

# 2016

# 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 e-check, ACH Debit and Credit Card. If electronic payments are made using ACH Credit, please visit [MyTax.DC.gov](https://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 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. For Tax Year 2016 the filing deadline will be Tuesday, April 18, 2017.
- **New Tax Rate** - For taxable years beginning after December 31, 2015, the tax rate for corporations and financial institutions is 9.2% of taxable income.
- **DC Ballpark TIF Area** - A fill in "if QHTC located in DC Ballpark TIF Area" oval has been added to page 1 of the D-20 return.
- **New Qualified High Technology Companies Tax, Exemption and Credits Schedule**  
Qualified High Technology Companies (QHTCs) will now report their tax, exemptions and credits on page 4 of the D-20 return. See instructions, page 5 and the FR-399 booklet for details.
- **Employer-assisted Home Purchase Tax Credit** - A non-refundable business tax credit for homeownership assistance provided to eligible employees through a certified employer-assisted home purchase program has been added to Schedule UB. See instructions, page 14, and DC Code §47-1807.07 for details.
- **Food Commodity Donations Tax Credit** - A non-refundable business tax credit for farm to food donations has been added to Schedule UB. See instructions, page 15, and DC Code §47-1807.12 for details.
- **Line Changes** - Line 43 is now Reserved. Lines 44 through 48 of the D-20 have been rearranged. Line 44 is now "estimated tax interest"; Line 45 is now "Total Amount Due"; Line 46 is "overpayment"; Line 47 is "amount you want to apply to your 2017 estimated franchise tax"; and Line 48 is "amount to be refunded".
- **Third Party Designee** - On the bottom of page 2 of the D-20, a line has been provided to authorize another person to discuss the return with the Office of Tax and Revenue (OTR).
- **Modernized e-File (MeF)** - Corporate taxpayers may now e-file the D-20 Corporation Franchise Tax Return through MeF.

## Reminder:

- **Alternative Fuel Infrastructure Installation and Alternative Fuel Vehicle Conversion Credits**  
There are two non-refundable business credits added to the Schedule UB for alternative infrastructure installation and alternative fuel vehicle conversion. See instructions page 14, and DC Code §47-1807.10 and §47-1807.11 for details.
- **Supplemental Information** - "Did you file an annual ballpark fee return?" question has been added to the Supplemental Information section of the D-20 form, page 6.
- **Schedule F - DC Apportionment Factor** - For taxable years beginning after December 31, 2014, corporations will apportion business income using a single sales factor only. Financial institutions will continue to use a two-factor formula comprised of the sales factor and the payroll factor. See D-20 page 4, Schedule F.
- **Estimated Tax Interest** - For taxable years beginning after December 31, 2014, the penalty for underpayment of estimated tax has been changed to interest for underpayment of estimated tax, Line 44, D-20.

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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 the 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(c).

### **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 booklet, Declaration of Estimated Franchise Tax for Corporations, 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 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 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), and at 1101 4th Street, SW, Suite W270, Washington, D.C. 20024.

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

QHTCs will now report their tax, exemption amount, and amount of credits on the new Qualified High Technology Companies 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 QHTC-CERT form and the Certification of Gross Revenue Worksheet from the FR-399 to the D-20. Follow the line instructions on the QHTC Schedule. 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 Publication FR-399, QHTC, 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 [www.taxpayerservicenter.com](http://www.taxpayerservicenter.com), 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.

The combined reporting regulations are contained in DC Municipal Regulations (DCMR) Title 9, Taxation and Assessments, §§156 through 176. 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 2016 the filing deadline will be Tuesday, April 18, 2017.

### 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.

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### 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 FEIN, '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. Visit [MyTax.DC.gov](http://MyTax.DC.gov).

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### 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:

- Electronic check (e-check).** E-check is similar to ACH debit, but it is a one-time transaction where the taxpayer provides the banking information at the time of payment instead of storing the information. There is no fee for business e-check payments. Foreign bank accounts cannot be used for business e-check.
- 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).**

- 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 equal to 2.5% of the tax payment. The fee is paid directly to the District's credit card service provider. Payment is effective on the day it is charged.
- Check or money order.** Include a check or money order (US dollars), payable to the DC Treasurer, with your completed return. Write your Federal Employer Identification Number (FEIN), daytime telephone number, '2016', 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.

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### 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 or 50 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 2016 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 Federal Identification Number (FEIN). 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 clicking 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).

