2019 FR-399

Qualified High Technology Companies (QHTC)
WHAT’S NEW

This FR-399 revision applies to tax years beginning after December 31, 2018 and before January 1, 2020.

Effective January 1, 2019 all taxpayers seeking QHTC related benefits must complete an online application to fulfill the self-certification requirement. The annual Certification process replaces the existing requirement of filing individual “QHTC Certs” with returns filed as “Certified QHTC.” Self-Certification must be completed online at MyTax.DC.gov by an Owner, General Partner or Officer of the business who is authorized to sign.

Effective October 1, 2019, sales of certain property by QHTCs and sales of computer software, or hardware are no longer exempt from sales and use tax. All QHTC Exempt Purchases Certificates issued before October 1, 2019 were terminated as of that date.

Who May Use the QHTC Self-Certification?
Any business which qualifies and wishes to be certified as a Qualified High Technology Company.

How Should a Company Submit the QHTC Self-Certification?
This self-certification can only be submitted online as of January 1, 2019 via MyTax.DC.gov.

Instructions for Completing the QHTC Self Certification
All benefit applications filed by QHTCs shall include, but are not limited to, the following information:

a. Taxpayer ID Number;

b. Name;

c. Address;

d. Sales Tax Account Number;

e. NAICS Code;

f. Information demonstrating QHTC eligibility;

g. First year certified as QHTC;

h. Explanation of principal business activity;

i. Amount of QHTC Exempt Sales/Purchases from the prior year (broken down by period);

j. Number of QHTC employees hired;

k. Number of QHTC employees hired who are District residents;

l. Schedules detailing QHTC employee credits

m. Number of QHTC jobs created in the past year;

n. Gross revenue; and

o. Gross revenue earned from QHTC activities in the District.

Any prior year returns or amendments to previous filings will follow the instructions outlined in the following return form booklets:

- Form D-20 – DC Corporate Franchise Tax Return
- Form FR-800 – DC Sales and Use Tax Return
- Form FP-31 – DC Personal Property Tax Return
- Form D-65 – DC Partnership Return
- Form D-40 – Individual Income Tax Return

Prior year return data, including but not limited to QHTC Revenues, Employee Credits, and Exemptions, will be requested for future certifications. The QHTC Self-Certification must be filed annually in order to obtain a QHTC certificate of benefits.

REMINDERS

Self-certifying as a QHTC does not prohibit the Office of Tax and Revenue (OTR) from conducting an audit to ensure compliance with the relevant QHTC statutes and definitions.

If the accounting method used does not readily permit the verification of revenue for use in determining the status of a corporation as a QHTC, the corporation may petition for, or the Chief Financial Officer may use a cost of performance method described in DC Code §47-1817.01a(b).


This FR-399 revision applies to tax years beginning after December 31, 2018 and before January 1, 2020.

A Qualified High Technology Company is one which –

1. Is an individual or entity organized for profit;
2. Leases or owns an office in the District;
3. Has 2 or more qualified employees in DC;
4. Derives at least 51% of its gross revenues earned in the District from one or more of certain permitted activities defined in DC Code §47-1817.01(5)(A)(iii); and
5. Is registered with the DC Government as a business in DC.

A Qualified High Technology Company does not include –

1. An individual or entity that derives 51% or more of its gross revenues from the operation in the District of:
   a. An online or brick and mortar retail store;
   b. An electronic equipment facility that is primarily occupied, or intended to be occupied, by electronic and computer equipment that provides electronic data switching, transmission, or telecommunication functions between computers, both inside and outside the facility;
   c. A building or construction company;
2. A professional athletic team, as defined in DC Code §47-2002.05(a)(3); or
3. A business entity located in the DC Ballpark TIF Area, as defined in DC Code §2-1217.12.

