



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

2005 FR-1500 Ballpark Fee Instructions

Secure - Accurate - Convenient ...



**File Your Ballpark
Fee Return
Electronically Today!
www.cfo.dc.gov/otr**

- **This return must be filed electronically. This document is to provide instructions only.**

Who Must File?

Except as provided below, any person that derived at least \$5 million in annual District gross receipts and who was subject to any of the following at any given point during that person's most recent calendar or fiscal year ending on or before June 15, 2005 must pay the Ballpark Fee:

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

Tax-Exempt Organizations

An entity granted exemption from the DC Franchise Tax 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.

How and when should you file?

All Ballpark Fee returns must be filed electronically through the electronic Taxpayer Service Center (eTSC). If you have not registered for eTSC, see <https://www.taxpayerservicecenter.com/GetStarted.jsp> or call (202) 727-4TAX(4829) . The table below will help you accurately calculate your Ballpark Fee. The eTSC application for the Ballpark fee will walk you through the calculation.

Due Date

Each person or entity subject to the Ballpark Fee must file and pay on or before June 15th each year.

What are your payment options?

All payments must be made electronically. Payment options are listed on line.

How can you avoid penalties and interest?

To avoid penalties and interest, file and pay your fee on time

OTR will charge a 5 percent per-month penalty for failure to file a return or pay any fee due on time. The penalty is calculated on the unpaid fee for each month or part of a month that the return is not filed or the fee is not paid. The maximum penalty is an additional amount equal to 25 percent of the fee due.

You will be charged interest of 10 percent per year, compounded daily, on any fee and any additional fee you owe that is not paid on time. Interest is calculated from the due date of the return to the date when the fee is paid.

Enforcement

Any person or entity required to file and pay the Ballpark Fee who fails to do so is subject to enforcement actions under section 47-2763 of the District Code.

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

Specific Instructions

Tax Year

If you report income on a *calendar* year basis, enter the 12 and the year. If you report income on a *fiscal* year basis, enter the month e.g. "01" through "11", and the year.

Identification Number

Enter your federal employer identification number or your social security number in the area provided.

Annual District Gross Receipts

Annual District gross receipts means all income derived from any activity whatsoever from sources within the District, whether or not such income was paid in the District, and prior to the deduction of any expenses connected with the production of that income. However, "annual District gross receipts" shall not include that income derived from an ownership or beneficial interest in another feepayer if such income was used to calculate the Ballpark Fee paid by that other feepayer. Income derived from an ownership or beneficial interest in another feepayer includes only dividend distributions from corporations or distributive or pro rata shares from pass-through entities such as partnerships, subchapter S corporations, or LLC's taxed as partnerships. Beginning with the Ballpark Fee that is required to be paid in fiscal year 2005 and thereafter, the calculation of the income shall not include the collection of Federal or local taxes on motor vehicle fuel.

If you file a Form D-20 or D-30, use Worksheet B. If you do not file a D-20 or D-30, use the Worksheet that applies to your filing situation.

DC Apportionment Factor

The DC apportionment factor is the Sales Factor on page 4, Schedule F, Line 3, Column 3 of the D-20 or D-30 return. If you are unable to determine your DC Gross Receipts because you are not required to file either a D-20 or D-30, apportion your business income to DC using the DC apportionment factor and allocate non-business income to DC using the rules in D.C. Official Code § 47-1810.02(c). If the apportionment factor does not accurately reflect the annual DC Gross Receipts of your business, you may apply another apportionment factor which does clearly and accurately reflect your operation's annual DC Gross Receipts. For example, a partnership or sole proprietor may apply an apportionment factor against gross receipts of billable hours from within the District over billable hours from everywhere. A tax-exempt entity required to pay the Ballpark Fee based on unrelated business income, may apply an apportionment factor of unrelated business income from DC sources over unrelated business income from everywhere. If you generate annual DC gross receipts exclusively within DC enter 1 on the apportionment factor line in the worksheet.



Worksheet A – Trust or Estate

If you are a trust or estate subject to the DC Unemployment Compensation Act, but not subject to the DC Franchise Tax, calculate the DC Gross Receipts amount by entering information from certain Federal Forms as follows:

- a. Amount from Line 9, Federal Form 1041 (Federal Estates and Trusts Returns)
- b. Cost or other basis of property sold for which gain/loss is reported on Lines 4 and 7, Federal Form 1041
- c. Cost of goods sold, Line 4 of Schedule C, Federal Form 1040
- d. Cost or other basis of livestock and other items, Line 2 of Schedule F (Profit or Loss from Farming), Federal Form 1040
- e. Total Gross Receipts (add lines a. through d.)
- f. Income from sources outside DC
- g. DC Gross Receipts (subtract line f. from line e.)

Worksheet B – Corporate or Unincorporated Business

If you are a corporate or unincorporated business, or an exempt organization and subject to the DC Franchise Tax, calculate the DC Gross Receipts amount by entering the information from Forms D-20 or D-30 as follows:

- a. Amount from Line 10
- b. Cost of goods sold, if any, Line 2
- c. Cost or other basis of property sold for which gain/loss is reported on Lines 8(a) and 8(b)
- d. Total Gross Receipts (add lines a., b. and c.)
- e. DC Apportionment Factor (see Specific Instructions)
- f. Gross Receipts apportioned to DC (multiply line d. by line e.)
- g. Non-business income allocated or sourced to DC
- h. DC Gross Receipts (add lines f. and g.)

Worksheet C – Partnership

If you are a partnership, or an entity treated as a partnership for Federal income tax purposes, and subject to the DC Unemployment Compensation Act, but not subject to the DC Franchise Tax, calculate the DC Gross Receipts amount by entering information from the following sources:

- a. Amount from Line 8, Federal Form 1065 (Federal Partnership Return)
- b. Cost of goods sold, Line 2, Federal Form 1065
- c. Cost or other basis of property sold for which a gain/loss is reported on Line 6, DC Form D-65
- d. Cost or other basis of livestock and other items, Line 2 of Schedule F (Profit or Loss from Farming), Federal Form 1040
- e. Total Gross Receipts (add lines a. through d.)
- f. DC Apportionment Factor (see Specific Instructions)
- g. DC Gross Receipts (multiple line e. by line f.)

NOTE : If you cannot determine the DC Gross Receipts amount by using the appropriate apportionment factor (see Specific Instructions, DC Apportionment Factor), you may use either:

- The ratio of gross receipts from DC sources as the numerator over gross receipts from everywhere as the denominator, or;
- You may use interest, dividends, or other income originating from DC sources; income from services rendered in the District based on cost of performance; gross receipts from sales in DC, merchandise, food, or other items; and gross receipts from sales of assets located in the District as the numerator over gross receipts from everywhere as the denominator.