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

The tax rate is 9.2 percent on your "total district taxable income" on Line 36. If you are a QHTC the tax rate is 6.0. 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 FEIN, tax form number, tax period, business name and address on any statements submitted with the return or filed separately. The FEIN is used for tax administration purposes only.

For members filing under combined reporting, please ensure you place your EIN in the 'Federal Employer I.D. Number' field and the designated agent's FEIN in the 'Designated Agent FEIN' field. Fill in the oval for "Combined Report."

**Note:** The District will allow submission of the D-20 return using a CD. D-20 filers must print and submit pages 1-6, Schedule UB, Worldwide Combined Reporting Election Form, QHTC-CERT form, D-20CR, Certification of Gross Revenue Worksheet, and D-2220 if applicable. All other attachments must be on the CD. The CD should include a copy of the entire return and indicate on the CD the FEIN/EIN, tax year and tax type. Images on the CD should be submitted in PDF format.

## 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 ~~37~~

Write 7s without a middle bar.

● ~~7~~

Fill in ovals completely. Do not "✓" or "x" ovals.

Do not enter cents. Round cents to the nearest dollar.

57204.00

## 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 2016 return. If you are not filing a 2016 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) 442-6546, 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 Worldwide Combined Reporting Election Form
  - o Other Combined Reporting Schedules as required
  - o Federal Schedule 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 2016 tax return with OTR, check 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.

Checking 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, 2018 (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.

### Preparer Tax Identification Number (PTIN)

If you are a paid preparer, you are required to have a PTIN issued by the IRS. A PTIN is a number issued and authorized by the IRS to file a return on the taxpayers' 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**.

### 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.

### 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.

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## 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 or loss

Enter from D-20, page 6, Schedule I the gross rental income or loss 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. 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**

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**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

**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 .0920. 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 13.

**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(b) the total amount of estimated franchise tax payments made in 2015, 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.

**Lines 42 Add Lines 41(a), 41(b) and 41(c)****Lines 43 Reserved**

Do not enter any amount on Line 43.

**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 42 is smaller than the sum of Lines 40 and 44, subtract Line 42 from the sum of Lines 40 and 44. Enter the amount on Line 45.

**Line 46 Overpayment**

If Line 42 amount is larger than the sum of Lines 40 and 44, subtract Lines 40 and 44 from Line 42. Enter amount on Line 46.

**Line 47 Amount to be applied to 2017 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 principle 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.

### 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; and the Alternative Fuel Vehicle Conversion Credit; (see below); and the Employer-Assisted Home Purchase Tax 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.



## 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
4. A non-refundable credit (not exceeding \$5,000 per business) against the franchise tax equal to 50% of the value of food commodity donations made during the tax year to a DC food bank or shelter recognized as a tax-exempt organization pursuant to U.S.C. §501(c)(3). See DC Code §47-1807.12. If the business elects to claim the credit for a contribution, no deduction under DC Code §47-1803.03(a)(8), (charitable contributions), shall be allowable on account of the contribution.

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. There is no carry back or carry forward for the Food Commodity Donation credit.

### 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.....		\$
D. Food Commodity Donations maximum \$5,000 per business in any taxable year	Total Value \$	50% of Value Col. 2 x .50 =	\$
	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.

Federal Employer I.D. Number <div style="border: 1px solid black; width: 100px; height: 20px;"></div>		Number of business locations In DC: <div style="border: 1px solid black; width: 40px; height: 20px;"></div> Outside DC: <div style="border: 1px solid black; width: 40px; height: 20px;"></div>		OFFICIAL USE ONLY Vendor ID# 0000	
Name of corporation <div style="border: 1px solid black; width: 100px; height: 20px;"></div>		Tax period ending (MMYY) <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div>		Fill in <input type="radio"/> if QHTC located in DC Ballpark TIF Area Fill in <input type="radio"/> if Amended Return Fill in <input type="radio"/> if Final Return Fill in <input type="radio"/> if Certified QHTC Fill in <input type="radio"/> if Combined Report* *You must fill in the Designated Agent info below Fill in <input type="radio"/> if Worldwide** **Worldwide form must be filed with this return	
Business mailing address #1 <div style="border: 1px solid black; width: 100%; height: 20px;"></div>					
Business mailing address #2 <div style="border: 1px solid black; width: 100%; height: 20px;"></div>					
City <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		State <div style="border: 1px solid black; width: 40px; height: 20px;"></div>	Zip Code + 4 <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		
Designated Agent Name <div style="border: 1px solid black; width: 100%; height: 20px;"></div>			Designated Agent FEIN <div style="border: 1px solid black; width: 100%; height: 20px;"></div>		

