and suite/apartment number if applicable)

Business mailing address (number, street and suite/apartment number if applicable)

City  State  Zip Code + 4

STAPLE CHECK OR MONEY ORDER HERE

Revised 07/18



**2018 D-20P Payment Voucher for Corporation Franchise Tax**



1 8 0 2 0 P 1 1 0 0 0 0 0  
 Official Use Only Vendor ID# 0000

Important: Print in CAPITAL letters using black ink.

Amount of payment (dollars) \$           00 *To avoid penalties and interest, your payment must be postmarked no later than the due date of your return.*

Taxpayer Identification Number

Business name or Designated Agent name  Tax period ending (MMYY)

Business mailing address (number, street and suite/apartment number if applicable)

Business mailing address (number, street and suite/apartment number if applicable)

City  State  Zip Code + 4

STAPLE CHECK OR MONEY ORDER HERE

Revised 07/18

## **Instructions for D-20P PAYMENT VOUCHER** – please print clearly

Use the D-20P Payment Voucher to make any payment due on your **D-20** return.

- Do not use this voucher to make estimated tax payments.
- Enter your Taxpayer Identification Number (TIN).
- Enter name and address exactly as they appear on your return.
- Enter the amount of your payment.
- Make the check or money order (US dollars) payable to the DC Treasurer.
- Write your TIN, tax period and type of return filed (D-20) on the payment.
- **Staple your check or money order to the D-20P voucher only.** Do not attach your payment to your D-20 return.
- Mail the D-20P **with**, but not attached to, your D-20 tax return in the envelope provided in this tax booklet. If you do not have the return envelope, make sure to address your envelope to: Office of Tax and Revenue PO Box 96166, Washington DC 20090-6166.

### **Notes:**

- If your payment exceeds \$5,000 in any period, **you must pay electronically.** Visit [MyTax.DC.gov](http://MyTax.DC.gov).
- **For electronic filers**, in order to comply with banking rules, you will be asked the question “Will the funds for this payment come from an account outside of the United States”. If the answer is yes, you will be required to pay by money order (US dollars) or credit card. Please notify this agency if your response changes in the future. Make sure your check or electronic payment will clear. You will be charged a \$65 fee if your check or electronic payment is not honored by your financial institution and returned to OTR.

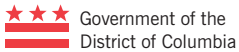


# FR-120 Extension of Time to File a DC Corporation Franchise Tax Return Worksheet

ENTER DOLLAR AMOUNTS ONLY

1 Total estimated corporation franchise tax liability for the tax period.	1	\$		00
2 Estimated franchise tax payments (include any tax overpayment credit).	2	\$		00
3 Other payments.	3	\$		00
4 Total payments and credits (add Lines 2 and 3).	4	\$		00
5 Balance due (Line 1 minus Line 4). Payment in full must be submitted with this form or your request will be denied. (Note: you will be subject to the failure-to-pay penalty and interest on any tax due and not paid with this form.)	5	\$		00

*Detach at perforation and mail the voucher, with payment attached, to the Office of Tax and Revenue. (See addresses on back)*



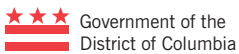
## 2018 FR-120 Extension of Time to File a DC Corporation Franchise Tax Return



Important: Print in CAPITAL letters using black ink.

Amount of payment (dollars only)	\$		00	OFFICIAL USE ONLY Vendor ID# 0000	
Taxpayer Identification Number					
Business Name or Designated Agent name	Tax period ending (MMYY)		Fill in <input type="radio"/> if Combined Report		
Business mailing address (number, street and suite/apartment number if applicable)					
City		State	Zip Code +4		
A 6 or 7 month extension of time to file until _____ 15, 2019, for calendar year 2018, or until _____, _____, for fiscal year ending _____, is requested.					

Revised 08/18



## 2018 FR-120 Extension of Time to File a DC Corporation Franchise Tax Return



Important: Print in CAPITAL letters using black ink.

Amount of payment (dollars only)	\$		00	OFFICIAL USE ONLY Vendor ID# 0000	
Taxpayer Identification Number					
Business Name or Designated Agent name	Tax period ending (MMYY)		Fill in <input type="radio"/> if Combined Report		
Business mailing address (number, street and suite/apartment number if applicable)					
City		State	Zip Code +4		
A 6 or 7 month extension of time to file until _____ 15 2019, for calendar year 2018, or until _____, _____, for fiscal year ending _____, is requested.					

Revised 08/18

# Instructions for Form FR-120 (Corporation Franchise Tax)

## Purpose

Use Form FR-120 to request a 6-month extension of time to file a Corporation Franchise Tax Return (Form D-20) or a 7-month extension of time to file if you are a Combined Reporting filer.

## 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-120 with your payment in full of any tax due for D-20 to: Office of Tax and Revenue, PO Box 96019 Washington, DC 20090-6019. Make your payment out to the DC Treasurer. Include your TIN, FR-120 and the tax year on the payment.

