

# 2020

# D-20

**District of Columbia (DC)  
Corporation Franchise Tax  
Forms and Instructions**

**MyTax.DC.gov**



**Simpler. Faster. Safer.**

- **Any payment that exceeds \$5,000 per period must be paid electronically.**
- **Make tax payments electronically with ACH Debit, ACH Credit and Credit Card. If electronic payments are made using ACH Credit, please visit [MyTax.DC.gov](https://mytax.dc.gov) for instructions in the Electronic Funds Transfer (EFT) guide.**
- **When making a payment with your D-20 please use the voucher (D-20P) that is provided.**

## What's New:

- **Filing Deadline** - For Tax Year 2020 the filing deadline will be Thursday, April 15, 2021. The filing deadline for fiscal year filers is the 15th day of the 4th month following the close of your fiscal year.
- **District of Columbia Opportunity Zone Tax Benefits** are now available to an entity investing in a DC Qualified Opportunity Fund. See instructions, page 15.
- **Schedule QCGI** - has been removed. The reduced 3% tax rate on a capital gain from the sale or exchange of an investment in a QHTC is suspended for tax years 2020-2024.
- **QHTC Exemption and Credits Schedule** has been removed. The 15 million dollar exemption from tax and the 6% tax rate on Qualified High Technology Companies have been repealed. QHTCs are now taxed at the regular franchise tax rate of 8.25%.
- **Schedule K - Disregarded Entities.** A new Schedule has been added to page 6 of the D-20 return to report the name and TIN of disregarded entities whose income is included in the return.
- **The signature section** of the D-20 Return has been moved to page 2 of the return.
- **Email Address** - A line for email address has been added to the signature section of the return.
- **NOL** - The line for net operating loss deduction for years before 2000 has been removed from the return as not applicable.

## Reminders:

- **General Instructions** - Failure to use the business or trade name that you used when registering with the DC Office of Tax and Revenue will cause processing delays with returns and/or payments.
- **Modernized e-File (MEF)** Corporation Franchise taxpayers are encouraged to e-file the D-20 return through MEF.
- **Business Registration Policy** - The Office of Tax and Revenue (OTR) no longer automatically registers businesses for Corporation or Unincorporated Franchise Tax from the D-20 or D-30 tax returns. All new entities starting business operations or promoting/vending at special events in DC MUST register at [MyTax.DC.gov](https://mytax.dc.gov) using the business registration process by completing the online FR-500 for business income (Corporation or Unincorporated Franchise, Sales and Use, Withholding Wage, Withholding Non-Wage), or FR-500B for Special Event Promoters and/or Vendors.
- **Small Retailer Property Tax Relief Credit** - A refundable tax credit is available for businesses that have less than \$2.5 million in federal gross receipts or sales. See Schedule SR and instructions included in this booklet for more details.

## Contents

Who must file a Form D-20?	4
Which other DC forms or schedules may corporations need to file?	5
When are your taxes due?	5
Filing your return	6
Payment options	6
Penalties and interest	6
Explanation of terms	8
Specific instructions for the 2020 Form D-20	9
Corporation Franchise Tax Return	17
Schedule UB Business Credits	23
Schedule SR Small Retailer Property Tax Relief Credit	25
Combined Group Members' Schedule	27
Worldwide Combined Reporting Election Form	29
Form D-20CR QHTC Corporate Business Tax Credits	31
D-2220 Underpayment of Estimated Franchise Tax by Businesses	49
Form D-20P Payment Voucher	51
Form FR-120 Extension of Time to File a DC Corporation Franchise Tax Return	53
Form D-20 NOL Net Operating Loss Deduction for Tax Years 2000 to 2017	55
Form D-20 NOL Net Operating Loss Deduction for Tax Years 2018 and Later	57
15 Day Notice of Bulk Sale Requirement	59
Need assistance?	<b>Back Cover</b>

Note: At the time this tax package went to print, line references to federal tax forms were correct.

## Instructions for the D-20

### Who must file a Form D-20?

Generally, every corporation or financial institution must file a Form D-20 (including small businesses, professional corporations, and S corporations) if it is carrying on or engaging in any trade, business, or commercial activity in the District of Columbia (DC) or receiving income from DC sources.

If you perform services in DC for subsidiary corporations, you are carrying on a trade or business.

A corporation that engages an independent agent or a representative who solicits orders in DC for more than one principal and who holds himself/herself out as such must file a DC Form D-20.

Income from sales of tangible personal property or services to the US Government is treated as income from a DC source unless the:

- Corporation's principal place of business is outside DC;
- Property is delivered from outside DC; and
- Property is for use outside DC.

For District tax purposes, an S corporation is a C corporation. Therefore, it must file Form D-20 and prepare all applicable schedules on the D-20. The fact that an S corporation does not have similar schedules on the federal form should not be considered as a relief for an S corporation from completing the schedules on the D-20.

You might not have to file a Form D-20 if the corporation has been granted an exemption by the DC Office of Tax and Revenue (OTR). If you are an exempt organization with unrelated business income, as defined in the Internal Revenue Code (IRC) §512, you must file a Form D-20, by the 15th day of the fifth month after the end of your tax year. You are required to pay at least the minimum tax even if your tax is less than the minimum tax.