• 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	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
2	Cost of goods sold (from D-20 Schedule A) and/or operations (attach statement)		2	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
3	Gross profit from sales and/or operations Line 1 minus Line 2	Fill in if minus: <input type="radio"/>	3	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
4	Dividends from Form D-20, Schedule B		4	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
5	Interest (attach statement)		5	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
6	Gross rental income from D-20, Schedule I, Column 3, Line 7	Fill in if minus: <input type="radio"/>	6	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
7	Gross royalties (attach statement)		7	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
8(a)	Net capital gain (loss) (attach a copy of your federal Schedule D)	Fill in if minus: <input type="radio"/>	8(a)	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
	(b) Ordinary gain (loss) from Part II, fed. Form 4797, (attach copy)	Fill in if minus: <input type="radio"/>	8(b)	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
9	Other income (loss) (attach statement)	Fill in if minus: <input type="radio"/>	9	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
10	<b>Total gross income.</b> Add Lines 3–9.	Fill in if minus: <input type="radio"/>	10	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00

DEDUCTIONS

11	Compensation of officers from Form D-20, Schedule C		11	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
12	Salaries and wages		12	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
13	Repairs		13	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
14	Bad debts		14	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
15	Rent		15	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
16	Taxes from Form D-20, Schedule D		16	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
17(a)	Interest payments	\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div> 00				
	(b) Minus nondeductible payments to related entities	\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div> 00 =	17c	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
18	Contributions and/or gifts (attach statement)		18	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
19	Amortization (attach a copy of your federal Form 4562)		19	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
20	Depreciation (attach a copy of your federal Form 4562. Do not include any additional federal sec. 179 expenses or bonus depreciation)		20	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
21	Depletion (attach statement)		21	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00
22(a)	Enter royalty payments made	\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div> 00				
	(b) Minus nondeductible payments to related entities	\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div> 00 =	22c	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	.00

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

Federal Employer I.D. Number: \_\_\_\_\_



DEDUCTIONS		ENTER DOLLAR AMOUNTS ONLY	
23	Pension, profit-sharing plans <span style="float:right">Fill in if minus: <input type="radio"/></span>	23	\$ 00
24	Other deductions (attach statement)	24	\$ 00
25	<b>Total deductions.</b> Add Lines 11-24.	25	\$ 00
26	Net income Line 10 minus Line 25. <span style="float:right">Fill in if minus: <input type="radio"/></span>	26	\$ 00
27	Net operating loss deduction for years before 2000	27	\$ 00
28	Net income after net operating loss deduction <span style="float:right">Fill in if minus: <input type="radio"/></span> Line 26 minus Line 27	28	\$ 00
29	(a) Non-business income/state adjustment (attach statement) <span style="float:right">Fill in if minus: <input type="radio"/></span>	29a	\$ 00
	(b) Expense related to non-business income (attach statement)	29b	\$ 00
	(c) 29(a) minus 29(b) <span style="float:right">Fill in if minus: <input type="radio"/></span>	29c	\$ 00
30	Net income subject to apportionment <span style="float:right">Fill in if minus: <input type="radio"/></span> Line 28 minus Line 29(c)	30	\$ 00
31	DC apportionment factor from Form D-20, Schedule F, col. 3, Line 5	31	
32	Net income from trade or business <span style="float:right">Fill in if minus: <input type="radio"/></span> apportioned to DC Line 30 amount multiplied by Line 31 factor.	32	\$ 00
33	Other income/deductions attributable to DC <span style="float:right">Fill in if minus: <input type="radio"/></span> (attach statement - see instructions)	33	\$ 00
34	Total taxable income before apportioned NOL <span style="float:right">Fill in if minus: <input type="radio"/></span> deduction Line 32 plus or minus Line 33.	34	\$ 00
35	Apportioned NOL deduction (Losses occurring in year 2000 and later)	35	\$ 00
36	<b>Total DC taxable income.</b> Line 34 minus Line 35. <span style="float:right">Fill in if minus: <input type="radio"/></span> <b>If QHTC, skip Lines 37-39. Complete QHTC Schedule on Page 4, Lines 1-10.</b>	36	\$ 00
37	Tax 9.2% 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 \$ 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:	41a	\$ 00
	(a) Tax paid, if any, with request for an extension of time to file or paid with original return if this is an amended return	41b	\$ 00
	(b) 2016 estimated franchise tax payments	41c	\$ 00
	(c) Refundable credits from Schedule UB, Line 12	42	\$ 00
42	Add lines 41(a), 41(b) and 41(c).	42	\$ 00
43	RESERVED		
44	Estimated tax interest (Fill in oval if D-2220 attached) <input type="radio"/>	44	\$ 00
45	<b>Total Amount Due.</b> If Line 42 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	<b>Overpayment.</b> If Line 42 is larger than the total of Lines 40 and 44, enter amount overpaid.	46	\$ 00
47	Amount you want to apply to your 2017 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
	Preparer's PTIN			Firm address

