

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



OTR TAX NOTICE 2008-05

The Omnibus Ballpark Financing and Revenue Act of 2004 ("Act") delegates to the Office of Tax and Revenue ("OTR") authority to issue regulations necessary and appropriate to carry out the tax provisions of the Act including regulations on electronic filing. OTR did publish in the D.C. Register on May 9, 2008, proposed regulations governing the imposition and collection of Ballpark Sales Taxes at the new Nationals Ballpark ("Ballpark").

OTR Notice 2005-01 previously required vendors who made sales at Robert F. Kennedy Memorial Stadium ("RFK") subject to Ballpark Sales Taxes to report and pay those taxes electronically. However, there are some differences in both the statutory requirements for events at the new Ballpark and those at RFK as well as in the responsibility for contracting services at the new Ballpark that expand what sales are subject to the Ballpark Sales Taxes.

The following sales are subject to Ballpark Sales Taxes:

- (1) a 10% Ballpark Sales Tax on tickets for all non-exempt public events taking place at the Ballpark during 2008 and thereafter, regardless of when collected. By contrast, at RFK the tax applied just on tickets for professional baseball games and baseball-related events and exhibitions;
- (2) a 12% Ballpark Sales Tax on parking that reasonably relates to all baseball games or baseball-related events or exhibitions (whether amateur or professional) performed on or after March 30, 2008, at the Ballpark. By contrast, at RFK this tax was just on parking that reasonably related to professional baseball games and professional baseball-related events or exhibitions ("Professional Baseball Times") at RFK;
- (3) a 10% Ballpark Sales Tax on certain food, drink, and alcoholic beverages sold on or after March 30, 2008, for consumption at the Ballpark during such times as reasonably relate to all baseball games or baseball-related events or exhibitions (whether amateur or professional) performed at the Ballpark ("Baseball Times"). By contrast, at RFK this tax was just on such items sold during Professional Baseball Times.
- (4) a 10% Ballpark Sales Tax on otherwise taxable, non-parking services (which now include certain telephone, repair, and real property maintenance and landscaping services) performed on or after March 30, 2008, at the Ballpark during Baseball Times; and
- (5) a 10% Ballpark Sales Tax on sales on or after March 30, 2008 of tangible personal property (other than food, drink, and alcoholic beverages) at the Ballpark during Baseball Times which may now include commodities, such as electricity, natural gas, and heating oil in addition to

souvenirs. By contrast, at RFK the tax principally applied just to souvenirs sold during Professional Baseball Times.

The purpose of this notice is to announce that OTR will continue to require all vendors, regardless of the amount due for a filing period, that have made any sales subject to Ballpark Sales Taxes during the preceding calendar month, to (a) file monthly sales tax returns electronically on a Form FR-800SM, and (b) pay electronically the Ballpark Sales Taxes on the gross receipts from those sales in accordance with instructions contained in this notice and any later notices published on OTR's website. See D.C. Official Code §§ 47-2015, 2016.

Therefore, for any vendor that has made any of the sales described above, the regulations will require the vendor to file electronically beginning with their monthly Ballpark Sales Tax returns due on April 20, 2008 for the above listed sales taxes collected in March. This requirement applies to any such vendor, whether located in the District or outside the District. Please note that even if you are currently registered for other taxes with OTR and registered for electronic filing and payment, you will need to set up a separate account for any sales subject to Ballpark Sales Taxes that you will make.

If a vendor is obligated to collect other sales taxes in addition to Ballpark Sales Taxes that vendor should report and pay over those non-Ballpark Sales Taxes on a Form FR-800M that is separate from the return on which the Ballpark Sales Taxes are reported.

In order to register to file and pay Ballpark Sales Taxes electronically, a business must first 1) have a valid Federal Tax Identification Number, and 2) file a completely executed FR-500, Combined Business Tax Registration Form. A vendor can download this form in PDF format from OTR's Taxpayer Service Center at www.cfo.dc.gov. The vendor must submit this completed form to OTR's Customer Service Administration, 941 North Capitol Street, N.E., Washington, D.C. 20002. When submitting the FR-500, please write on the top of the form in large red block letters, "Ballpark Sales Tax." Duly-registered businesses that are required to file and pay Ballpark Sales Tax by either ACH Credit or ACH Debit must first register for Electronic Taxpayer Service Center (eTSC) access by mailing (or faxing - 202-442-6388) the eTSC registration form available for download from the OTR web site at <http://www.taxpayerservicecenter.com/GetStarted>.

Failure to file and pay electronically will subject the taxpayer to appropriate penalties established under Title 47 of the District Code.

eTSC Registration Instructions

In order to register to file and pay Ballpark Sales Tax electronically, a taxpayer must:

1. Have a valid federal tax identification number;
2. Have filed a completely executed FR-500 Combined Business Tax Registration Form, available in PDF format on OTR's Web site at www.taxpayerservicecenter.com under "Tax Forms/Publications." (Note: If you have previously executed a FR-500, you do not need to file for this form a second time).

3. Have completed an Electronic Taxpayer Service Center (eTSC) registration form, which is available at <https://www.taxpayerservicecenter.com/GetStarted.jsp>

The eTSC provides taxpayers 24-hour online access to view their accounts, file monthly Specialized Sales Tax returns form FR-800SM, and make online ACH debit, credit card, ACH credit, and E-Check payments:

1. After OTR completes your eTSC registration, OTR will send a user ID and password via e-mail to each of your authorized users. Use your user ID and password to log in to the eTSC site at <https://www.taxpayerservicecenter.com/Logon.jsp>. From the account summary page, click on “File Specialized Sales Monthly Return” in the eTSC services window on the left-hand side of the page to file your Ballpark Sales tax return.
2. To view your account summary, click on the gray “Specialized Sales” tab in the Account Summary window.
3. Follow the online filing process. Simply enter your ballpark fee data on the appropriate line, and the eTSC will perform the necessary calculations.
4. Once you have completed your return, you will receive a confirmation number. Please keep this number for your records.
5. You will see ACH debit, E-Check, credit card and ACH Credit payment options at the bottom of the confirmation screen.
6. If you choose to pay by ACH debit, E-Check, or credit card, follow the steps to authorize the payment. You will receive a separate confirmation number for your payment.
7. To pay by ACH credit, transmit your payment in accordance with specifications contained in the “ACH Credit Guide” available at <https://www.taxpayerservicecenter.com/GetStarted.jsp>.

Duly registered taxpayers are required to file and pay the Ballpark Sales Tax by ACH credit, ACH debit, credit card, or E-Check. Failure to file and pay electronically will subject the taxpayer to the appropriate penalties established under Title 47 of the D.C. Official Code for the collection of taxes.

For additional information or substantive legal questions regarding this filing requirement, please contact William Bowie, OTR Assistant General Counsel, at (202) 442-6512. For additional questions regarding electronic filing requirements, please contact Sonja Peterson-Thornberg, the Electronic Filing Program Coordinator, at (202)-442-6392.