

### SCHEDULE SR Small Retailer 2023 Property Tax Relief Credit Important: Read eligibility requirements before completing.



Print in	CAPITAL	letters	using	black	ink.

OFFICIAL US	SE ONLY Vendor ID#0000
Taxpayer Identification Number Fill in if FEIN Fill in if filing a D-20 R	Return
Fill in if SSN Fill in if filing a D-30 R	Return
Enter your business name	Sales and Use Tax Account Number
Mailing address (number, street and suite number if applicable)	
City State	Zip Code +4
Address of Class 2 <b>DC</b> Property (number, street and suite number if applicable) for which you are claiming the o	credit if different from above
City State	Zip Code +4
Certificate of Occupancy Permit Number	
If member of a Combined Group, Taxpayer Identification Number of Designated Agent	
<ul> <li>tax or the qualified rental retail location or the qualified owned retail location is tax.</li> <li>The credit equals the total Class 2 real property taxes paid by a qualified corporate</li> </ul>	
business for a qualified retail owned location during the taxable year not to expaid by a qualified corporation or qualified unincorporated business for a qual \$5,000.	ceed \$5,000; or 10% of the total rent
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# Instructions for Schedule SR Small Retailer Property Tax Relief Credit

For taxable years beginning after December 31, 2017, a qualified corporation, or qualified unincorporated business, may claim a credit against corporate or unincorporated business franchise tax as follows:

- (1) a tax credit equal to 10% of the total rent paid by the corporation/unincorporated business for a qualified rental retail location during the taxable year not to exceed \$5,000: or
- (2) a tax credit equal to the total Class 2 real property taxes paid by the qualified corporation/unincorporated qualified business for a qualified retail owned location during the taxable year not to exceed the lesser of the real property tax paid during the taxable year or \$5,000.

The credit in any one taxable year may exceed the qualified corporation/qualified unincorporated business's franchise tax liability, including any minimum tax due for that taxable year and is refundable to the qualified corporation/qualified unincorporated business claiming the credit.

The credit shall not apply if the qualified corporation/qualified unincorporated business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or qualified owned retail location is otherwise exempt from real property tax.

## Qualified Corporation/Qualified Unincorporated Business Defined

The term "qualified corporation" or "qualified unincorporated business" means a corporation or unincorporated business that: is engaged in the business of making sales at retail and files a sales tax return reflecting those sales; has less than \$2,500,000 in federal gross receipts or sales; and is current on all District tax filings and payments.

### **Qualified Retail Rental Location/Qualified Retail Owned Location Defined**

The term "qualified retail rental location" or "qualified retail owned location" means a building or part of a building in the District that during the taxable year is: a retail establishment the premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made; the primary place of the retail business of the qualified corporation/

qualified unincorporated business; leased or owned by the qualified corporation/qualified unincorporated business; classified, in whole or in part, as Class 2 Property as defined in DC Code §47-813; and has obtained a Certificate of Occupancy for commercial use.

#### **Tax-Exempt and Government Properties**

Businesses that lease a qualified retail rental location or own a qualified retail owned location that is exempt from real property taxation by the District (including government-owned buildings) are not eligible to claim this credit.

#### **Line Instructions**

**Line 1** Enter the total amount of federal gross receipts or sales. If you have federal gross receipts or sales of \$2.5 million or more you are ineligible to claim the credit.

**Line 2** If you are a tenant, enter the amount of rent paid on the qualified retail rental location in taxable year 2023.

Line 3 If you are an owner, enter the amount of Class 2 real property taxes paid on the qualified retail owned location in 2023, or, if you are a tenant, enter the amount of 10% of the rent paid on the qualified retail rental location in taxable year 2023.

**Line 4** The credit limit is \$5,000.

Line 5 Enter the smaller of Line 3 or Line 4 on Line 5. This is the amount of the credit that may be claimed. Enter the Line 5 amount on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.

**Line 6** For the qualified retail location, enter the Owner or Landlord's name, address and telephone number.

**Line 7** If the property is a qualified retail owned location, enter the Square number, Suffix number and Lot number for the property as it appears on your real property tax bill or assessment.

<u>Note:</u> In addition to other requirements as listed above, all businesses must have a sales and use tax account with OTR and file all required returns in order to qualify for this credit. The Schedule SR cannot be filed as a standalone return. It must be filed with Schedule UB and the D-20 Corporation Franchise Tax Return, or D-30 Unincorporated Franchise Tax Return, as applicable. A business with multiple locations in the District may claim the credit for only one property owned or leased.