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

Round cents to the nearest dollar. If an amount is zero, make no entry.

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 bonus depreciation is 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.)	\$		
Method of inventory valuation:			
		Total Dividends	\$
		Minus deduction for Subpart F Income.	
		Minus deduction for dividends received from wholly-owned subsidiary	
		TOTAL (Enter here and on D-20, Line 4.)	\$

Schedule C - Compensation of officers (See specific instructions for Line 11.)						
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 bonus depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1–5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$

**Schedule F - DC apportionment factor (See instructions)**

Round cents to the nearest dollar. If an amount is zero, leave the line blank.

Carry all factors to six decimal places

For all businesses other than financial institutions:

Column 1 TOTAL

Column 2 in DC

Column 3 Factor  
(Column 2 divided by Column 1)1. **SALES FACTOR:** All gross receipts of the business other than gross receipts from non-business income.

\$ 00 \$ 00 .

For Financial Institutions:

2. **SALES FACTOR:** All gross income of the financial institution other than gross income from non-business income.

\$ 00 \$ .00 .

3. **PAYROLL FACTOR:** Total compensation paid or accrued by the financial institution.

\$ 00 \$ .00 .

4. **SUM OF FACTORS:** (For Financial Institutions add Lines 2 and 3 of Column 3)

.

5. **DC APPORTIONMENT FACTOR:** 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.

.

**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)
- 2 Cumulative Amount of QHTC Exemption Previously Used \$   .00
- 3 Total DC taxable income. D-20 Line 36. Fill in if minus:    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 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 Exemption Remaining \$   .00



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 . . . . .				
<b>LIABILITIES AND CAPITAL</b>	11. Land (net of any amortization) . . . . .				
	12. Intangible assets (amortizable only) . . . . .				
	(a) MINUS: Accumulated amortization . . . . .				
	13. Other assets (attach statement) . . . . .				
	14. TOTAL ASSETS . . . . .				
	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. TOTAL LIABILITIES AND CAPITAL . . . . .					

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

### 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). . . . .	
		7. TOTAL of Lines 5 and 6 . . . . .	\$
4. TOTAL of Lines 1, 2 and 3 . . . . .	\$	8. Balance at end of year (Line 4 minus Line 7). . . . .	\$

**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. _____					
6. _____					
<b>7. 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 30% and 50% bonus depreciation and additional IRC §179 expenses deductions.

**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 2016, 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 <input type="radio"/> NO <input type="radio"/> 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. <input type="text"/> MM/DD/YYYY	
7. Is this corporation unitary with another entity? <input type="radio"/> YES <input type="radio"/> NO		If yes, explain:	
8. Is this return made on the accrual basis? <input type="radio"/> YES <input type="radio"/> NO		If no, indicate basis used: <input type="radio"/> Cash Basis <input type="radio"/> Other (specify)	
9. Did you file a franchise tax return with DC for the year 2015? <input type="radio"/> YES <input type="radio"/> NO		If no, state reason	
10. Did you withhold DC income tax from wages paid to your DC resident employees during 2016? <input type="radio"/> YES <input type="radio"/> 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 2016? <input type="radio"/> YES <input type="radio"/> NO			
12. (a) Has the business been terminated? <input type="radio"/> YES <input type="radio"/> NO		If yes, explain and give date:	
(b) Have you moved out of DC? <input type="radio"/> YES <input type="radio"/> NO			
13. Did you file an annual ballpark fee return? <input type="radio"/> YES <input type="radio"/> NO			

Worldwide Combined Reporting  
Election Form



FEIN of Designated Agent

Taxable Year YYYY

☐ Worldwide

Name of Designated Agent

Telephone number

Business address line #1

Business address line #2

City

State

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 reinstituted 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

Date Ending Tax Period: MMDDYYYY

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.





