

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



Official Use Only: VENDOR ID# 0002

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 5% OF WAGES PAID TO QUALIFIED EMPLOYEES
 DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Number of eligible employees

2. Total Wages paid during this period to Qualified Employees \$

3. Tax credit – The credit per employee is limited to the lesser of 5% of the employee's wages or \$3,000. (From FP-333, Line 12, FR-399 QHTC Instruction Book). \$

**PART B – TAX CREDIT FOR 50% OF WAGES PAID TO QUALIFIED
 DISADVANTAGED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Employees eligible in First year 2. Months in First year

3. Total Wages paid during tax year 20__ to Qualified Disadvantaged Employees \$

4. Tax credit -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. (From FP-334, Line 13, FR-399 QHTC Instruction Book). \$

**PART C — 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.

2. Total expenditures for retraining Qualified Disadvantaged Employees paid or incurred during this period. \$

3. Amount of Retraining Costs Tax Credit \$
 (Limited to \$10,000 per employee for retraining costs incurred during the first 18 months of employment beginning after December 31, 2000.) From Retraining Costs Tax Credit Worksheet, FR-399 QHTC Instruction Book.

PART D – SUMMARY OF QHTC TAX CREDITS

Non-refundable credits

1a. Qualified Employee Wages Tax Credit (Part A , Line 3) plus any carryover*	\$ <input type="text"/>
b. Amount of credit used this return	\$ <input type="text"/>
c. Amount of credit carried forward	\$ <input type="text"/>
2. Qualified Disadvantaged Employee Wages Tax Credit (Part B, Line 4)	\$ <input type="text"/>
3. Retraining Costs Tax Credit (Part C, Line 3)	\$ <input type="text"/>
4a. Total non-refundable QHTC Tax Credits used this return. (add Lines 1b, 2, and 3 - enter on Schedule UB, Line 2) .	\$ <input type="text"/>
b. Total non-refundable QHTC Tax Credits carried forward (Line 1C)	\$ <input type="text"/>

*Note: This credit may not be carried forward unless the credit was obtained for wages of a qualified employee hired before October 1, 2019.

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 wages paid to qualified employees during the first twenty-four months of employment

An incorporated QHTC is allowed a credit against the corporate franchise tax equal to the lesser of 5% of the wages paid during the first 24 calendar months to a qualified employee, or \$3,000 per qualified employee. The qualified employee must be hired after December 31, 2017 and employed in DC by the QHTC in the "permitted activities." This credit may be carried forward for 10 years if the amount of the credit allowable under this section was obtained for wages of a qualified employee hired before October 1, 2019. Use the FP-333 "Tax Credit For Wages Paid To Qualified Employees" from the FR-399 QHTC Instruction Book to determine the amount of this credit.

Part B - 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 corporate franchise tax equal to the lesser of 50% of the wages paid to each qualified disadvantaged employee during the first 24 calendar months of employment, or \$15,000 per employee. The credit may not be carried forward. Use the FP-334 "Tax Credit For Wages Paid To Qualified Disadvantaged Employees" from the FR-399 QHTC Instruction Book to determine the amount of this credit.

Part C - 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 corporate 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 the lesser of the costs of retraining, or \$10,000 for each qualified disadvantaged employee during the first 18 months of employment. This credit may not be carried forward. Use the Retraining Costs Tax Credit Worksheet in the FR-399 QHTC Instruction Book to determine the amount of this credit.

Part D- Summary of QHTC tax credits

This is a summary of the tax credits claimed in Parts A through C. Copy the correct lines when completing Part D. Enter the amount of non-refundable credits from Line 4a of Part D on Schedule UB, Line 2.

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