### Minimum Tax

The minimum tax is \$250 if DC gross receipts are \$1M or less. Minimum tax is \$1,000 if DC gross receipts are greater than \$1M. DC gross receipts for purposes of minimum tax includes District gross receipts that are derived from any activity such as sales, rents, services, commissions, etc., from any source within the District. Gross receipts are determined without deduction of any expenses.

**Note:** Each member of a combined group must use the Minimum Tax Liability Gross Receipts (MTLGR) worksheet for the purposes of determining a minimum tax liability of a member whose computed tax is less than the minimum tax.

See Minimum Tax Liability Gross Receipts Worksheet (MTLGR) below. You must complete Schedule F even if your operation is 100% in the District.

### Minimum Tax Liability Gross Receipts (MTLGR) Worksheet

**DC gross receipts for minimum tax due and only for minimum tax due is computed as follows:**

1	Amount from numerator of DC sales apportionment factor from Schedule F, Line 1, Column 2 of D-20 or D-30. Financial institutions must use amount on Schedule F, Line 2, Column 2 of D-20.	1 \$	
2	Add the adjusted basis of any property sold for which the gain is included in Line 1.	2 \$	
3	Add Non-Business income allocated to DC reported per D-20, Line 33 or D-30, Line 30.	3 \$	
4	<b>Total DC Gross Receipts</b> (Add Lines 1, 2 and 3)	4 \$	

### Minimum Tax

*The minimum tax is \$250.00 if the amount on Line 4 above is \$1,000,000 or less.*

*The minimum tax is \$1,000.00 if the amount on Line 4 above is greater than \$1,000,000.*

## **Which other DC forms or Schedules may corporations need to file?**

To download DC tax forms, visit [MyTax.DC.gov](http://MyTax.DC.gov).

### **Business Non-Refundable and Refundable Credits, Schedule UB**

The various non-refundable and refundable credits available to businesses have been consolidated on Schedule UB. The total non-refundable credits from Schedule UB, Line 9 are reported on Line 38 of the D-20. The total refundable credits from Schedule UB, Line 12 are reported on Line 41(d).

### **FR-120, Extension of Time to File a DC Corporation Franchise Tax Return**

You may request an extension of time to file your return by filing DC Form FR-120 (copy included in this booklet) no later than the return due date. An extension of time to file is not an extension of time to pay. You must pay any tax liability with the extension request, otherwise the request will be denied and you may be subject to penalties for failure to file or failure to pay. Do not use the federal extension form for DC tax purposes. For combined report filers, the designated agent shall file.

### **D-20ES, Declaration of Estimated Franchise Tax for Corporations**

A corporation must file a declaration of estimated franchise tax if it expects its DC franchise tax liability to exceed \$1000 for the taxable year. See the Form D-20ES and the Declaration of Estimated Franchise Tax for Corporations booklet for payment vouchers and details. You will automatically be assessed interest for any underpayment of DC estimated tax.

**Note:** Electronic payment required. If the amount of the payment due for a period exceeds \$5,000, you must pay electronically. Visit [MyTax.DC.gov](http://MyTax.DC.gov).

### **D-2220 Underpayment of Estimated Franchise Tax By Businesses**

You will be charged interest of 10 percent per year, compounded daily, on underpayments of estimated franchise tax installment payments. The charge is computed from the installment payment due date to the date the tax is paid. It is in addition to the penalty imposed for false statements. Interest will be assessed automatically by OTR's integrated tax system. For additional information, see Form D-2220, Underpayment of Estimated Franchise Tax by Businesses. Attach a completed Form D-2220 with your D-20.

### **FR-399 Qualified High Technology Companies (QHTC)**

The laws regarding QHTCs have changed substantially for TY 2020. For tax years beginning January 1, 2020, the 6% QHTC tax rate, and the 15 million dollar franchise tax exemption for QHTCs have been repealed. QHTCs are now taxed at the normal business franchise tax rate. In addition, the IRC §179 depreciation deduction is now limited to the lesser of \$25,000 or the actual cost of personal property. Beginning July 1, 2021, the personal property tax exemption for QHTCs has been repealed.

The definition of a QHTC has been changed to require at least 10 qualified employees in the District instead of 2. If you are a Qualified High Technology Company (QHTC), you may still be eligible for tax benefits such as tax credits for hiring and costs of retraining certain employees. If you are a QHTC, fill in the QHTC oval on page 1 of the D-20, attach the Certification of Gross Revenue Worksheet from the FR-399 to the D-20. If you are seeking wage and retraining tax credits, file the D-20CR. Complete the QHTC self-certification online

at [MyTax.DC.gov](http://MyTax.DC.gov). A QHTC cannot be a member of a combined group and a QHTC cannot be located in the DC Ballpark TIF area. For other forms, credit worksheets, and further details, see the online Publication FR-399, and DC Code §47-1817.01, et seq.

### **FR-1500 Ballpark Fee**

If you have \$5 million or more in annual DC Gross Receipts, you must file and pay the ballpark fee, with Form FR-1500, electronically. For details, visit [MyTax.DC.gov](http://MyTax.DC.gov), click on 'Business Tax Service Center', and then click on 'Ballpark-Related Fees and Taxes'. Note: Each member of a combined group is responsible for filing and paying its own ballpark fee.

### **Combined Reporting**

The District of Columbia no longer permits consolidated filing for tax years beginning after December 31, 2010. For tax years beginning after December 31, 2010, a corporation or unincorporated business entity subject to tax in the District of Columbia, engaged in a unitary business with one or more corporations or unincorporated business entities, is required to file a combined report pursuant to DC Official Code §47-1805.02a.

