

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



NOTICE REGARDING ELECTRONIC FILING REQUIREMENTS
September 30, 2004

Requirement to File Certain Quarterly Corporation Franchise and Unincorporated Franchise Estimated Tax Returns and To Make Corporation Franchise and Unincorporated Franchise Estimated Tax Payments Electronically

This notice corrects the notice published in the D.C. Register dated October 22, 2004 pertaining to Electronic Filing of Corporation Franchise and Unincorporated Franchise returns and payments. Please disregard that notice.

Pursuant to Section 47-4402(c) of the D.C. Official Code, the Office of Tax and Revenue (OTR) has published regulations that require certain business taxpayers to file and pay taxes electronically if the amount of the payment due for a tax period exceeds \$25,000. See *DC Register*, April 11, 2003. The District has set a goal to increase the amount of electronic filing and payment of taxes. This effort commenced with monthly Employer Withholding tax returns due for June 2003, followed by Sales and Use Tax returns due March 20, 2004. Beginning with Corporation Franchise returns due March 15, 2005 and Unincorporated Franchise returns due April 15, 2005, electronic filing and payment will be required for all taxpayers filing **quarterly Corporation Franchise and Unincorporated Franchise estimated tax returns**, where the payment due for a filing period exceeds **\$25,000**. This requirement applies to those business taxpayers, whether located in the District or outside the District.

OTR will identify current taxpayers that meet the criteria to file and pay electronically: i.e. business taxpayers of Corporation Franchise tax and Unincorporated Franchise tax returns whose quarterly estimated tax liability regularly exceeds \$25,000. These designated taxpayers will be sent a letter to notify them of the electronic filing requirement. The OTR Letter will include the steps to be followed by the taxpayer (or the taxpayer's representative) to register for electronic filing and payment of Corporation and Unincorporated Franchise estimated taxes. Within 30 days of the due date of the first quarterly filing, those designated taxpayers will be asked to begin making their estimated tax payments by one of two methods: ACH Credit or ACH debit.

ACH Credit payments must be transmitted in accordance with specifications contained in the "ACH Credit Guide" posted at http://www.taxpayerservicecenter.com/ACHCredit_Information.pdf. Taxpayers who choose to pay their Corporation Franchise or Unincorporated Franchise estimated taxes by **ACH Debit** should first register for Electronic Taxpayer Service Center (eTSC) access with OTR by mailing or faxing the eTSC registration form that can be downloaded from

<http://www.taxpayerservicecenter.com/GetStarted.jsp>. After eTSC registration, a *User ID* and *Password* will allow taxpayers 24-hour access to the eTSC web site to view their accounts.

The regulations also establish penalties for the failure to file and pay electronically. These penalties will apply where the taxpayer has been notified in writing to comply with the new electronic filing requirement and has failed to do so. See 9 DCMR 105.

If you have technical questions regarding this requirement or electronic access, please contact Sonja Thornburg, E-Commerce Manager, OTR-ISA, and (202) 442-6392. If you have a legal question regarding this requirement, contact William Bowie, Attorney-Advisor, OTR-OGC, and (202) 442-6512.