**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 (7-month extension for Combined Reporting filers) will be allowed if you complete this form properly, file it on time and PAY the full amount of any tax due shown on Line 5 of the Worksheet. When you file your return (D-20), attach a copy of the FR-120 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-120.**

## 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.

## Notes:

- If your payment exceeds \$5,000 in any period, **you must pay electronically.** Visit [MyTax.DC.gov](http://MyTax.DC.gov).
- **For electronic filers,** in order to comply with new banking rules, you will be asked the question "Will the funds for this payment come from an account outside of the United States". If the answer is yes, you will be required to pay by money order (US dollars) or credit card. Please notify this agency if your response changes in the future. Make sure your check or electronic payment will clear. You will be charged a \$65 fee if your check or electronic payment is not honored by your financial institution and returned to OTR.



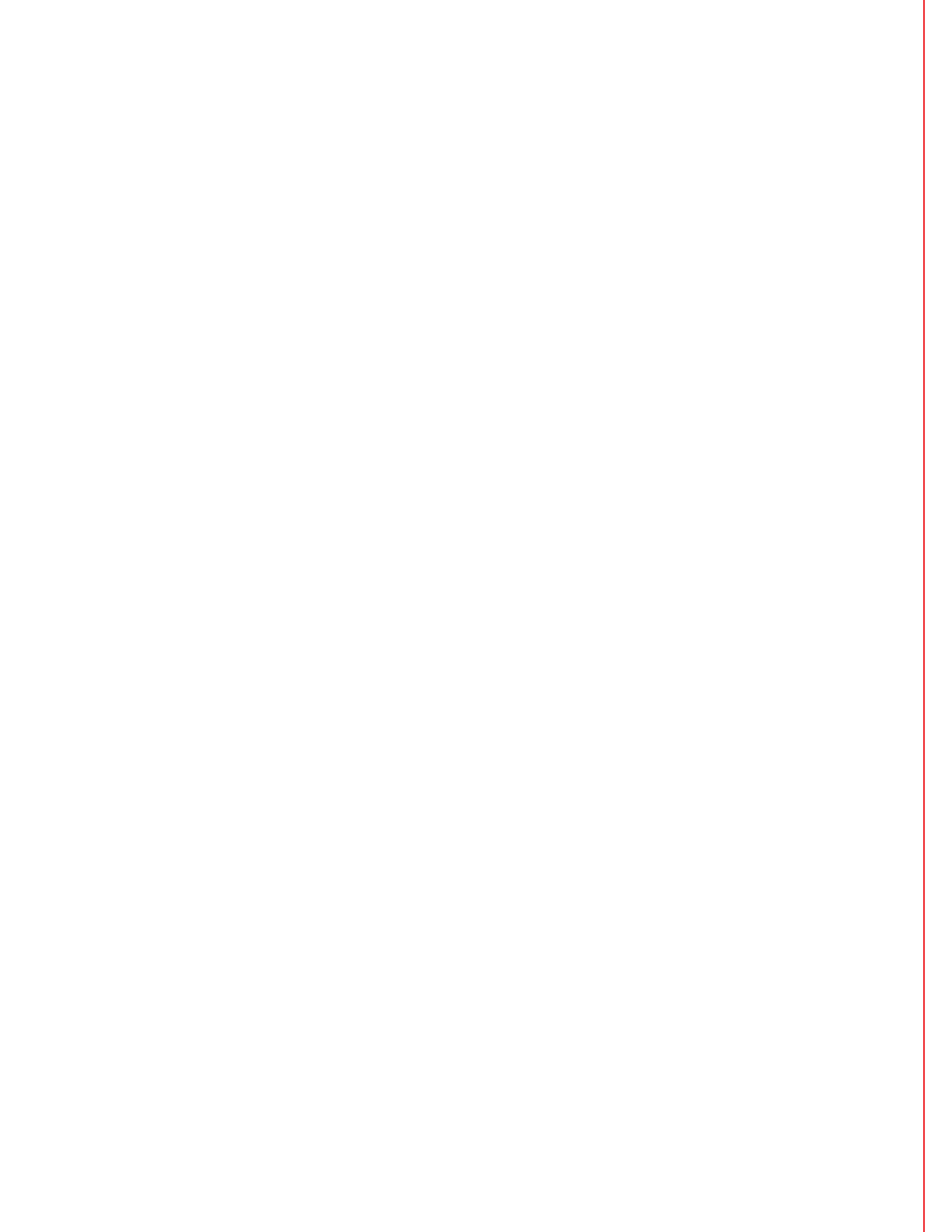
### D-20 NOL Net Operating Loss Deduction for Tax Years Before 2000

Complete a separate D-20 NOL for each business carrying forward a NOL.

Please attach this form to your D-20.

Name of corporation		Taxpayer Identification Number	
Year	DC net income/loss	Losses claimed	Losses remaining
Oldest loss year	\$	\$	\$
Subsequent year 1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
Summary:		Total losses claimed. \$	Total losses remaining (to be carried forward). \$

- Enter loss on D-20, Line 27.