Combined reporting is a tax reporting method where all of the members of a unitary group are required to determine their net income based on the activities of the unitary group as a whole. Unitary group members will calculate their taxable net income derived from the unitary business as its apportioned share of the income or loss of the combined group engaged in the unitary business.

A "Unitary business" means a single economic enterprise that is made up either of separate parts of a single business entity or of a commonly owned or controlled group of business entities that are sufficiently interdependent, integrated, and interrelated through their activities so as to provide synergy and mutual benefit that produces a sharing or exchange of value among them and a significant flow of value to the separate parts.

If you are filing a combined report, enter the designated agent information and fill in the 'if Combined Report' oval on page 1 of the return. In addition, attach all applicable Federal Schedules and Forms.

The combined reporting regulations are contained in DC Municipal Regulations (DCMR) Title 9, Taxation and Assessments, §§156 through 176. Instructions and Schedules for combined reporting are located on our website at [MyTax.DC.gov](http://MyTax.DC.gov).

## **When are your taxes due?**

Non-exempt organizations must file their return and pay any tax due by:

- Calendar year filer – April 15th; or
- Fiscal year filer – the 15th day of the fourth month after the tax year closes.

Exempt organizations must file their return by the 15th day of the fifth month after the end of their tax year. If the due date falls on a Saturday, Sunday or legal holiday, the return is due the next business day. For tax year 2020 the filing deadline will be Thursday, April 15, 2021.

### **Taxable year**

Enter the tax period ending date on page 1 of the D-20. It can be either a calendar year or a fiscal year. You must receive OTR approval to change your taxable year. Combined report filers shall use the designated agent's tax year.

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## Filing your return

### By Modernized e-File (MeF)

MeF offers most DC Corporate taxpayers a full federal/state electronic filing program. There are three ways in which taxpayers can file their federal and District returns together electronically:

1. Through an authorized software provider listed on the Internal Revenue Service (IRS) website;
2. Through a tax practitioner who is an authorized e-File provider; or
3. Through a commercial online filing service. This allows taxpayers to transmit their DC and federal returns from their PC for a fee.

Corporate taxpayers may file the D-20ES, Declaration of Estimated Franchise Tax for Corporations, or the FR-120, Extension of Time to File a DC Corporation Franchise Tax Return. These forms can also be found on [MyTax.DC.gov](http://MyTax.DC.gov).

### Substitute forms

You may file your DC Corporation Franchise Tax Return using a computer-generated substitute form, provided the form is approved in advance by the Office of Tax and Revenue (OTR). The fact that a software package is available for retail purchase does not mean that the substitute form has been approved for use. Call or check with the software developer to determine if its form is approved by DC OTR.

### By mail

- If mailing a return with a payment, make the check or money order (US dollars) payable to the DC Treasurer. Write your Taxpayer Identification Number (TIN), 'D-20', and the tax year on the payment. Staple your payment to the voucher Form D-20P. Do not attach the D-20P and payment to the D-20 return. Send your return and payment to:

Office of Tax and Revenue  
PO Box 96166  
Washington, DC 20090-6166

- If mailing a no payment due or refund return, send the return to:

Office of Tax and Revenue  
PO Box 96148  
Washington, DC 20090-6148

Mail labels for these two post office boxes are on the back flap of the return envelope included in this booklet.

**Send in your original DC return with any schedules, not a copy. Fold your return once. Be sure to keep a copy for your records.**

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## Payment options

Refer to the Electronic Funds Transfer (EFT) Payment Guide available on the DC website at [MyTax.DC.gov](http://MyTax.DC.gov) for instructions for electronic payments.

Payment options are as follows:

- **ACH Debit.** There is no fee. Taxpayers' bank routing and account numbers are stored within their online account. This account can be used to pay any existing liability. The taxpayer gives OTR the right to debit the money from their bank account. Foreign bank accounts cannot be used for business ACH Debit.
- **Credit/Debit Card.** The taxpayer may pay the amount owed using Visa®, MasterCard®, Discover® or American Express®. You will be charged a fee that is paid directly to the District's credit card service provider. Payment is effective on the day it is charged.

- **ACH Credit.** ACH credit is for business taxpayers only. There is no fee charged by OTR, but the taxpayer's bank may charge a fee. The taxpayer directly credits OTR's bank account. A taxpayer does not need to be registered to use this payment type, and does not need access to the website.

**Note: When making ACH Credit payments through your bank, please use the correct tax type code (00250) and tax period ending date (YYMMDD).**

- **Check or money order.** Include a check or money order (US dollars), payable to the DC Treasurer, with your completed return. Write your TIN, daytime telephone number, '2020', and 'D-20' on the check or money order. Attach your payment to the Form D-20P Payment Voucher provided in this booklet. Mail the D-20P **with**, but not attached to the D-20 tax return, to:

Office of Tax and Revenue  
PO Box 96166  
Washington, DC 20090-6166

**Note:** International ACH Transaction (IAT). Your payment cannot be drawn on a foreign account. Pay by money order (US dollars) or credit card instead.

### 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.

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## 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. Payment received by OTR on accounts subject to a collection fee are applied first 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 Code §47-4212).

## Special circumstances

### Office of Tax and Revenue (OTR) rulings

All rulings issued prior to December 31, 2002 were revoked. Taxpayers cannot rely on these rulings unless they were resubmitted to the OTR for review, and if approved, reissued. Direct any ruling questions to OTR, General Counsel at (202) 442-6500.

