

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



June 6, 2022

OTR TAX NOTICE 2022 - 06

COVID-19 FRANCHISE TAX NEXUS

On March 11, 2020, the Mayor of the District of Columbia declared a public emergency and a public health emergency caused by the coronavirus (COVID-19). *See* [Mayor's Order 2020-045](#) dated March 11, 2020, and [Mayor's Order 2020-46](#) dated March 11, 2020. As a result, the Office of Tax and Revenue subsequently issued [Office of Tax and Revenue Tax Notice 2020-05](#) indicating that it would not seek to impose corporation franchise tax or unincorporated business franchise tax nexus solely on the basis of employees or property used to allow employees to work from home during the declared public emergency and the public health emergency, and for a subsequent 90 days after the end of the emergency. The Office of Tax and Revenue subsequently issued [Office of Tax and Revenue Tax Notice 2020-07](#) clarifying that the presence of employees under the conditions set forth in Office of Tax and Revenue Tax Notice 2020-05 would not cause a business to lose the protections of Public Law 86-272.

The Mayor subsequently extended the declaration of the public emergency and the public health emergency several times, most recently through [Mayor's Order 2022-043](#) dated March 17, 2022, which extended the public emergency through April 16, 2022. The Mayor has not further extended the declaration of the public emergency and the public health emergency and, as a result, there has been no declared public emergency and the public health emergency in the District as of April 17, 2022. Accordingly, the relief set forth in Office of Tax and Revenue Tax Notice 2020-05 and Office of Tax and Revenue Tax Notice 2020-07 regarding corporation franchise tax or unincorporated business franchise tax nexus expires on July 16, 2022.

For additional information, please contact OTR's Customer Service Center at e-services.otr@dc.gov or (202) 759-1946.