

2020

and later

Government of the
District of Columbia,
Office of the Chief
Financial Officer, Office
of Tax and Revenue



FR-1500 Ballpark Fee Instructions

This fee must be filed and paid electronically on DC Taxpayer Portal.

General Instructions

Who must file?

Except as provided below, any person that derived at least \$5 million in annual District of Columbia (DC) gross receipts and who was subject to any of the following at any given point during that person's preceding tax year ending on or before June 15 must file and pay the Form FR-1500, ballpark fee:

- DC Corporation Franchise Tax (D-20);
- DC Unincorporated Business Franchise Tax (D-30);
- The DC Unemployment Compensation Act, except employers who employ persons to provide personal or domestic service in a private home, unless the employment is related to the employer's trade, occupation, profession, enterprise or vocation.

Each member of a combined group is responsible for filing and paying its own ballpark fee.

Who is exempt from paying Ballpark Fee?

An entity granted exemption from DC Franchise Taxes pursuant to DC Code §47-1802.01 is not subject to the ballpark fee, unless it has unrelated business taxable income (UBTI). A tax exempt entity with UBTI must pay the ballpark fee if \$5 million or more of its annual DC gross receipts are attributable to any UBTI for its most recent calendar or fiscal year.

What are District gross receipts?

District gross receipts are those 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.

District gross receipts do not include:

- Amounts received from ownership or beneficial interest in an entity which itself is subject to and has paid the ballpark fee;
- Amounts collected of federal or local taxes on motor fuel;
- Amounts retained by a retail establishment under provisions of the Anacostia River Clean Up and Prevention Act (disposable bag fee).

What is a preceding tax year?

A preceding tax year is the taxpayer's most recent calendar or fiscal year ending prior to June 15.

Example: Calendar Year Taxpayers would file and pay by June 15, 2020, using their gross receipts from 1/1/2019 through 12/31/2019 .

When are your taxes due?

Each entity subject to the ballpark fee must file and pay the Form FR-1500 on or before June 15th of each year. If the due date falls on a Saturday, Sunday, or holiday, the return and payment is due the next business day. Failure to file and pay electronically will subject the taxpayer to the appropriate penalties established under Title 47 of the DC Official Code for the collection of the fee.

How should you file?

All ballpark fee returns **must be filed and paid electronically** through the web portal MyTax.DC.gov

Electronic Payment Options

Refer to the Electronic Funds Transfer (EFT) Payment Guide available on the DC website at MyTax.DC.gov for instructions for electronic payments. MyTax.DC.gov does not allow the use of foreign bank accounts.

Payment options are as follows:

- **ACH Debit.** ACH debit is for registered eTSC business taxpayers only. There is no fee. The taxpayer's 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.
- **ACH Credit.** ACH credit is for business taxpayers only. There is no fee charged by the Office of Tax and Revenue (OTR), but the taxpayer's bank may charge a fee. The taxpayer directly credits OTR's bank account. The taxpayer does not need to be registered to use this payment type, and they do not need access to the website. **Note: When making ACH credit payments through your bank, please use the correct tax type code (00280) and tax period ending date (200531).**
- **Credit Card.** The taxpayer may pay the amount owed using Visa®, MasterCard®, Discover® or American Express®. You will be charged a fee that is paid directly to the District's third party credit card service provider. Payment is effective on the day it is charged.

Note: International ACH Transaction (IAT). If your payment will be drawn on an account outside of the United States, you must pay by credit card.

Penalties and interest

To avoid penalties and interest, file and pay your return on time!

Any feepayer who fails to file a return or pay the ballpark fee as required by DC Official Code §47-2762 shall be subject to the same enforcement provisions and administrative provisions applicable to the ballpark fee as provided in Title 47, Chapter 18, Chapter 41, Chapter 42 (except §§47- 4211(b) (1) (B)), Chapter 43 and Chapter 44.

Ballpark fee schedule

DC gross receipts	Ballpark fee
Less than \$5,000,000	\$0
\$5,000,000 to \$8,000,000	\$5,500
\$8,000,001 to \$12,000,000	\$10,800
\$12,000,001 to \$16,000,000	\$14,000
\$16,000,001 and greater	\$16,500

Need Assistance?

For questions related to your account name, summary, overpayments or adjustments, please contact our OTR's e-services Unit 202-759-1946 or visit the Walk-In Center, 1101 4th Street, SW, 2nd Floor, Washington, DC during the hours of 8:15 am – 5:30 pm, Monday through Friday or email e-services.otr@dc.gov.