### Special rules on depreciation and business expenses

For federal tax purposes, businesses may deduct bonus depreciation and additional IRC §179 expenses. DC does not allow the bonus depreciation deduction nor any additional IRC §179 expenses. Do not claim the 30, 50, or 100 percent federal bonus

depreciation deduction or the additional IRC §179 expenses on your DC return. DC limits the IRC §179 expense deductions to \$25,000. The up to \$40,000 depreciation deduction for QHTCs has been repealed.

**DC does not allow NOL carry backs.** Therefore, you may not claim a NOL carry back for DC tax purposes.

#### Discharge of indebtedness

The District has decoupled from the section of the American Recovery and Reinvestment Act of 2009 which allows exclusion and deferral from gross income of a discharge of indebtedness. For District tax purposes, a discharge of indebtedness results in income that is includible in gross income. However forgiveness of small business loans awarded due to section 1106 of the Coronavirus Aid, Relief and Economic Security Act are excluded from gross income.

#### DC Ballpark TIF Area

If a business entity claiming to be a QHTC is located in the DC Ballpark TIF Area as specified in DC Code §2-1217.12, fill in the 'if QHTC located in DC Ballpark TIF Area' oval on page 1 of the D-20. A business entity located in the DC Ballpark TIF Area cannot receive QHTC tax benefits, and must complete the D-20 form and schedules the same as a corporation that is not a QHTC.

### **Getting started**

To complete the paper Form D-20, in general you will need:

- Copies of your completed 2020 federal forms and supporting schedules, as applicable (1120, 1120S, 4797, 4562, etc.)
- A pen with black ink
- A calculator

Not all items will apply. Fill in only those that do apply. If an amount is zero, make no entry, leave the line blank.

All entries on the return and attachments are whole dollars only. Do not enter cents. Round cents to the nearest dollar. *Examples:*

\$10,500.50 rounds to \$10,501

\$10,500.49 rounds to \$10,500

#### **Taxpayer Identification Number (TIN)**

You must have a TIN, whether it is a Federal Employer Identification Number (FEIN), Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN) or Preparer Tax Identification Number (PTIN).

- **An FEIN is a valid number issued by the IRS.** To apply for an FEIN, get Form SS-4, Application for Employer Identification Number, or get this form online at [www.irs.gov/businesses](http://www.irs.gov/businesses) and click on Employer Identification Number (EIN) under Starting a Business. You may also get this form by calling 1-800-TAX-FORM (1-800-829-3676).
- **An SSN is a valid number issued by the Social Security Administration (SSA) of the United States Government.** To apply for an SSN, get form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213.
- **An Individual Taxpayer Identification Number (ITIN) is a valid number issued by the Internal Revenue Service (IRS).** The IRS issues ITINs to individuals who are required to have a U.S.

taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security number (SSN) from the Social Security Administration (SSA). ITINs do not serve any purpose other than federal tax reporting.

- **The Preparer Tax Identification Number (PTIN) is an identification number issued by the IRS** that all paid tax preparers must use on tax returns or claims for refund.

#### **Corporate tax rate and minimum tax**

The tax rate is 8.25 percent on your 'district taxable income' on Line 36. The minimum tax is \$250 if your DC gross receipts are \$1 million or less. It is \$1,000 if your DC gross receipts are greater than \$1 million, even if you have a loss.

#### **Incomplete forms will delay processing**

Complete all items on the D-20 and all applicable schedules including combined schedules, otherwise OTR will send the return back to you for completion and resubmission.

#### **Help us identify your forms and attachments**

Write your Taxpayer Identification Number (TIN), tax form number, tax period, business name and address on any statements submitted with the return or filed separately. The TIN is used for tax administration purposes only.

Failure to use the business or trade name that you used when registering with the DC Office of Tax and Revenue will cause processing delays with returns and/or payments.

All D-20 filers must pay and submit pages 1-6, Schedule UB, Schedule SR, and D-2220, if applicable. All other attachments must be on a USB flash drive. The flash drive should include a copy of the entire return and indicate on the flash drive the taxpayer identification number, tax year and tax type. Images on the flash drive must be in PDF format.

#### **QHTC Filers**

In addition to the above, the Certification of Gross Revenue Worksheet, and the D-20CR (if applicable) must be attached to the return and on the thumb drive.

#### **Combined Reporting Filers**

If you are filing a combined report, the name and TIN of the business stated on the face of the return must be the same as the designated agent. Do not enter the name and TIN of a member on page 1 of the return that is not the designated agent for the group. Shade the 'fill in if Combined Report' oval on page 1 of the return. Complete and submit Combined Reporting Schedules 1A, 1B, 2A, and 2B, along with the Combined Group Members' Schedule, and the Worldwide Combined Reporting Election Form, if applicable. In addition, attach Federal Schedules J, M, M-3, Federal UTP, if applicable and Federal Forms 851, 5471, 5472, 8833, 8868, 8886, and 8975 (including Schedule A) if applicable.

### Filling out the form


To aid us in processing your return, please follow these rules:

*Do not print outside the boxes.*

Use black ink.  
Print in CAPITAL letters. **ROBERTS**

Leave a space between words and between words and numbers. **8 ELM**

Write 3s with a rounded top, not a flat top.  
Write 7s without a middle bar. **3.7 ~~37~~**

Fill in ovals completely.  
Do not "✓" or "x" ovals. 

