

Instructions for Form FR-329

Who should file Form FR-329?

File Form FR-329 if during tax year 2012 you paid a total of more than \$400 for merchandise, services, or rentals on which you did not pay sales tax. Typically, you do not pay sales tax on:

- Merchandise you ordered through catalogs;
- Merchandise shipped to DC that you bought or rented outside DC; and
- Merchandise taxed in DC but not in the state where purchased.

Do not file Form FR-329 for a business. Businesses should file a Form FR-800A (annual return), Form FR-800Q (quarterly return), or a Form FR-800M (monthly return) to report sales tax (in the “use tax” section) on such purchases and rentals.

Taxpayer Identification Number(s) (TIN)

You must have a TIN, whether it be a SSN or FEIN.

- **If you apply for a SSN, it must be a valid number issued by the Social Security Administration (SSA) or the United States Government.** To apply for a 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. You may also get this form by calling 1-800-772-1213.

You must wait until you receive your SSN before you file a DC return. Your return may be rejected if your SSN is missing or incorrect.

Dishonored payment

You will be charged \$65 for any payment not honored by your financial institution and returned to OTR.

International ACH Transaction (IAT)

For electronic payers, in order to comply with the new banking rules, you will be asked the question “Will the funds for this payment come from an account outside the United States?”. If the answer is yes, you will be required to pay by check or credit card. Please notify this agency if your response changes in the future.

Penalty and interest charges

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 a 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 a 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 20% of the tax balance due after 90 days. Payments received by OTR on accounts subject to the fee are first applied to the 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).

Enforcement actions

OTR may use lien, levy, seizure, collection agencies and liability offset if a taxpayer fails to pay the District within 10 days after receiving a Notice of Tax Due and a demand for payment. Visit www.taxpayerservicecenter.com. click “Information”, Collection Division”, “Enforcement Actions”.

Criminal penalties

You will be penalized under the criminal provisions of the DC Code, Title 47 if you are required to file a return or report, or perform any act and you –

- Fail to file the return or report timely. If convicted, you will be fined not more than \$1,000 or imprisoned for not more than 180 days, or both, for each failure or neglect;
- Willfully fail to file the return or report timely. If convicted, you will be fined not more than \$5,000 or imprisoned for not more than 180 days, or both;
- Willfully attempt to evade or defeat a tax; willfully fail to collect, account for, or pay a tax; or willfully making fraud and false statements or failing to provide information. See DC Code §§47-4101 through 4107.

These penalties are in addition to penalties under DC Code §22-2405 for false statements (and any other applicable penalties). Corporate officers may be held personally liable for the payment of taxes owed to DC, if not paid.

Sales tax you owe

Include shipping and handling charges in the sales price when they are listed as a line item on the bill.

Line 1 Merchandise, services and rentals

Enter the total sales price of all your purchases of merchandise, services and rentals on which you did not pay any DC or state sales tax. Multiply the amount by .06 and enter the result in the tax column.

Taxable merchandise includes, but is not limited to, furniture, clothing, shoes, jewelry, perfume, cosmetics, computer hardware and software, appliances, electronic equipment, cameras, antiques, art, office supplies, sporting goods and rare coins.

Taxable services include data processing, real property maintenance, information services, dry cleaning, landscaping, photographic services and film processing.

Taxable rentals include rental of furniture, televisions, stereos, computer hardware and software and lawn equipment.

Line 2 Alcoholic beverages

Enter the total sales price of all your purchases of alcoholic beverages on which you did not pay any DC or state sales tax. Multiply the amount by .09 and enter the result in the tax column.

Line 3 Purchases of catered food or drink or rentals of non-commercial vehicles.

Enter the total sales price of all your purchases and rentals on which you did not pay any DC or state sales tax. Multiply the amount by .10 and enter the result in the tax column.

Line 4 Purchases of certain other tobacco products

Enter the total sales price of all your purchases of any product made primarily from tobacco that is intended for consumption by smoking, by chewing or as snuff on which you did not pay any DC or state sales tax. This tax rate does not apply to cigarettes, premium cigars or pipe tobacco. A premium cigar is any individual cigar with a retail cost of \$2 or more or a packaged unit of cigars that has an average cost of \$2 or more per cigar. Multiply the amount by .12 and enter the result in the tax column.

Preparer Tax Identification Number (PTIN)

A PTIN is issued by the IRS to a paid preparer who applies for one. A PTIN may be used for tax identification purposes, instead of the preparer’s SSN.