Permitted Activities include —

1. Internet-related services and sales:
   a. Website design, maintenance, hosting, or operation;
   b. Internet-related training, consulting, advertising, or promotion services;
   c. The development, rental, lease, or sale of Internet-related applications, connectivity, or digital content; or
   d. Products and services that may be considered e-commerce;
2. Information and communication technologies, equipment and systems that involve advanced computer software and hardware, data processing, visualization technologies, or human interface technologies, whether deployed on the Internet or other electronic or digital media. Such technologies, whether deployed on the Internet or other electronic or digital media, shall include:
   a. Operating and application software;
   b. Internet-related services, including design, strategic planning, deployment, and management services and artificial intelligence;
   c. Computer modeling and simulation;
   d. High-level software languages;
   e. Neural networks;
   f. Processor architecture;
   g. Animation and full-motion video;
   h. Graphics hardware and software;
   i. Speech and optical character recognition;
   j. High volume information storage and retrieval;
   k. Data compression; and
   l. Multiplexing, digital signal processing and spectrum technologies.
3. Advanced materials and processing technologies that involve the development, modification, or improvement of one or more materials or methods to produce devices and structures with improved performance characteristics or special functional attributes, or to activate, speed up, or otherwise alter chemical, biochemical, or medical processes. Such materials and technologies shall include:
   a. Metal alloys;
   b. Metal matrix and ceramic composites;
   c. Advanced polymers;
   d. Thin films;
   e. Membranes;
   f. Superconductors;
   g. Electronic and photonic reduction;
   h. Pharmaceuticals; bioactive materials; bioprocessing; genetic engineering; catalysts;
   i. Waste emissions reduction; and
   j. Waste processing technologies.
Permitted Activities include — Continued from page 2.

4. Engineering, production, biotechnology and defense technologies that involve knowledge-based control systems and architectures; advanced fabrication and design processes, equipment, and tools; propulsion, navigation, guidance, nautical, aeronautical and astronautical ground and airborne systems, instruments, and equipment. Such technologies include:
   a. Computer-aided design and engineering;
   b. Computer-integrated manufacturing;
   c. Robotics and automated equipment;
   d. Integrated circuit fabrication and test equipment;
   e. Sensors;
   f. Biosensors;
   g. Signal and image processing;
   h. Medical and scientific instruments;
   i. Precision machining and forming;
   j. Biological and genetic research equipment;
   k. Environmental analysis, remediation, control and prevention equipment;
   l. Defense command and control equipment;
   m. Avionics and controls;
   n. Guided missile and space vehicle propulsion units;
   o. Military aircraft; space vehicles; and
   p. Surveillance, tracking and defense warning systems.

5. Electronic and photonic devices and components for use in producing electronic, optoelectronic, mechanical equipment and products of electronic distribution with interactive media content. Such technologies include:
   a. Microprocessors;
   b. Logic chips;
   c. Memory chips;
   d. Lasers;
   e. Printed circuit board technology;
   f. Electroluminescent, liquid crystal, plasma and vacuum fluorescent displays;
   g. Optical fibers;
   h. Magnetic and optical information storage;
   i. Optical instruments, lenses, filters;
   j. Simplex and duplex data bases; and
   k. Solar cells.

TAX BENEFITS – Incorporated QHTCs
The various DC tax credits and other tax benefits available to incorporated QHTC are –

Tax Credits for:
   • Costs of retraining qualified disadvantaged employees;
   • Wages paid to qualified disadvantaged employees; and
   • Payments for or reimbursements of employee relocation costs.

Other DC Tax Benefits:
   • Exemption from sales tax for sales by QHTCs of intangible property or services; See DC Code §47-2001(n) (2)(G); (Note: Terminated as of October 1, 2019).
   • Reduction of the corporate franchise tax rate;
   • Partial exemption from the personal property tax;
   • Exemption for 5 years, on or after January 1, 2012, from the DC corporate QHTC franchise tax, or $15 million, whichever occurs first;
   • Deduction for Internal Revenue Code (IRC) section 179 expenses (up to $40,000);
   • Reduction in real property tax for qualified leasehold improvements made by, or for, a QHTC tenant;

TAX BENEFITS - Unincorporated QHTCs
The tax benefits available to unincorporated QHTC are –

Claiming QHTC Tax Benefits -
To be eligible to claim a tax credit or any of the other tax benefits available under the law/statute, a QHTC shall follow OTR’s electronic self-certification process on MyTax.DC.gov. This replaces the prior requirement of filing individual “QHTC-CERTs” with returns filed as “Certified QHTC.”

The QHTC Self-Certification requires that the company meets all of the conditions required of a QHTC. If the certification is not made in good faith, a penalty may be imposed. Incorporated QHTCs must complete the D-20, including the QHTC Tax, Exemption and Credits Schedule on page 4 of the D-20, the D-20CR if applicable, and submit the Certification of Gross Revenue Worksheet from page 14 of the FR-399 Instruction booklet.

