

D-20CR 20_____
QHTC Corporate Business Tax Credits
 (File With Form D-20)



Official Use Only: VENDOR ID# 0000

Tax Return Year Beginning _____, 20__ and ending _____, 20__
 TAXPAYER IDENTIFICATION NUMBER: _____
 BUSINESS NAME AS SHOWN ON TAX RETURN FORM D-20: _____

Initial year of certification as QHTC

PART A — TAX CREDIT FOR RELOCATION COSTS

- | | | |
|---|---|----|
| 1. Number of eligible employees who reside <u>in</u> DC | <input style="width: 50px; height: 20px;" type="text"/> | |
| 2. Number of eligible employees who reside <u>outside</u> DC | <input style="width: 50px; height: 20px;" type="text"/> | |
| 3. Tax credit for employees residing <u>in</u> DC (limited \$7,500 per employee, see instructions) | | \$ |
| 4. Tax credit for employees residing <u>outside</u> DC (limited \$5,000 per employee, see instructions) | | \$ |
| 5. Total tax credit (add lines 3 and 4) | | \$ |

PART B – TAX CREDIT FOR 10% OF WAGES PAID TO QUALIFIED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT

- | | | |
|--|---|----|
| 1. Number of eligible employees | <input style="width: 50px; height: 20px;" type="text"/> | |
| 2. Total Wages paid during this period to Qualified Employees | | \$ |
| 3. Tax credit – Line 2 x 0.10 (Limited to \$5,000 per employee in the tax year.) | | \$ |

PART C — TAX CREDIT FOR 50% OF WAGES PAID TO QUALIFIED DISADVANTAGED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT

- | | | | | |
|---|---|-------------------------|---|----|
| 1. Employees eligible in First year | <input style="width: 50px; height: 20px;" type="text"/> | 2. Months in First year | <input style="width: 50px; height: 20px;" type="text"/> | |
| 3. Total Wages paid during tax year 20__ to Qualified Disadvantaged Employees | | | | \$ |
| 4. Tax credit (50% of line 3) | | | | \$ |
- The credit is 50% of qualified disadvantaged employee wages paid during the first 24 months of employment beginning after December 31, 2000, not to exceed \$15,000 per employee per year.

PART D — TAX CREDIT FOR THE COSTS OF RETRAINING QUALIFIED DISADVANTAGED EMPLOYEES DURING THE FIRST 18 MONTHS OF THEIR EMPLOYMENT

- | | | |
|---|---|----|
| 1. Number of employees eligible, first 12 months. | <input style="width: 50px; height: 20px;" type="text"/> | |
| 2. Total expenditures for retraining Qualified Disadvantaged Employees paid or incurred during this period. | | \$ |
| 3. Amount of Retraining Costs Tax Credit | | \$ |
- (Limited to \$20,000 per employee for retraining costs incurred during the first 18 months of employment beginning after December 31, 2000.)



PART E – SUMMARY OF QHTC TAX CREDITS

Non-refundable credits

1a. Relocation Costs Tax Credit (Part A, Line 5) plus any carryover	\$
b. Amount of credit carried forward	\$
2a. Qualified Employee Wages Tax Credit (Part B, Line 3) plus any carryover	\$
b. Amount of credit carried forward	\$
3a. Qualified Disadvantaged Employee Wages Tax Credit (Part C, Line 4) plus any carryover	\$
b. Amount of credit carried forward	\$
4a. Retraining Costs Tax Credit (Part D, Line 3) plus any carryover	\$
b. Amount used as nonrefundable credit	\$
c. Amount of excess unused credit	\$
d. Amount of excess unused credit carried forward *	\$
5. Total non-refundable QHTC Tax Credits (add Lines 1a, 2a, 3a and 4b - enter on Schedule UB, Line 2) .	\$

Refundable credits

6a. Amount of Unused Retraining Costs Tax Credit (Part E, Line 4c)	\$
b. Amount of refund if elected (limited to 50% of the credit) * (Line 6a X .50)	\$
7. Total refundable QHTC Tax Credit (Line 6b, enter on Schedule UB, Line 10)	\$

* **Note:** Only the excess unused portion of the Retraining Tax Credit can be claimed as a 50% refund. If an election is made to carry the excess unused credit forward, then the excess unused portion cannot be claimed as a refundable credit.

INSTRUCTIONS FOR FORM D-20CR

Who may use Form D-20CR?

A business which is a corporation, including a Limited Liability Company (LLC) which has elected to be treated as a corporation for Federal tax purposes and is certified as a QHTC may file a Form D-20CR to claim the applicable credits listed on Form D-20CR.

Should the Certification of Gross Revenue Worksheet be submitted with the Form D-20CR?

Yes, it must be submitted in the first year that the business is a QHTC for six or more months and in all subsequent years.

Which forms are required to claim QHTC credits?

A company must file a DC corporate franchise tax return (D-20) to claim the credits entered on the Form D-20CR. The QHTC Self-Certification on MyTax.DC.gov must also be completed. (This is required even if the company has been previously certified as a QHTC.)

Claiming a Tax Credit Carryover

When claiming a tax credit carryover on your return please attach a copy of your form D-20CR for the year(s) from which the carryover originated.

Part A - Tax credit for relocation costs

An incorporated QHTC is allowed a credit (subject to a dollar limitation) against its QHTC franchise tax for each dollar reimbursed to or paid on behalf of each qualified employee for relocation costs. The credit may not exceed:

- \$5,000 for each employee who relocates his or her employment to DC from outside DC but does not relocate his or her principal residence to DC. The total annual credit for a QHTC may not exceed \$250,000; and
- \$7,500 for each employee who relocates his or her employment to DC from outside DC and also relocates his or her principal residence to DC. The total annual credit for a QHTC may not exceed \$1,000,000. For purposes of this credit, the principal residence is determined as of the last day of the first six months of employment in DC by a QHTC. This credit may be carried forward for 10 years.

Part B- Tax credit for wages paid to qualified employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against the QHTC franchise tax equal to 10% of the wages paid during the first 24 calendar months to a qualified employee. The qualified employee must be hired after December 31, 2000 and employed in DC by the QHTC in the "permitted activities." This credit may be carried forward for 10 years.

Part C - Tax credit for 50% of the wages paid to qualified disadvantaged employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against its QHTC franchise tax equal to 50% of the wages paid to each qualified disadvantaged employee during the first 24 calendar months of employment. The credit claimed is limited to \$15,000 a year for each qualified disadvantaged employee. It may be carried forward for 10 years.

Part D- Tax credit for the costs of retraining qualified disadvantaged employees during the first eighteen months of employment

An incorporated QHTC is allowed a credit against the QHTC franchise tax for expenditures paid or incurred during the taxable year for retraining qualified disadvantaged employee(s). See DC Code §47-1817.04. The credit claimed under this section is limited to \$20,000 for each qualified disadvantaged employee during the first 18 months of employment. If the amount of the credit exceeds the tax due, the unused amount of the credit may be carried forward for 10 years, or taken as a refundable credit in an amount up to 50% of the credit.

Part E- Summary of QHTC tax credits

This is a summary of the tax credits claimed in Parts A through D. Copy the correct lines when completing Part E. Enter the amount of non-refundable credits from Line 5 of Part E on Schedule UB, Line 2. Enter the amount of refundable credits from Line 7 of Part E on Schedule UB, Line 10.

***Note:** "TYBA" means "tax year beginning after".