**57204.00**

### Personal information

Complete the personal information as instructed using CAPITAL letters and black ink. Use one block per letter, including using a space between address fields. Please write clearly; otherwise this can delay processing your return.

### Assembling your D-20 return

- Do not staple or otherwise damage the Bar Code located in the upper right hand corner of this form and schedule(s) being attached;
- Do not cross out the tax year on the 2020 return. If you are not filing a 2020 D-20 Corporation Franchise Tax Return, do not use this booklet. Request a booklet for the specific year you are filing by calling our Forms Center at (202) 727-4829, or visit the Customer Service Center at 1101 4th Street, SW, 2nd floor, Washington, DC 20024. You also may visit our website at [MyTax.DC.gov](http://MyTax.DC.gov) for prior year corporation franchise tax returns.
- Attach any other supporting forms or schedules as applicable:
  - o Schedule UB Business Credits
  - o Schedule SR Small Retailer Property Tax Relief Credit
  - o Worldwide Combined Reporting Election Form
  - o Combined Group Members' Schedule
  - o Combined Reporting Schedules 1A, 1B, 2A, and 2B
  - o Federal Forms 851, 5471, 5472, 8833, 8868, 8886, and 8975 (including Schedule A)
  - o Federal Schedules J, M and M-3
  - o Federal UTP
  - o Any other forms or schedules necessary to process the return.
- Staple check or money order (US dollars) to the D-20P, Payment Voucher.
- Use the appropriate mailing label on the back flap of the return envelope.

### Third Party Designee

If you want to authorize another person to discuss your 2020 tax return with OTR, fill-in the oval in the Third Party Designee block on page 2 of the D-20 and enter the designee's name and phone number. If you want to authorize your paid preparer, enter 'preparer' in the 'third party designee' block.

Filling in the oval gives the designee authorization to:

- Give OTR any information missing from your return;
- Contact OTR for information about processing your return and the status of any refund or payment; and
- Request, receive and/or respond to OTR notices related to your return.

The authorization does not:

- Give the designee the right to receive your refund;
- Bind you to any additional tax liability related to your return; or
- Otherwise represent you before OTR.

This authorization automatically ends on April 15, 2022 (without regard to extensions).

### Signature and verification

An authorized officer or designated agent of the corporation must sign and date the return. A receiver, trustee, or assignee must sign any return that he/she is required to file for the corporation. Any person who prepared the return for compensation must also sign, date and provide the necessary identification number. If a firm or corporation prepares a return, it should be signed in the name of the entity. The signature requirement does not apply when a taxpayer's regular employee prepares the return. Please review the tax return before you allow a paid preparer to issue a return on your behalf.

### Email address

Enter the email address of the person authorized to discuss your 2020 tax return with OTR. This can be the taxpayer, the third party designee, or the paid preparer if you have filled in the oval authorizing the paid preparer to discuss this return with OTR.

### Explanation of terms

#### Business income

This is income from transactions and activities occurring in the regular course of trade or business. It includes income from tangible and intangible property if the acquisition, management and disposition of the property are part of the taxpayer's regular trade or business operations. Income of any type — manufacturing income, compensation for services, sales income, interest, dividends, rents, royalties, gains, operating and non-operating income from any class or from any source — is business income if it is from transactions and activities occurring in the regular course of a trade or business. Whether income is business or non-business depends on the underlying transactions and activities — the elements of a particular trade or business. In general, transactions and activities that depend on or contribute to the operation of your enterprise constitute your trade or business.

#### Commercial domicile

The principal place from which you direct or manage your trade or business.

#### Compensation

Wages, salaries, commissions and other forms of remuneration paid or accrued to employees for personal services.

#### Non-business income

All income except business income.

#### Transportation company

Any business engaged in transporting persons, goods, or property of others for hire.

#### Sales

All gross receipts which are not required to be allocated.

#### Taxable in another state

For purposes of allocating and apportioning income among DC and another jurisdiction, you must be subject in that jurisdiction to:

- a net income tax,
- a franchise tax measured by net income,



- a franchise tax for the privilege of doing business, or
- a corporate stock tax, or
- that state has the jurisdiction to subject the taxpayer to a net income tax regardless of whether in fact, the state does or does not.

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## Specific Instructions

### Negative amounts

If you enter a negative amount on a line, fill in the oval to the left of the entry where it states: 'Fill in if minus', **do not enter a minus sign or parenthesis. Also, do not enter a negative number on a line that does not have a "Fill in if minus" indicator.**

### Allocation and apportionment required

You must complete Schedule F even if your operation is 100% in the District. Any corporation carrying on a trade or business in DC and other jurisdiction(s) must apportion its business income among DC and the other jurisdiction(s).

Apportion DC net income from trade or business activities using the appropriate apportionment factor. See D-20, page 4, Schedule F.

**Note:** When using the D-20 to file a combined report, do not use or fill out Schedule F on page 4 to derive the apportionment factor for the combined group. Leave Schedule F blank. Use Combined Reporting Schedule 2A instead. Likewise, when each individual member derives its individual apportionment factor, do not use Schedule F. Individual members should use Combined Reporting Schedule 2B instead to derive their apportionment factor.

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### Non-business income

All non-business income must be allocated.