1 6 2 3 0 0 2 1 0 0 0 0

OFFICIAL USE ONLY  
Vendor ID# 0000

**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</b> <b>Credit Category</b>	<b>Column 2</b> <b>Total Paid Leave</b>	<b>Column 3</b> <b>Leave Credit Calculation</b>	<b>Column 4</b> <b>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.</b> <b>Enter here and</b> <b>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 —	
<b>1. Number of Eligible Employees</b>	<input type="text"/>
<b>2. Amount of Homeownership Assistance provided during this period to Eligible Employees.....</b>	<b>x 50%      \$ _____</b>
<b>3. Tax Credit ..... (Cannot exceed Line 2 amount and limited to \$2,500 per Eligible Employee)</b>	<b>\$ _____</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.





1 6 0 2 0 0 1 1 0 0 0 0

●

Fill in  if QHCT located in DC Ballpark TIF Area

Fill in  if Amended Return

Fill in  if Final Return

Fill in  if Certified QHCT

Fill in  if Combined Report\*

must fill in the Designated Agent info below

Fill in  if Worldwide\*\*

Worldwide form must be filed with this return

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

## DEDUCTIONS

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

Federal Employer I.D. Number: \_\_\_\_\_



		ENTER DOLLAR AMOUNTS ONLY									
DEDUCTIONS	23 Pension, profit-sharing plans	Fill in if minus: <input type="radio"/>	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		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. <b>If QHTC, skip Lines 37-39. Complete QHTC Schedule on Page 4, Lines 1-10.</b>	Fill in if minus: <input type="radio"/>	36	\$							00
	37 Tax 9.2% 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
	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:		41a	\$							00
	(a) Tax paid, if any, with request for an extension of time to file or paid with original return if this is an amended return		41b	\$							00
	(b) 2016 estimated franchise tax payments		41c	\$							00
	(c) Refundable credits from Schedule UB, Line 12		42	\$							00
	42 Add lines 41(a), 41(b) and 41(c).		42	\$							00
	43 RESERVED										
	44 Estimated tax interest (Fill in oval if D-2220 attached)	<input type="radio"/>	44	\$							00
	45 Total Amount Due. If Line 42 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 42 is larger than the total of Lines 40 and 44, enter amount overpaid.		46	\$							00	
47 Amount you want to apply to your 2017 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
	Preparer's PTIN			Firm address

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

Round cents to the nearest dollar. If an amount is zero, make no entry.

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 bonus depreciation is 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.)	\$		
Method of inventory valuation:			
		Total Dividends	\$
		Minus deduction for Subpart F Income.	
		Minus deduction for dividends received from wholly-owned subsidiary	
		TOTAL (Enter here and on D-20, Line 4.)	\$

Schedule C - Compensation of officers (See specific instructions for Line 11.)						
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 bonus depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1–5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$

**Schedule F - DC apportionment factor (See instructions)**

Round cents to the nearest dollar. If an amount is zero, leave the line blank.

Carry all factors to six decimal places

For all businesses other than financial institutions:

Column 1 TOTAL

Column 2 in DC

Column 3 Factor  
(Column 2 divided by Column 1)1. **SALES FACTOR:** All gross receipts of the business other than gross receipts from non-business income.

\$ 00 \$ 00 .

For Financial Institutions:

2. **SALES FACTOR:** All gross income of the financial institution other than gross income from non-business income.

\$ 00 \$ .00 .

3. **PAYROLL FACTOR:** Total compensation paid or accrued by the financial institution.

\$ 00 \$ .00 .

4. **SUM OF FACTORS:** (For Financial Institutions add Lines 2 and 3 of Column 3)

.

5. **DC APPORTIONMENT FACTOR:** 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.

.

**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)
- 2 Cumulative Amount of QHTC Exemption Previously Used \$   .00
- 3 Total DC taxable income. D-20 Line 36. Fill in if minus:    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 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 Exemption Remaining \$   .00

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. TOTAL ASSETS . . . . .					
<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. TOTAL LIABILITIES AND CAPITAL . . . . .					