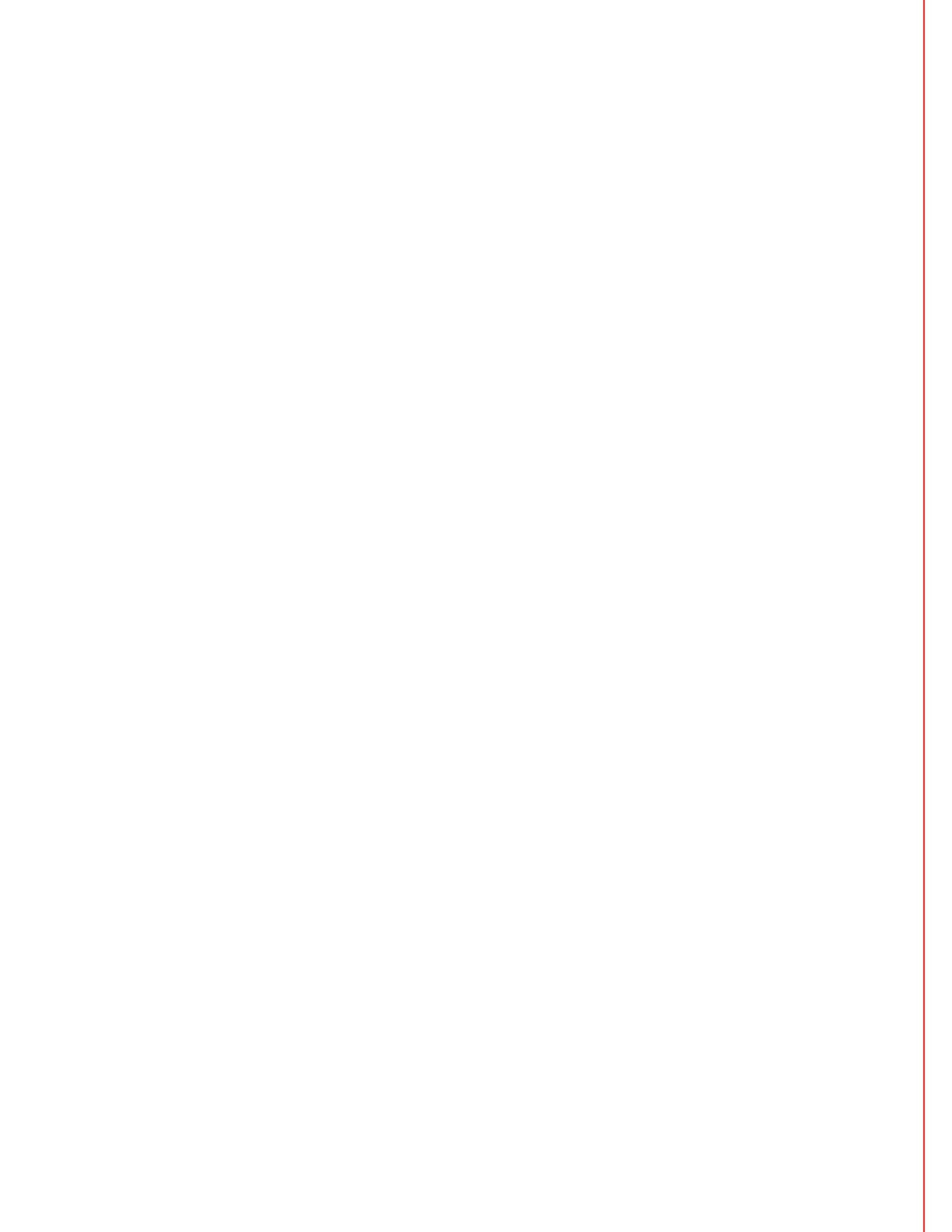


### D-20 NOL Net Operating Loss Deduction for Tax Year 2000 and Later

Complete a separate D-20 NOL for each business carrying forward a NOL. Please attach this form to your D-20.

Name of corporation		Taxpayer Identification Number	
Year	DC net income/loss	Losses claimed	Losses remaining
Oldest loss year	\$	\$	\$
Subsequent year 1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
Summary:		Total losses claimed. \$	Total losses remaining (to be carried forward). \$

- Enter loss on D-20, Line 35.





---

## Key Website Resources

### DC Official Code

[www.lexisnexis.com/hottopics/dccode/](http://www.lexisnexis.com/hottopics/dccode/)

### DC Regulations

[www.dcregs.dc.gov/](http://www.dcregs.dc.gov/)

### DC Tax Forms/Publications

[MyTax.DC.gov](http://MyTax.DC.gov)

### Mailing Address for Returns

[MyTax.DC.gov](http://MyTax.DC.gov)

### Electronic Funds Transfer (EFT) Guide

[MyTax.DC.gov](http://MyTax.DC.gov)

### NACHA Guidelines

[www.nacha.org/](http://www.nacha.org/)

### Social Security Administration

[www.ssa.gov/](http://www.ssa.gov/)

### Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

## Need assistance?

**File or pay online:** [MyTax.DC.gov](http://MyTax.DC.gov).

**Get tax forms** Download forms at [MyTax.DC.gov](http://MyTax.DC.gov). Request forms by mail: 202-727-4829

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። የገንዘብ 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。