#### Allocating to DC

Allocate to DC items of non-business income from sources in DC. The following gains and losses from sales or other dispositions are allocated to DC:

- Real property located in DC (other than realty used in the trade or business whether held for sale or otherwise);
- Tangible personal property (other than any tangible personal property used in the trade or business whether held for sale or otherwise) if:
  - The property had a situs in DC at the time of sale; or
  - Your principal place of business is in DC and you are not taxable in the situs state; and
- Intangible personal property (other than intangible personal property of any kind used in the trade or business whether held for sale or otherwise) is allocable to DC if the taxpayer's principal place of business is in DC.

Allocate to DC net rents and royalties from real property located in DC.

Allocate to DC any non-business interest and dividends from sources in DC unless specifically excluded from tax and/or subject to apportionment as business income.

Allocate to DC, non-business rents and royalties from patents, copyrights, trademarks, service marks, secret processes and formulas, franchises and other like property (if not used in the trade or business). These royalties are allocated according to the patent's location or use, or where the copyrighted material is published or used. If DC is the principal place of business of a corporate entity, not subject to tax anywhere else, then the rent or royalty income is allocable to DC. Income from the sale of tangible personal property to the United States

Government by a corporation that has its principal place of business outside DC is income from DC sources if the property is delivered from outside DC for use in DC.

All other non-business income derived from sources in DC is allocable to DC.

Where income is allocable among DC and other jurisdictions allocate all expenses, losses and other deductions incurred in the production of the income in the same way. Losses incurred in the production of non-business income are allowable only if profits from the transaction would be taxable.

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### Gross Income

**NOTE:** When OTR requests that a statement be attached, the statement should show the source of the items making up the entry.

### Amended returns

You must use the D-20 tax form of the year you are amending. Fill in the 'Amended Return' oval on Page 1 of the D-20 and complete the 'Tax Year Ending' box. Attach a detailed statement of the adjustment(s) and the amount of any refund received.

If the Internal Revenue Service (IRS) adjusts your federal return or if you file an amended federal return, you must file an amended DC return within 90 days of the IRS notice. If the federal adjustment makes you eligible for a DC tax refund, you must file for the DC refund within 180 days of the adjustment or filing the amended return.

Mail the amended return and any additional attachments to:  
Office of Tax and Revenue  
PO Box 96166  
Washington, DC 20090-6166

### Final return

If you are not required to continue filing a return due to the ending of business operations, shade the 'fill in if final return' oval on the return. OTR will then cancel your filing requirement. Do not use this oval to indicate the return is the final for the period being reported.

## D-20, page 1, line-by-line

### Line 1 Gross receipts, minus returns and allowances

Enter the total gross receipts from sales and operations, minus returns and allowances.

### Line 2 Cost of goods sold and/or operations

Enter the figure from D-20, Schedule A, Line 7. If the production, manufacture, purchase, or sale of merchandise is an income-determining factor in the trade or business, you must take inventories of merchandise at the start and end of the tax year. You may value them at cost or market value, whichever is lower; or by another IRS-approved method. You must continue to use the method you choose until you get permission from the OTR to change. If the inventories are not consistent with the balance sheet figures, attach a statement explaining any differences.

Cost of operations (where inventories are not an income-determining factor): If the amount entered on Line 2 includes an amount associated with the cost of operations, attach a detailed statement showing: (1) salaries and wages; and (2) other costs.

**Line 3 Gross profit from sales and/or operations**

Enter the result of Line 1 minus Line 2.

**Line 4 Dividends**

Enter the total of all dividends reported on D-20, page 3, Schedule B. Do not include Subpart F income (as defined in IRC §952); and dividends from wholly-owned subsidiaries. Include on Line 29(a) all dividends from sources outside DC that are not trade or business income. Dividends received by corporations, financial institutions, or investment firms are business income not subject to allocation. Do not include dividends paid on securities issued by the United States or its instrumentalities, if it is non-business income.

Dividends received from the following corporations with their principal place of business in DC are non-business income:

- Corporations subject to this franchise tax;
- Insurance corporations, including bonding companies and real estate title insurance companies; and
- Banks, if the bank dividends were paid to a bank-holding company.

**Line 5 Interest**

Enter all the interest which the corporation received or is credited with during the tax year, including interest paid on obligations of a State, Territory of the United States, or any of their political subdivisions, except those of DC.

Exclude any interest income on obligations or securities issued by the United States or its instrumentalities which is included in income for federal tax purposes.

Interest received by a corporation not engaged in a trade or business in DC is not considered income from DC sources if it is from one of the following organizations with a principal place of business in DC:

- Corporations subject to this franchise tax;
- Insurance corporations, including bonding companies and real estate title insurance companies; and
- Banks, if the bank interest was paid to a bank-holding company.

Report this non-business interest income on Line 29(a). When interest income is related to trade or business activity, carried on or engaged in, in DC enter it on Line 5, do not enter it on Line 29(a). Attach a statement providing the detailed description and amount.

**Line 6 Gross rental income**

Enter from D-20, page 5, Schedule I the gross rental income received from real or personal property rental. Enter expenses such as repairs, interest, taxes and depreciation on the Schedule I. Enter rental income related to a trade or business on Line 6, do not enter it on Line 29(a).