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

### 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). . . . .	
		7. TOTAL of Lines 5 and 6 . . . . .	\$
4. TOTAL of Lines 1, 2 and 3 . . . . .	\$	8. Balance at end of year (Line 4 minus Line 7). . . . .	\$

**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. _____					
6. _____					
<b>7. 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 30% and 50% bonus depreciation and additional IRC §179 expenses deductions.

**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 2016, 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 <input type="radio"/> NO <input type="radio"/> 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. <span style="border: 1px solid black; padding: 2px 20px;">MM/DD/YYYY</span>	
7. Is this corporation unitary with another entity? <input type="radio"/> YES <input type="radio"/> NO		If yes, explain:	
8. Is this return made on the accrual basis? <input type="radio"/> YES <input type="radio"/> NO		If no, indicate basis used: <input type="radio"/> Cash Basis <input type="radio"/> Other (specify)	
9. Did you file a franchise tax return with DC for the year 2015? <input type="radio"/> YES <input type="radio"/> NO		If no, state reason	
10. Did you withhold DC income tax from wages paid to your DC resident employees during 2016? <input type="radio"/> YES <input type="radio"/> 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 2016? <input type="radio"/> YES <input type="radio"/> NO			
12. (a) Has the business been terminated? <input type="radio"/> YES <input type="radio"/> NO		If yes, explain and give date:	
(b) Have you moved out of DC? <input type="radio"/> YES <input type="radio"/> NO			
13. Did you file an annual ballpark fee return? <input type="radio"/> YES <input type="radio"/> NO			



Worldwide Combined Reporting  
Election Form



FEIN of Designated Agent

Taxable Year YYYY

☐ Worldwide

Name of Designated Agent

Telephone number

Business address line #1

Business address line #2

City

State

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 reinstituted 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

