



# The More You Know

Government of the District of Columbia  
Office of the Chief Financial Officer  
1101 4<sup>th</sup> ST SW, Washington, DC 20024

**Office of Tax and Revenue**  
**Audit Division**  
**Tax Practitioner Seminar**  
**January 2021**



# Exemptions

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## FR164 Exemption

*Jada Hayes*

Tax Auditor,

Office of Tax and Revenue (OTR)



# FR164 Application for Exemption

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3 common accounts included in the Request via Tax Portal

- Income and Franchise Tax (250-xxxxxxxx)
- Sales and Use Tax (350-xxxxxxxx)
- Personal Property Tax (400-xxxxxxxx)



# Federal Exemption Status Documentation Requirements

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- IRS Determination Letter
- IRS Affirmation Letter
- Electronic Organization Select Check (EOS)
- Some Not For Profits are established by Acts of Congress

\*Example: NCAA



# Incorporation Status

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## Categorized by Entity Corporation Status by DCRA

1. Domestic: Incorporated in the District
2. Foreign: Incorporated outside the District



# Incorporation Status Documentation Requirements

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- DCRA Certificate of Registration or Authority for an entity incorporated outside the District
- DCRA Certificate of Incorporation for an entity incorporated in the District
- DCRA Certificate of Good Standing for both types of entity incorporation status



# DCRA Certificate of Registration

Initial File #: \*\*\*Redacted\*\*\*

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
CORPORATIONS DIVISION



## CERTIFICATE

**THIS IS TO CERTIFY** that all applicable provisions of the District of Columbia Business Organizations Code have been complied with and accordingly, this **CERTIFICATE OF REGISTRATION** is hereby issued to:

\*\*\*Redacted\*\*\*

**Effective Date:** 6/1/2016

**IN WITNESS WHEREOF I** have hereunto set my hand and caused the seal of this office to be affixed as of 6/14/2016 9:52 AM



Muriel Bowser  
Mayor

Tracking #: \*\*\*Redacted\*\*\*

Business and Professional Licensing Administration

PATRICIA E. GRAYS  
Superintendent of Corporations  
Corporations Division



# Physical Presence Status

- Entity office where Operations of business are conducted in the District





# Physical Presence Documentation Requirements

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- Active Lease
- Occupation Permit (COO or HOP issued by DCRA)
- Payments for 6 months to Landlord/Lessor



# DCRA Certificate of Occupancy



Government of the District of Columbia  
 Department of Consumer and Regulatory Affairs  
 1100 4th Street SW  
 Washington DC 20024  
 (202) 442 - 4400  
 dcra.dc.gov



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oF  
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## CERTIFICATE OF OCCUPANCY

**PERMIT NO. CO1801220** Issued Date: **01/22/2018**

Address: <b>1509 A ST SE</b>	Zone: RF-1	Ward: 6	Square: 1072	Suffix:	Lot: 0029
Description of Occupancy: TWO FAMILY FLAT					
Permission Is Hereby Granted To: <b>1509 A STREET SE LLC</b>	Trading As: <b>NA</b>	Floor(s) Occupied <b>Basement, 1st &amp; 2nd floors</b>	Occupant Load: <b>2</b> No. of Seats		
Property Owner: <b>1509 A STREET SE LLC</b>	Address: <b>1509 A STREET SE WASHINGTON, DC 20003</b>	BZA/PUD Number:	Occupied Sq. Footage: <b>2244</b>		
Building Permit Number (if applicable)	Type of Application: <b>New Building-Establish Initial Occupancy</b>	Approved Building Code Use <b>Other (Specify):</b> Approved Zoning Code Use <b>Flat [ two-family dwelling]</b> Approved Zoning General Use <b>Residential</b>			
<p><b>Conditions/ Restrictions:</b></p> <p><small>THIS CERTIFICATE MUST ALWAYS BE CONSPICUOUSLY DISPLAYED AT THE ADDRESS MAIN ENTRANCE, EXCEPT PLACES OF RELIGIOUS ASSEMBLY. Use complies w DCMR Title 11 (Zoning) and Title 12 (Construction).</small></p> <p><small>As a condition precedent to the issuance of this Certificate, the owner agrees to conform with all conditions set forth herein, and to maintain the use authorized hereby in accordance with the approved application and plans on file with the District Government and in accordance with all applicable laws and regulations of the District of Columbia. The District of Columbia has the right to enter upon the property and to inspect all spaces whose use is authorized by this Certificate and to require any changes which may be necessary to ensure compliance with all the applicable regulations of the District of Columbia.</small></p>					
Director: Melinda Bolling	Permit Clerk: <i>Melinda Bolling</i> <b>Lawrence Obie</b>	Expiration Date:			
1/22/2018 TO REPORT WASTE, FRAUD OR ABUSE BY ANY DC GOVERNMENT OFFICIAL, CALL THE DC INSPECTOR GENERAL AT 1-800-521-1539					