**Note:** DC does not allow the additional bonus depreciation allowed under federal law and limits the additional IRC §179 expenses. If you claimed bonus depreciation on your federal return, adjust the depreciation you claim on the D-20 by that amount. Attach a computation showing that your DC claimed depreciation does not include the federal bonus depreciation and that the basis of the depreciated property for DC tax purposes has not been reduced by the additional federal bonus depreciation amount. DC allows a maximum of \$25,000 in IRC §179 expenses. If you claimed these additional expenses on your federal return, reduce such expenses taken on your D-20 by that additional amount.

**Line 7 Gross royalties**

Report royalty income and related expenses on the D-20 in the same manner and detail as rental income and rental expenses. Royalties from patents you developed from the licensing of processes or a trade name and sales of know-how are business income.

**Line 8(a) Net capital gain (loss)**

Capital gains or losses are treated by DC in the same manner as they are for federal corporation income tax purposes. (See detailed instructions on federal Schedule D, Form 1120, U.S. Corporation Income Tax Return.) IRC §1231 gains are business income.

**Note:** Since the federal bonus depreciation is not allowed for DC tax purposes, recalculate the capital gain/loss you reported on your federal return without taking into account the additional federal bonus depreciation. Attach a statement showing the adjustment.

**Note:** Depreciation recapture is considered ordinary income and is to be reported on the D-20.

**Line 8(b) Ordinary gain (loss) from Part II, Federal Form 4797**

Enter the total ordinary gain (or loss) from federal Form 4797 Sales of Business Property. Attach a copy of your Form 4797 to the D-20.

**Line 9 Capital gains deferred on federal return due to investment in a federal Qualified Opportunity Fund**

If you have capital gains deferred on your federal return due to an investment in a federal Qualified Opportunity Fund, enter the amount of the deferral on Line 9.

**Line 10 Other income (loss)**

Enter the total income not reported elsewhere on the return; attach a detailed statement. Enter any International Banking Facility income on Lines 10 and 29(a); attach a detailed statement listing the source of this income. Do not enter other income related to a trade or business on Line 29(a); enter it on Line 10. Attach a statement.

**Line 11 Total gross income**

Enter the total of Lines 3 - 10.

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## Deductions

**Line 12 Compensation of officers**

Enter the total compensation for all officers shown on D-20, page 3, Schedule C. Include compensation for services rendered in any capacity, other than salaries connected with the production of income from U.S. Treasury securities included on Line 29(b).

**Line 13 Salaries and wages**

Enter all salaries and wages not deducted elsewhere on the return, except salaries connected with the production of income from U.S. Treasury securities. Also, do not include wages connected with computing the Economic Development Zone incentives credit, QHTC wage credit, and Bone Marrow Credit.

**Line 14 Repairs**

Enter the cost of incidental repairs, including labor, supplies and other items that do not add to the value of, or appreciably prolong, the property's life. You may charge a capital account for new buildings, machinery, equipment and/or permanent improvements or betterments that increase the value or appreciably prolong the life of the property.

**Line 15 Bad debts**

Report bad debts in the same manner as you report them for federal tax purposes. Attach a copy of any information you submitted with your federal return.

**Line 16 Rent**

Enter rent paid or accrued for business property in which you have no equity. If property is leased from an affiliated corporation, or from one of the stockholders, attach a statement giving the lessor's name and address, rent paid and a description of the property.

**Line 17 Taxes**

Enter taxes reported on D-20, page 3, Schedule D. Note: Taxes reported on your federal Form 1120 must be reported on Schedule D. Do not deduct these taxes:

- Income and excess profit taxes;
- DC franchise tax; and
- Taxes assessed for local benefits of a kind tending to increase the value of the property assessed.

**Payments to related parties**

(Lines 18 and 23). DC legislation allows the deduction of certain interest and intangible expenses, including royalty expenses paid directly or indirectly to related parties if:

- the principal purpose of the payment was not the avoidance of tax;
- the payments were made at arm's length; and
- the related party paid income tax equal to or greater than 4.5 percent of the amount of interest or intangible expense in another jurisdiction.

You are allowed ordinary and necessary deductions if the income they are related to is subject to the DC corporation franchise tax and subject to IRC limitations either directly or through the inclusion of this income in the determination of the DC apportionment factor.

**Line 18(a) Interest**

Enter interest paid or accrued on business debt. Apply any federal limitation under IRC § 163(j) to this deduction. If any interest income is not taxable, then the related interest expense is not deductible.

**Line 18(b) Minus nondeductible payments to related entities**

Subtract the nondeductible payments made to related parties. Refer to **Payments to Related Parties** instructions.

**Line 19 Contributions and/or gifts**

Enter contributions and/or gifts made in the tax year if no portion benefits any private stockholder or individual. The total amount claimed cannot be more than 15% of net income (Line 28) computed without regard to any deduction for contributions. Attach a statement with detailed information about contributions and gifts. Contribution and gift carry-overs are not allowed.

**Note:** A charitable expense incurred by a member of a combined group shall, to the extent allowable as a deduction pursuant to IRC §170 (1986), be subtracted first from the business income of the combined group, subject to the income limitations of that section applied to the entire business income of the group, and any remaining amount shall then be treated as a nonbusiness expense allocable to the member that incurred the expense, subject to the income limitations of that section applied to the nonbusiness income of that specific member.

**Line 20 Amortization**

Enter the amortization amount from your federal Form 4562 (or 4562FY), Depreciation and Amortization and attach a copy.