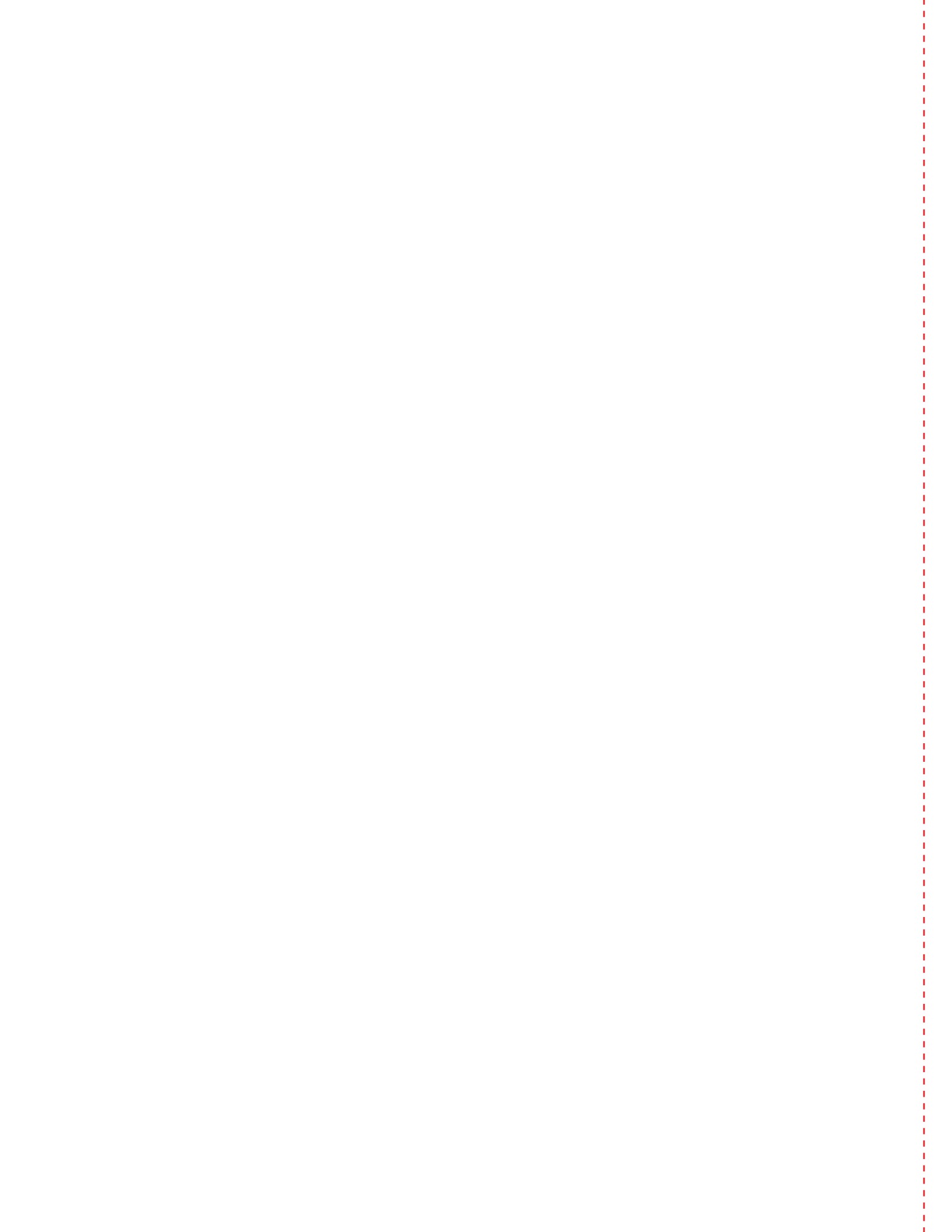
Date Ending Tax Period: MMDDYYYY

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.





**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</b> <b>Credit Category</b>	<b>Column 2</b> <b>Total Paid Leave</b>	<b>Column 3</b> <b>Leave Credit Calculation</b>	<b>Column 4</b> <b>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.</b> <b>Enter here and</b> <b>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 —	
<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.



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

Business Name (from your D-20 or D-30 return)	Federal Employer Identification Number (FEIN)
	or
Person to contact if there are questions	Social Security Number (SSN)
	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	2016 DC franchise tax liability from Forms D-20, or D-30.	\$	
2	Multiply the amount on Line 1 by 90% (.90).	\$	
3	2015 DC franchise tax liability from Forms D-20, or D-30 X 110%.	\$	
4	Minimum estimated tax requirement for tax year 2016 (lesser of Lines 2 and 3).	\$	
5	Multiply the amount on Line 4 by 25% (.25).	\$	

Note: If your income was not evenly received over 4 periods, see instructions on the reverse of this form on the "Annualized Income" method.

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
04/15/16	06/15/16	09/15/16	12/15/16

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 2016 DC franchise tax return; or
- 110% of the tax due on your 2015 DC franchise tax return (consisting of 12 months).

You must have filed a 2015 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 2015 and in that year, you did business in DC for the entire 12 months;
- The franchise tax due for 2016, 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 2015 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 2016 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 2015 DC Forms D-20 or D-30. If your 2015 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 2015, you may only use Line 2. This is your minimum estimated franchise tax payment for 2016.

### 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.*



## 2016 D-20P Payment Voucher for Corporation Franchise Tax



Important: Print in CAPITAL letters using black ink.

Amount of payment \$ .00

Official Use Only Vendor ID# 0000

*Do not enter cents, enter dollars only. To avoid penalties and interest, your payment must be postmarked no later than the due date of your return.*

Federal Employer 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

2016 D-20P P1

Payment Voucher for Corporation Franchise Tax

Revised 02/16



## 2016 D-20P Payment Voucher for Corporation Franchise Tax



Important: Print in CAPITAL letters using black ink.

**Amount of payment**

Official Use Only Vendor ID# 0000

*Do not enter cents, enter dollars only. To avoid penalties and interest, your payment must be postmarked no later than the due date of your return.*

Federal Employer 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

2016 D-20P P1

Payment Voucher for Corporation Franchise Tax

Revised 02/16

## 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 (FEIN).
- 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 FEIN, 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.



# 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 FEIN, 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](https://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.



Government of the  
District of Columbia

## 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		FEIN	
		-	
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.







Government of the  
District of Columbia

## 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		FEIN	
		-	
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/)

### US Department of State Tax Exemption Cards

[www.state.gov/ofm/tax/](http://www.state.gov/ofm/tax/)

### 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: 202-442-6546

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** para proporcionarle un intérprete **de manera gratuita**.

[Vietnamese] Nếu quý vị cần giúp đỡ về tiếng Việt, xin gọi **(202) 727-4829** 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** et l'assistance d'un interprète vous sera **fournie gratuitement**.

[Amharic] በአማርኛ አርዳታ ከፈለጉ በ **(202) 727-4829** ይደውሉ። የጎሳ አስተርጓሚ ይመደብልዎታል።

[Korean] 한국어로 언어 지원이 필요하신 경우 **(202) 727-4829** 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** 將**免費**向您提供口譯員服務。