Note: The QHTC indicator on returns filed must be filled in for QHTC status to be recognized.
TAX CREDITS AVAILABLE TO INCORPORATED QHTCs –

I. Retraining Costs for Qualified Disadvantaged Employees (refundable credit - corporations only)  
DC Code §47-1817.04

A Qualified Disadvantaged Employee is:

a. A DC resident and  
b. A recipient of Temporary Assistance for Needy Families (TANF); or  
c. A recipient of TANF in the period immediately preceding employment; or  
d. A person released from incarceration within twenty-four months before the date of employment by a QHTC; or  
e. An employee hired, or relocated to DC, after December 31, 2000, and for whom a QHTC is eligible to claim the Welfare to Work Tax Credit or the Work Opportunity Tax Credit under IRC sec. 51.

The term “qualified disadvantaged employee” does not include:  
a. A temporary or seasonal employee; or  
b. An employee employed as the result of:  
   1. The displacement of another employee;  
   2. A strike or lockout;  
   3. A layoff in which other employees are awaiting recall;  
   4. A reduction of the regular wages, benefits, or rights granted to other employees in similar jobs; or  
   5. A key employee.

Retraining Expenses  
For years beginning after December 31, 2000, a QHTC may claim a credit against its DC corporate QHTC franchise tax for expenses it paid or incurred during the taxable year for retraining qualified disadvantaged employees. This dollar limited credit may be taken as a refundable credit for up to 50 percent of any unused portion in the year incurred or it may be carried forward for 10 years. For corporate filers this and other QHTC credits are taken on a Form D-20CR filed with the Form D-20 and the Form QHTC-CERT.

Expenditures eligible for tax credit and paid by a QHTC to retrain a qualified disadvantaged employee are:  
1. Tuition, costs, or fees for credit or noncredit courses leading to academic degrees or certification of professional, technical, or administrative skills taken at a District-based, accredited college or university;  
2. The cost of formally enrolling in training programs offered by non-profit training providers (including community or faith-based organizations) certified for providing training, or job-readiness preparation at skill levels suitable for immediate performance of entry-level jobs that are pre-qualified by the DC Department of Employment Services and which are in demand among technology companies in general;  
3. Eligible training programs, other than those at a District-based accredited college or university, which are pre-qualified by the DC Department of Employment Services;  
4. Worker retraining programs taken through an apprenticeship agreement approved by the DC Apprenticeship Council.

Limitations on the retraining tax credit  
The retraining credit is limited to $20,000 for each qualified disadvantaged employee during the first 18 months of employment. If the amount of this credit exceeds the tax otherwise due from a QHTC, the unused amount of the credit may be carried forward but not beyond the tenth year following the first year the taxpayer files a return claiming the credit. The QHTC may also elect to take a refundable credit in an amount equal to fifty percent of the unused credit with no carryover to subsequent years.

II. Wages Paid to Qualified Disadvantaged Employees  
A corporate QHTC is allowed a credit against its DC corporate QHTC franchise tax equal to fifty percent of the wages paid to a qualified disadvantaged employee, during the first 24 calendar months of employment. DC Code §47-1817.05  
This credit will not be allowed if:  
1. The QHTC grants the qualified employee lesser benefits or rights than it grants other employees in similar jobs; or  
2. The qualified employee was employed as the result of:  
   a. The displacement of another employee;  
   b. A strike or lockout;  
   c. A layoff in which other employees are awaiting recall;  
   d. A reduction of the regular wages, benefits, or rights granted to other employees in similar jobs; or  
   e. The employee is a key employee.

Limitations on the credit for wages paid to qualified disadvantaged employees  
The credit is limited to $15,000 per year for each qualified disadvantaged employee.

