



Government of the District of Columbia  
Office of the Chief Financial Officer



# SMALL RETAILER PROPERTY TAX RELIEF CREDIT

Small retailers in the District of Columbia that operate a qualified business and pay real property taxes on a qualified retail location may be eligible for a refundable credit on their business franchise tax return.

## HAVE QUESTIONS?

**Email:** [e-services.otr@dc.gov](mailto:e-services.otr@dc.gov)

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**Hours of Operation:** Monday to Friday, 8:15 am to 5:30 pm,  
except holidays

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## What is a qualified business?

- The business is either incorporated or unincorporated.
- The business does not have federal gross receipts that exceed \$2.5 million per year.
- The business is engaged in making sales at retail, has a sales tax account, and must file District sales tax returns.
- The business is current on all District tax filings and payments for all tax types.



## What is a qualified retail location?

- The retail location is a building or part of a building in the District that is either leased or owned by the qualified business.
- The retail location is classified as Class 2 Property and has obtained a Certificate of Occupancy.
- The retail location is the qualified business' primary place of business.



## How much is the Credit?

- The credit is the lesser of \$5,000 or the Class 2 real property taxes paid by the business for the retail location.
- The credit is a refundable credit and available even if the business operated at a loss for the taxable year and has no District taxable income.
- **Note:** The credit does not apply to the possessory interest tax.



## How to apply for the credit?

- The business must complete the Small Retailer Property Tax Relief Credit (Schedule SR) form and file it with either the Corporate Business Franchise Tax Return (D-20) or the Unincorporated Business Franchise Tax Return (D-30). To download a copy of the schedule, please visit [MyTax.DC.gov](https://MyTax.DC.gov) and click on "Forms" then "Business Tax Forms and Publications."