



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

# 2017 FR-900A Employer/Payor Withholding Tax - Annual Return

**Secure - Accurate - Convenient ...**

DISTRICT OF COLUMBIA



ELECTRONIC TAXPAYER SERVICE CENTER

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# Instructions for FR-900A

(Rev. July 2017)

## Employer/Payor Withholding Tax – Annual Return

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### Future Developments

For the latest information about developments related to FR-900A and its instructions, after publishing, go to [www.mytax.dc.gov](http://www.mytax.dc.gov).

### What's New

**Dishonored Payments** Make sure your check or electronic payment will clear. You will be charged a \$65 fee if your check or electronic payment is not honored by your financial institution and returned to OTR.

### Reminders

Federal Employer Identification Number (FEIN) is required and is the only acceptable tax identification number beginning with tax year 2017. A Social Security Number (SSN) will no longer be allowed.

You are also required to file even when you submit your payment via ACH Credit.

The FR-900A has been revised in its entirety. Please review carefully before filing the annual withholding return.

There is an option to indicate a third party designee name and phone number.

Withholding Returns may be amended for all periods beginning after January 1, 2017.

If there is an overpayment situation, there are two options (1) credit carry forward and (2) send a refund. Select only one option. Failure to select an option or completing both options will result in credit carry forward. Refunds will be issued by paper check once approved.

If your tax professional, financial institution, payroll service, or other trusted third-party makes electronic payments on your behalf, ensure your payments are made by the 20<sup>th</sup> day of the month following the period being reported. Note that if your payment exceeds \$5,000 per period, you must pay electronically.

If you have a household employee, you must obtain a FEIN and report such withholding using the FR900A beginning January 1, 2017

FR-900B, Employer/Payor Withholding Tax Annual Reconciliation is eliminated.

Tax booklets will no longer be mailed. Instructions and further information may be obtained at [www.mytax.dc.gov](http://www.mytax.dc.gov).

Do not use the FR-900A to report backup withholding or income tax withholding on non-payroll payments such as pensions, annuities, and gambling winnings. Register and report these types of withholding on Form FR-900NP.

The FR-900P, Payment Voucher for Withholding Tax is available if you do not use an electronic payment method.

### General Instructions

Every employer who pays wages to a DC resident who withholds DC income tax must file a DC withholding tax return. You must file the FR-900A even if you withheld no tax or no payment is due unless you previously filed a final return.

You must be registered with the District of Columbia (DC) online using the FR-500, Combined Registration Application for Business DC Taxes/Fees/Assessments prior to filing a

FR-900A. If you are filing your tax return or paying the DC taxes electronically, a valid federal employer identification number (FEIN) is required at the time the return is filed or the payment is made. If a valid FEIN is not provided, or you are not registered with DC, the return or payment will not be processed. This may result in interest or penalties.

The Office of Tax and Revenue (OTR) expects you will continue to make your payments on an annual basis. Deposits are due by January 20<sup>th</sup> for the preceding calendar year. If a payment is required to be made on a day that is not a business day, the payment is considered to be timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday.

If you go out of business or stop paying wages to your employees during the year, you must file a final return at the time you cease business operations.

You are responsible for filing and submitting the withheld amounts on time. You may file using a computer-prepared or computer-generated substitute form, provided the form is approved in advance by OTR. If mailing the return with a payment, make the check or money order (US dollars) payable to the DC Treasurer. Write your FEIN, Withholding Account Number, FR-900A, and the tax year on the payment and submit with the FR-900P. If mailing a return send your return and/or payment to:

Office of Tax and Revenue  
PO Box 96385  
Washington, DC 20090-6385

You are responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action. Please

be sure your third party has your withholding account number in addition to your FEIN. This number must be used to ensure payments are properly applied to your account.

### **When Must You File?**

File your initial FR-900A for the year in which you first paid wages that are subject to DC income tax withholding. File the FR-900A only once for unless you are filing an amended return. If you file electronically, do not file a paper FR-900A. Your Form FR-900A is due by January 31.

### **How Should You Complete FR-900A?**

Type or print your FEIN, withholding account number, name and address in the spaces provided. Do not use a SSN or Individual taxpayer identification number (ITIN). Enter the Withholding Account Number. Enter the business legal name.

### **Federal Employer Identification Number**

**(FEIN).** Your business should have only one FEIN. If you do not have an FEIN, you may apply for and obtain one immediately online. Go to IRS.gov and enter "EIN" in the search box. If you are filing your tax return electronically, a valid FEIN is required at the time the return is filed. Always be sure the FEIN on the form you file exactly matches the FEIN the IRS assigned to our business.