If the amount of the wages credit exceeds the DC corporate QHTC franchise tax due from a QHTC, the unused credit may be carried forward but not beyond the tenth year following the first year the taxpayer filed a return claiming the credit.
III. Wages Paid to Qualified Employees

For taxable years beginning after December 31, 2000, a corporate QHTC may claim a credit against its DC corporate QHTC franchise tax in an amount equal to ten percent of the wages paid to a qualified employee hired in the District after December 31, 2000 and employed by it in DC in any of the listed permitted activities. DC Code §47-1817.03

The credit will not be allowed if:
1. The QHTC grants the qualified employee lesser benefits or rights than it grants other employees in similar jobs; or
2. The qualified employee in the District was employed as the result of:
   a. The displacement of another employee;
   b. A strike or lockout;
   c. A layoff in which other employees are awaiting recall;
   d. A reduction of the regular wages, benefits, or rights granted to other employees in similar jobs; or
   e. The employee is a key employee.

Limitations on the tax credit for wages paid to qualified employees

The wages must be paid during the first 24 calendar months of employment.

If the amount of the credit exceeds the DC corporate QHTC franchise tax due from the QHTC the unused amount may be carried forward but not beyond the tenth year following the first year the taxpayer filed a return claiming the credit. The credit may not exceed $5,000 in a taxable year for each qualified employee.

IV. Relocation Costs

For taxable years beginning after December 31, 2000, a corporate QHTC may claim a credit against its DC corporate QHTC franchise tax for each dollar reimbursed to or paid on behalf of each qualified employee for the cost of relocating the employee to DC. This credit is not available if the relocation costs are claimed as a deduction by the corporation. DC Code §47-1817.02

Qualified Employee

A qualified employee is a person employed in DC by a QHTC for 35 hours or more per week in any of the permitted activities.

The relocation credit is not allowed:
1. Until the QHTC relocates at least two qualified employees from employment outside DC to employment in DC;
2. Until the QHTC has employed the qualified employee for at least six months in DC in a permitted activity;
3. If the qualified employee works less than 35 hours per week;
4. If the QHTC has claimed a deduction for the relocation costs; or
5. If the employee is a Key Employee.

If the amount of the relocation credit allowable exceeds the DC corporate QHTC franchise tax otherwise due from a QHTC, the unused amount of the credit may be carried forward but not beyond the tenth year following the first year the taxpayer filed a return claiming the credit.

Which Relocation Costs Qualify?

Qualifying relocation costs include amounts paid by a corporate QHTC to a qualified employee for reimbursement of:
1. Moving expenses as defined in IRC section 217(b)(1); and
2. Financial assistance in purchasing a residence, in paying a security deposit or in procuring a one-year lease for a residence in DC. The commencement date of the employee's move or financial assistance must be after December 31, 2000. Only costs related to one relocation per qualified employee are allowed.

Limitations on the tax credit for relocation costs

This credit may not exceed –
1. $5,000 for each employee who relocates his/her employment to DC but does not relocate his/her principal residence to DC. The total annual credit taken by a QHTC may not exceed $250,000.
2. $7,500 for each employee who relocates his/her employment to DC and who also relocates his/her principal residence to DC. The total annual credit taken by a QHTC may not exceed $1,000,000.

Principal residence is determined as of the last day of the first six months of employment in DC by a QHTC.

If the amount of the credit exceeds the DC corporate QHTC franchise tax liability, the unused amount may be carried forward but not beyond the tenth year following the first year the taxpayer filed a return claiming the credit.
Key Employee
A key employee is:
1. A member of the board of directors of the QHTC; or
2. Directly or indirectly the owner of a majority of the QHTC's stock; or
3. Related to a member of the QHTC's board of directors or to a majority stockholder of the QHTC as a spouse or relative within the definition of “dependent” in IRC sec. 152.

DC TAXES AND QHTCs
V. Franchise Tax
For Taxable Years beginning after December 31, 2000, and before January 1, 2020, QHTCs which are corporations are granted a reduced corporate franchise tax rate of 6%, except:
1. QHTCs certified pursuant to DC Code §47-1805.05 before January 1, 2012, shall not be subject to the tax for five years after the date that the QHTC commences business in the District; and
2. 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 Qualified High Technology Company may receive in exemptions shall not exceed $15 million. After the five-year period or the $15 million limit is reached, incorporated QHTCs pay a rate of 6%.

Incorporated QHTCs will now report their tax, corporate QHTC franchise tax exemption amount, and amount of credits on Form D-20 by completing the QHTC Schedule on page 4 of the D-20.

Follow the specific line-by-line instructions (Lines 1 through 52) in the D-20 instruction booklet.