# Additional Physical Presence Documentation Requirements

- MITS Account Address must correspond to documentation submitted where Entity reports business operations are conducted
- MITS Account Address issues arise when Entity operates in multiple jurisdictions without documenting the District address in MITS



# Additional DCRA Entity Status Documentation

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- DCRA Certificate of Amended Registration
- DCRA Certificate of Reinstatement



# Federal Documentation Status created with TP FR164 Application

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- Many of one of the most common IRS Exemption Status types, 501 (c) (3), have a hyperlink with the Application
  1. Entity IRS Status is reported by IRS via a hyperlink
  2. Permits the entity's Application to have a verified Federal Exemption Status without updated documentation from the entity



## FR164 Application for Exemption Customer Case\_\_Confirmation Number

- Entity requests an Application for Exemption for one or multiple accounts via the Tax Portal
- When the request is completed, the system produces a confirmation number that identifies the Entity's request via the Taxpayer side of the Portal
- The request is Processed by OTR and the confirmation number is associated with a Customer Case Number



# FR164 Application for Exemption Customer Case\_\_Case Number

- The Case Number is assigned to the Audit Staff by the Audit Division Manager by,
  1. Direct Case Assignment: adding the Case to the Auditor's Work Queue
  2. General Case Assignment: adding the Case to a Work Queue accessed by Audit Staff by the MITS  
Inventory Work Queue Command: Get Next Task



# Common Reasons for Denials

1. Failure to attach requested documents
2. Attaching outdated, revoked, or expired certificates
3. Attaching proof of location that differs from address on file
4. Failure to attach name change documents and or update name registration
5. Exempt org submitted a DCRA Business License for a DCRA Certificate of Registration
6. Exempt org submitted an OTR Certificate of Registration for a DCRA Certificate of Registration





# Denial Next Steps

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1. A denial letter will be sent out for each tax-type that was applied for.
2. The letter will detail the reason for the denial and contact information of the auditor.
3. Applicants must reapply and attach and or correct the reason(s) for the initial denial.



# Changes & Updates

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- All applications for exemptions (FR-164) are processed via MyTax.DC.gov.
- Paper FR-164 forms are no longer accepted via fax, mail-ins, drop-offs.
- Applicants now have the option to apply for one or all exemptions on the same application.



# Contact Us

## Tax Exemption Unit

- James Lesane - [James.Lesane@dc.gov](mailto:James.Lesane@dc.gov); 202-442-6623
- Vincent Mbanefo - [Vincent.Mbanefo@dc.gov](mailto:Vincent.Mbanefo@dc.gov); 202-442-6583
- Priscilla Wicker - [Priscilla.Wicker@dc.gov](mailto:Priscilla.Wicker@dc.gov); 202-442-8288
- Jada Hayes- [Jada.Hayes@dc.gov](mailto:Jada.Hayes@dc.gov); 202-442-6622

## E-Services Unit

- 202-759-1946
- [e-services.otr@dc.gov](mailto:e-services.otr@dc.gov)



# Questions

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Q & A