**Withholding Account Number.** The account number must be the number that was provided by OTR when you registered. **Omission of the account number will cause delays in processing your return. Taxpayers are responsible for providing their assigned OTR account number to your tax professional, financial institution, payroll service, or other trusted third-party who is completing the withholding tax return.**

Indicate if you are filing an amended return.

### Specific Instructions:

1. Enter the DC income tax withheld this year. Do not enter dollar signs and decimal points. Enter dollars to the left of the pre-printed decimal point and cents to the right of it. If you were not required to withhold, enter 0.
2. Enter the total payments for the year. Enter dollars to the left of the pre-printed decimal point and cents to the right of it. If you were not required to withhold, enter 0.
3. Balance Due. If Line 1 is greater than Line 2, subtract Line 2 from Line 1. **DO NOT MAKE AN ENTRY ON BOTH LINES 3 AND 4.** You may pay the amount on Line 3 by EFT, credit card, debit card, check/money order (US dollars). For ACH credit, follow the DC EFT guide available on the website.
4. Overpayment. If Line 2 is greater than Line 1, subtract Line 1 from Line 2. If your payments are more than the amount for the year, you can choose to have DC apply it to your next return or issue a refund. Check only one box. If you do not check either box or if you check both boxes, we will apply the overpayment to any past due tax account that is shown on your record or apply it to the next period. We will not split an overpayment into both a credit and a refund.

### Sign Here

Complete all information in Part 3 and sign FR-900A. A paid preparer must sign FR-900A and provide the information in the Paid Preparer section if the preparer is not an employee of the

filing entity. The preparer must give you a copy of the return. If you are a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided.

### Third-party Designee

If you want to allow an employee, a paid tax preparer, or another person to discuss your FR-900A with DC, check the 'yes' box. Enter the name and phone number of the specific person to speak with – not the name of the firm that prepared your tax return. By checking 'yes' you authorize DC to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to do all of the following:

- Give us any information that is missing from your return.
- Call us for information about processing your return.
- Respond to certain DC notices that you have shared with your designee about math errors and return preparation. DC will not send notices to your designee.

You are not authorizing your designee to bind you to anything (including additional tax liability) or to otherwise represent you before DC. The authorization will automatically expire one (1) year from the due date for filing your FR-900A. If you or your designee want to terminate the authorization, write to the DC Office of Tax and Revenue.

### Penalties and Interest

OTR will charge:

- A penalty of 5% per month if you fail to file a return or pay any tax due on time. It is computed on the unpaid tax for each month or fraction of a month, that the return is not filed or the tax is not paid. It may not exceed an additional amount equal to 25% of the tax due;

- A 20% penalty on the portion of an underpayment of taxes if attributable to negligence. Negligence is failure to make a reasonable attempt to comply with the law or to exercise ordinary and reasonable care in preparing tax returns without the intent to defraud. One indication of negligence is failure to keep adequate books and records;
- Interest of 10% per year, compounded daily, on a late payment;
- A one-time fee to cover internal collection efforts on any unpaid balance. The collection fee assessed is 10% of the tax balance due after 90 days. Payments received by the OTR on accounts are first applied to the collection fee, then to penalty, interest and tax owed;
- A civil fraud penalty of 75% of the underpayment which is attributable to fraud (see DC Official Code §47-4212).

### **Criminal Penalties**

You will be penalized under the criminal provisions of the DC Official Code, Title 47 and any other applicable penalties, if you are required to file a return or report, or perform any act and you:

- Fail to file the return or report timely. If convicted, you will be fined not more than \$1,000 or imprisoned for not more than 180 days, or both, for each failure or neglect;
- Willfully fail to file the return or report timely. If convicted, you will be fined not more than \$1,000 or imprisoned for not more than 180 days, or both;
- Willfully attempt to evade or defeat a tax; willfully fail to collect, account for, or pay a tax or willfully make fraudulent or false statements.

Corporate officers may be held personally liable for the payment of taxes owed to DC.

### **Enforcement actions**

The OTR may use lien, levy, seizure, collection agencies and liability offset if a taxpayer fails to pay the District within 20 days after receiving a

Notice of Tax Due and a demand for payment. Visit [www.mytax.dc.gov](http://www.mytax.dc.gov).

### **Other DC Forms, Notices and Publication You May Need**

- FR-230, Income Tax Withholding Instructions and Tables
- D-4, Employee Withholding Allowance Certificate
- D-4A, Certificate of Non-residence in DC
- FR-900NP, Annual Return for Withholding Reported on Forms 1099 and W-2G
- FR-900Q, Employer/Payor Withholding Tax – Quarterly Return
- FR-900P, Payment Voucher for Withholding Tax
- Electronic W-2 Filing
- WT, Transmittal for Paper Forms W2/1099