Fill in the ‘if Certified QHTC’ oval on page 1 of form D-20, and submit the filled-out Certification of Gross Revenue Worksheet on page 14 of the FR-399 QHTC instruction booklet.

In addition, if you are claiming any QHTC Tax Credits, fill out and submit the D-20 CR from the FR-399 QHTC instruction booklet, and Schedule UB from the D-20 instruction booklet.

QHTC Schedule, Form D-20 Page 4, Line-by-Line

Line 1 Initial Date of Certification as QHTC (MMDDYYYY).
Enter the month, day and year of the initial date of certification.

Line 2 Initial Date of Taxable Income (MMDDYYYY).
Enter the month, day and year that the QHTC first had taxable income.

Line 3 Cumulative Amount of Corporate QHTC Franchise Tax Exemption Previously Used
Enter the total amount of QHTC Exemption used on all prior returns.

Line 4 DC Taxable Income
Enter the amount from Form D-20, Line 38, your total DC taxable income.

Line 5 Tentative QHTC Franchise Tax. 6% of Line 4
Enter the tentative QHTC franchise tax. Multiply Line 4 by .06.

Line 6 3% tax on Eligible QHTC Capital Gains Income
Enter the amount from Line 4 of Schedule QCGI.

Line 7 Total QHTC Franchise Tax
Add Line 5 and Line 6.

Line 8 Minus Nonrefundable Credits from Schedule UB, Line 9
Subtract the nonrefundable credits entered from Schedule UB, Line 9. See instructions for Schedule UB Business Credits on page 14 of the D-20 instruction booklet, and the instructions for Form D-20CR in the FR-399 instruction booklet.

Line 9 QHTC Tax Due
Subtract Line 8 from Line 7. Enter the result.

Line 10 Minus Corporate QHTC Franchise Tax Exemption This Return
The amount of exemption claimed this return, plus the amount of cumulative exemptions claimed on previous tax returns, cannot exceed $15 million. In addition, the corporate QHTC franchise tax exemption cannot be claimed if the QHTC commenced business before January 1, 2012, and the corporate QHTC franchise tax exemption cannot be claimed if more than 5 years have passed since the QHTC business has taxable income. If $15 million in exemptions have been previously used, or the five-year period has been exceeded, enter zero.

Line 11 Total DC Gross Receipts
From Line 4 of (MTLGR) worksheet, page 4, D-20 instruction booklet.

Line 12 Net tax
Line 9 minus Line 10. Enter the result on Line 9, and Form D-20 page 2, Line 44, except:
1. If Line 11 is less than or equal to $1M and Line 12 is less than $250, enter $250;
2. If Line 11 is greater than $1M and Line 12 is less than $1,000, enter $1,000.
Line 13 Amount of Corporate QHTC Franchise Tax Exemption Remaining
Subtract Line 3 and Line 10 from $15M. Enter result. If the QHTC business commenced before January 1, 2012, or more than five years have passed after initial taxable income, enter zero.

VI. Personal Property Tax
Qualified tangible personal property (within the meaning of DC Code §47-1521(4)) purchased and used or held for use by a QHTC (corporate and unincorporated) after December 31, 2000, is exempt from DC personal property tax for 10 years beginning with the year of purchase.

If the tangible personal property is used or is available for use in the eleventh year and thereafter, the property must then be reported at 25% of the original cost or exchange value, unless it is qualified technological equipment (see DC Code §47-1523(b)). In that case it must be reported at 10% of the original cost or exchange value. See the FP-31, Personal Property Tax Forms and Instruction Booklet, for information on refunds and exemptions with respect to tangible personal property.

BUSINESS ASSET DEDUCTIONS AND QHTCs
VII. Deductions for Certain Depreciable Business Assets
A QHTC may deduct the lesser of $40,000 or the actual cost of personal property described in IRC section 179(d)(1).

VIII. Unincorporated Business Franchise Tax Exemption
A QHTC that is not a corporation is exempt from the unincorporated business franchise tax. However unincorporated QHTCs must file a D-65 Partnership Return, or a D-40 Individual Income Tax Return with Federal Schedule C attached. A completed QHTC-CERT form must be filed with the D-40 or D-65 return.

