



# VOLUNTARY DISCLOSURE PROGRAM

The District of Columbia Office of Tax and Revenue (OTR) encourages businesses and individuals that are not in compliance with District tax laws to come forward voluntarily to bring their accounts into compliance. If a taxpayer has failed to pay District taxes by not reporting income or transactions on which taxes should be paid, the taxpayer may contact OTR to make satisfactory arrangements to clear their tax record.

Voluntary disclosure offers may be submitted anonymously or under the taxpayer's identity. OTR will waive civil penalties if the tax and interest is paid in full.

**If a taxpayer has been contacted by OTR or its representatives (i.e. Multistate Tax Commission or MBIA MuniServices), has unreported income on a filed return or is filing intermittently, the taxpayer is not eligible for the voluntary disclosure program.**

The Audit Division of OTR's Compliance Administration administers the Voluntary Disclosure Program.

A voluntary disclosure offer may be submitted to any tax auditor at OTR, but approval authority is vested in the Audit Division Chief, Assistant Audit Division Chief, or the Review and Conference Supervisory Tax Auditor.

OTR's position on voluntary disclosure agreements is determined by the facts and circumstances in each separate disclosure.

**Voluntary disclosure offers should be submitted to the following address:**

Office of Tax and Revenue  
Attn: Voluntary Disclosure  
P.O. Box 96381  
Washington, D.C. 20090-6381  
Voluntary Disclosure Program Coordinator  
Phone: (202) 442-6444  
Email: Genevieve.menan@dc.gov  
Supervisory Tax Auditor (202) 442-6379

The following are general guidelines for any voluntary disclosure applicant:

1. Any taxpayer can apply to remedy any tax obligation under voluntary disclosure except for tax liability under the authority of the Real Property Tax Administration.
2. In most cases, OTR will agree to limit the look-back period to the lesser of three years or the date when the taxpayer established nexus in the District of Columbia. In egregious situations, however, OTR may require a five-year look-back period.
3. For sales or gross receipts tax cases, if the taxpayer collected sales tax or reimbursement for gross receipts tax from their customers, but did not remit the tax to the District of Columbia, the look-back period imposed will be the greater of five years or the date nexus was established in the District of Columbia.
4. If the tax liability in certain cases is a substantial amount, OTR may agree to establish a payment agreement if an adequate amount is paid up-front. However, if the taxpayer fails to make any scheduled payments in a timely manner, the agreement could be considered as null and void. OTR reserves the right to assess additional penalty and interest on the remaining balance of tax due at that time.
5. For nonprofit organizations that already have their tax-exempt status approved by OTR, voluntary disclosure may be used to cover unreported Unrelated Business Income (UBI) from prior years. The UBI reported to the District of Columbia should be the same as the UBI reported or required to be reported to the U.S. Internal Revenue Service. Corporations report UBI to the District of Columbia using Form D-20; all others use Form D-30.
6. If a nonprofit does not already have their tax-exempt status approved by OTR, they must file Form FR-164, Application for Exemption, and report any prior-year UBI. Nonprofits can also use the voluntary disclosure process to report any prior-year taxes (i.e. franchise, personal property, sales, use, arena, etc.) that should have been paid.