IX. Capital Gain and QHTCs
Qualified capital gain from the sale or exchange of a QHTC’s capital assets is no longer exempt. For tax years beginning after December 31, 2018, the tax on a capital gain from the sale or exchange of an investment in a QHTC shall be at the rate of 3% if:
1. The investment was made after March 11, 2015;
2. The investment was held by the investor for at least 24 continuous months;
3. At the time of the investment, the stock of the QHTC was not publicly traded; and
4. The investment is in common or preferred stock of the QHTC.

For more details on qualified capital gain from the sale or exchange of an investment in a QHTC, see DC Code §47-1817.07a and Schedule QCGI with instructions included in the D-20 Booklet.

Rollover of capital gain from qualified stock to other qualified stock. Qualified stock is that which satisfies the requirement for small business stock under IRC section 1202(c) and is issued by a QHTC. Where gain is realized on the sale of qualified stock held by a taxpayer, other than a corporation, for more than six months the taxpayer may elect to defer recognition of gain unless it was previously deferred.

However, if a taxpayer purchases qualified stock within 60 days of selling other qualified stock, gain is recognized. Gain is recognized to the extent gain realized on the sale exceeds the cost of the qualified stock purchased.

The taxpayer’s holding period is determined without regard to IRC section 1223. This treatment does not apply to gain considered ordinary income under IRC sections 1245 or 1250.

Please note that a real property tax abatement benefit and various other financial incentives of a non-income/franchise tax nature are provided for QHTCs in the New E-Conomy Transformation Act of 2000.
**QUALIFIED HIGH TECHNOLOGY COMPANY RETRAINING COSTS FOR QUALIFIED DISADVANTAGED EMPLOYEES**

**TAX CREDIT WORKSHEET**

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<th>Employee 1</th>
<th>Employee 2</th>
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<th>Employee 4</th>
<th>Employee 5</th>
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<td>1. Employee’s Name</td>
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<td>4. Training Expense (Note 1)</td>
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<td>6. Current Year Credit (Subtract line 5 from line 4)</td>
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Note 1 – Total eligible retraining costs, not to exceed $20,000, paid or incurred by a QHTC to retrain this Qualified Disadvantaged Employee in his or her first 18 months of employment in DC.

Note 2 – Qualified Disadvantaged Employee’s Retraining Costs Tax Credit claimed for this employee in the prior year.
## Claim for Refund of Retraining Costs

**Qualified High Technology Company**

**Company Name and Address:**

**Taxpayer Identification Number:**

### Retraining Costs

<table>
<thead>
<tr>
<th>Employee's Name</th>
<th>Taxpayer Identification Number</th>
<th>Date of Employment</th>
<th>Number of Months Employed</th>
<th>Retraining Costs</th>
<th>Maximum Allowable</th>
<th>Amount in Col. A or Col. B, Which-Ever is Less</th>
<th>Amount Claimed in Prior Year</th>
<th>Column F</th>
<th>Retraining Costs Available for Credit in Current Year (Col. C Minus Col. D)</th>
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<td>$________________</td>
</tr>
<tr>
<td>12. Totals</td>
<td></td>
<td></td>
<td></td>
<td>$________________</td>
<td>$________________</td>
<td>$________________</td>
<td>$________________</td>
<td></td>
<td>$________________</td>
</tr>
</tbody>
</table>

### Current Year Retraining Costs Available for Tax Credit

$________________

### Amount of Refundable Retraining Costs Tax Credit (50% of Line 13)

$________________

---

*Under penalty of perjury, I declare that I have examined this claim and, to the best of my knowledge, it is correct.*

__________________________  __________________________  ________________
Signature of Owner or Officer  Company Name  Date

__________________________  __________________________  ________________
Company's Address  Telephone Number  Email Address
INSTRUCTIONS FOR FORM FP-332

Enter the beginning and ending dates of the tax year, the company name and the Taxpayer Identification Number.

WHO MAY USE THE FORM FP-332?

A business which is a corporation and which is a certified Qualified High Technology Company may claim a partial refund of the retraining costs tax credit.

A Qualified High Technology Company (QHTC) is one which –

a) Is an individual or entity organized for profit;

b) Leases or owns an office in the District of Columbia (DC);

c) Has 2 or more qualified employees in the District;

d) Derives at least 51% of its gross revenues earned in the District from one or more of certain "permitted" activities* (DC Code §47-1817.01(5)(A)(iii)); and

e) Is registered with the DC Government as a business in DC.

A Qualified High Technology Company (QHTC) does not include –

a) An individual or entity that derives 51% or more of its gross revenues from the operation in the District of:

(i) An online or brick and mortar retail store;

(ii) An electronic equipment facility that is primarily occupied, or intended to be occupied, by electronic and computer equipment that provides electronic data switching, transmission, or telecommunication functions between computers, both inside and outside the facility;

(iii) A building or construction company;

b) A professional athletic team, as defined in DC Code §47-2002.05(a)(3); or

c) A business entity located in the DC Ballpark TIF Area, as defined in DC Code §2-1217.12.

HOW AND WHEN TO FILE

To claim the retraining costs tax credit, a Qualified High Technology Company that is a corporation must attach the following to the Form D-20:

• Form QHTC-CERT, Certification for Qualified High Technology Company;

• Form D-20CR, QHTC Corporate Business Tax Credits;

• QHTC Certification of Gross Revenue;

• Schedule UB; and

• Form FP-332, Claim for Refund of Retraining Costs.

Fill in the QHTC oval on the Form D-20.
### TAX CREDIT FOR WAGES PAID TO QUALIFIED EMPLOYEES

**Qualified High Technology Company**

Company Name and Address: ___________________________________________________________

Taxpayer Identification Number: ______________________________________________________

<table>
<thead>
<tr>
<th>EMPLOYEE’S NAME</th>
<th>TAXPAYER IDENTIFICATION NUMBER</th>
<th>DATE HIRED</th>
<th>CALENDAR MONTHS FROM DATE HIRED</th>
<th>WAGES PAID THIS YEAR</th>
<th>MAXIMUM AMOUNT</th>
<th>LESSOR OF 10% OF AMOUNT</th>
<th>QHTC ACTIVITIES EMPLOYED ON IN DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<td>2.</td>
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<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<td>3.</td>
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<td></td>
<td></td>
<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<td>4.</td>
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<td></td>
<td>$________________</td>
<td>$5,000.</td>
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<td>5.</td>
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<td>$________________</td>
<td>$5,000.</td>
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<td>$5,000.</td>
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<td>______________________</td>
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<td></td>
<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<tr>
<td>8.</td>
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<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<td>9.</td>
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<td></td>
<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<tr>
<td>10.</td>
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<td></td>
<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
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<tr>
<td>11.</td>
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<td></td>
<td></td>
<td>$________________</td>
<td>$5,000.</td>
<td>$________________</td>
<td>______________________</td>
</tr>
<tr>
<td>12. TOTALS</td>
<td></td>
<td></td>
<td></td>
<td>$_________________</td>
<td>$________</td>
<td>$________________</td>
<td>_____________________</td>
</tr>
</tbody>
</table>

13. CURRENT YEAR TAX CREDIT FOR WAGES PAID TO QUALIFIED EMPLOYEES .......................... $________________

Under penalty of perjury, I declare that I have examined this claim and, to the best of my knowledge, it is correct.

_________________________  ___________________________  ______________________
Signature of Owner or Officer  Company Name  Date

_________________________  ___________________________  ______________________
Company's Address  Telephone Number  Email Address
INSTRUCTIONS FOR FORM FP-333

Enter the beginning and ending dates of the tax year, the company name and the Taxpayer Identification Number.

WHO MAY USE THE FORM FP-333?

A business which is a corporation and which is a certified Qualified High Technology Company (QHTC) may claim a non-refundable tax credit against tax imposed by Section 47-1817.06 for wages paid to a qualified employee who is employed in the District by a QHTC on qualified high technology activities.

A Qualified High Technology Company (QHTC) is one which –

a) Is an individual or entity organized for profit;
b) Leases or owns an office in the District of Columbia (DC);
c) Has 2 or more qualified employees in the District;
d) Derives at least 51% of its gross revenues earned in the District from one or more of certain “permitted” activities* (DC Code §47-1817.01(5)(A)(iii)); and
e) Is registered with the DC Government as a business in DC.

A Qualified High Technology Company (QHTC) does not include –

a) An individual or entity that derives 51% or more of its gross revenues from the operation in the District of:
   (i) An online or brick and mortar retail store;
   (ii) An electronic equipment facility that is primarily occupied, or intended to be occupied, by electronic and computer equipment that provides electronic data switching, transmission, or telecommunication functions between computers, both inside and outside the facility;
   (iii) A building or construction company;
b) A professional athletic team, as defined in DC Code §47-2002.05(a)(3); or

c) A business entity located in the DC Ballpark TIF Area, as defined in DC Code §2-1217.12.

HOW AND WHEN TO FILE

To claim this tax credit for wages paid to employees a Qualified High Technology Company that is a corporation must attach the following to the Form D-20:

• Form QHTC-CERT, Certification for Qualified High Technology Company;
• Form D-20CR, QHTC Corporate Business Tax Credits;
• QHTC Certification of Gross Revenue;
• Schedule UB; and
• Form FP-333, Claim for Tax Credit for Wages Paid to Qualified Employees, if claiming tax credit for wages paid to qualified employees.

Fill in the QHTC oval on the Form D-20.

Except as provided in District of Columbia Code §47-1817.03(b), the tax credit for wages paid to qualified employees that is allowed against the tax imposed by District of Columbia Code §47-1817.06, is the lesser of the 10% of the wages paid during the first 24 calendar months of employment to a qualified employee, or $5,000 in a taxable year.

If the amount of credit allowable under District of Columbia Code §47-1817.03(a) exceeds the tax otherwise due from a Qualified High Technology Company, the unused amount of the credit may be carried forward for 10 years.
<table>
<thead>
<tr>
<th>COLUMN A</th>
<th>COLUMN B</th>
<th>COLUMN C</th>
<th>COLUMN D</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYEE’S NAME</td>
<td>DATE HIRED</td>
<td>WAGES PAID THIS YEAR</td>
<td>MAXIMUM AMOUNT</td>
</tr>
<tr>
<td>1.</td>
<td>-</td>
<td>$15,000.</td>
<td>$15,000.</td>
</tr>
<tr>
<td>2.</td>
<td>-</td>
<td>$15,000.</td>
<td>$15,000.</td>
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<tr>
<td>3.</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>10.</td>
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<td>$15,000.</td>
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<tr>
<td>11.</td>
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<td>$15,000.</td>
<td>$15,000.</td>
</tr>
<tr>
<td>12. TOTALS</td>
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</tr>
</tbody>
</table>

13. CURRENT YEAR TAX CREDIT FOR WAGES PAID TO QUALIFIED EMPLOYEES...

Under penalty of perjury, I declare that I have examined this claim and, to the best of my knowledge, it is correct.

Signature of Owner or Officer

Company Name

Telephone Number

Email Address

Company’s Address
### QUALIFIED HIGH TECHNOLOGY COMPANY
#### Certification of Gross Revenue
(To be filed with Form D-20, D-65, or D-40 with Federal Schedule C)

For Tax Year Beginning: ________________, 20___ and Ending ________________, 20___

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>TIN:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DC Address</th>
<th>Gross Revenue Earned in DC from Permitted Activities, see below</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2A.</td>
</tr>
<tr>
<td>1.</td>
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<td>2.</td>
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<td>8.</td>
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<td>9.</td>
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<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

**Permitted Activities - DC Code § 47-1817.01(5)(A)(iii)**
- Column A – Internet related services and sales.
- Column B – Information and communication technologies, equipment and systems.
- Column C – Advance material and processing technologies.
- Column D – Engineering, production, biotechnology and defense technologies.
- Column E – Electronic and photonic devices and components.

**NOTE:** Columns A through E must not include gross revenue from a retail store or an electronic equipment facility (Data Hotel).
INSTRUCTIONS FOR
CERTIFICATION OF GROSS REVENUE WORKSHEET

File this worksheet with the Form D-20, Form D-65, or Form D-40 with Federal Schedule C.

Title Line. Enter the beginning and ending dates of the tax year for which certification applies, the name of the business and the Taxpayer Identification Number.

Column 1. DC address or location of each business. List each DC location separately.

Column 2. For each business location, enter gross revenue earned in DC from each permitted activity listed.

Column 3. Enter the total for columns A through E for each business location.

Column 4. Enter the gross revenue earned in DC from the total of non-permitted activities for each location.

Column 5. Enter the total gross revenue (add columns 3 and 4) from permitted and non-permitted activities for each location.