**Line 21 Depreciation**

Enter the depreciation amount from your federal Form 4562 subject to limits described herein on page 6 and in the note below.\* The depreciation allowance does not apply to inventories, stock-in-trade, or land. Use the same depreciation method on your DC return as that used on your federal return. Attach a copy of your Form 4562.

**\*Note:** If you claimed the additional federal bonus depreciation amount and/or the additional IRC §179 expenses above \$25,000 on your

federal return, do not claim them on your D-20. In addition, do not reduce the basis of the depreciable property for DC tax purposes by the additional write off and/or federal bonus depreciation. Attach a statement showing your write off and/or of the depreciation amount.

**Line 22 Depletion**

Enter the depletion amount shown on your federal form. Attach an explanation of how you determined the depletion allowance.

**Line 23(a) Royalty payments**

Royalty payments are deductible only if paid to unrelated entities. See DC Code §47-1803.03(d)(7)(D)(v) for the definition of related entity. See DC Code §47-1803.03(d)(7)(B) for the limited exceptions to the general disallowance of such payments.

**Line 23(b) Minus nondeductible payments to related entities**

If you are the recipient of a related entity's royalty payments and you are filing a return and paying tax on these payments in the District, see the instructions for Line 26 to determine whether you can deduct any of the payment amount from your income.

**D-20 page 2, line-by-line****Line 24 Pension, profit-sharing plans**

Enter the contributions made to employees' pension, profit-sharing, stock bonus and annuity plans. These are deductible to the same extent as they are on your federal return.

**Line 25 Capital gains deferred due to DC approved investment in a DC Qualified Opportunity Fund**

If you have capital gains deferred due to an investment in a DC approved Qualified Opportunity Fund, enter the amount on Line 25.

**Line 26 Other deductions**

Enter advertising and other allowable deductions connected with the business of income production, subject to the DC corporation franchise tax. Enter deductions connected directly and indirectly with non-business income production, as well as International Banking Facility deductions, on Line 29(b). If you are the recipient of royalty, interest or other intangible payments from a related entity that has not deducted the payment amounts on their return and you are filing a return and paying tax on these payments in the District, enter expenses related to this income on Line 26.

**Line 27 Total deductions**

Enter the total of Lines 12-26.

**Line 28 Net income**

Subtract Line 27 from Line 11; enter the amount on Line 28.

**Line 29(a) Non-business income**

Enter non-business income on Line 29(a).

**Line 29(b) Expense related to non-business income**

Enter expenses related to non-business income. Include expenses related to the purchase or production of income from U.S. Treasury securities. Attach a detailed explanation of income and expenses allocation.

**Line 30 Net income subject to apportionment**

Subtract Line 29(c) from Line 28 and enter the result on Line 30.

**Line 31 DC apportionment factor**

Enter the apportionment factor from Form D-20, Schedule F, column 3, Line 5. If the return is a Combined Report, enter the apportionment factor from Combined Reporting Schedule 2A, column 3, Line 9.

**Line 32 Net income from trade or business apportioned to DC**

Multiply Line 30 amount by Line 31 apportionment factor.

**Line 33 Other income/deductions attributable to DC**

Enter the Line 29(c) income/deduction attributable to the District.

**Note:** If you are a partner in a partnership that filed an unincorporated business franchise tax return and claimed a deduction for the salary allowance, you must add the post-apportioned distributive share of the unincorporated business salary allowance attributable to the partner under DC Code §47-1803.03(a)(11), and the unincorporated business exemption amount attributable to the partner under DC Code §47-1808.04, on Line 33 of the D-20. If filing a combined report, this amount will be reflected as an addition under the partner's column on Line 33 of Schedules 1A and 1B of the combined report. Also you must include a statement to reflect the specific amounts for each of following items:

- portion of Line 29(c) attributable to DC;
- portion of unincorporated business salary allowance attributable to DC;
- portion of unincorporated business exemption attributable to DC.

**Line 34 - Total taxable income before apportioned NOL deduction**

Line 32 plus or minus Line 33.

**Line 35 Apportioned NOL deduction** (for year 2000 and later)

Enter any DC apportioned net operating loss carry-forward occurring in the year 2000 or later. Deductions for losses occurring in the tax years 2018 and later are limited to 80% of taxable income computed without regard to the deduction. Forms for claiming the NOL for tax years 2000 and later are provided in this booklet. Complete the NOL deduction forms and submit with this return.

**Line 36 Total DC taxable income**

Enter the result of subtracting Line 35 from Line 34. If a loss, fill in the oval.

**Line 37 Tax**

Calculate the tax by multiplying any positive amount on Line 36 (Total DC taxable income) by .0825. Enter the result on Line 37.

**Line 38 Minus nonrefundable credits**

Subtract the nonrefundable credits entered from Schedule UB, Line 9. Employers who hire at least 10 DC residents after January 1, 2010, and continue to employ such DC employees for at least one year for any business project that encourages, promotes and stimulates economic development in key economic sectors, may qualify for an annual job growth tax credit. See instructions for Schedule UB Business Credits on page 14.

**Line 39 Total DC gross receipts**

From Line 4 of (MTLGR) worksheet.

**Line 40 Net tax**

Line 37 minus Line 38. Enter the result on Line 40, except:

1. If Line 39 is less than or equal to \$1M and Line 40 is less than \$250, enter \$250;

2. If Line 39 is greater than \$1M and Line 40 is less than \$1,000, enter \$1,000.

**Line 41 Payments and refundable credits**

Enter on Line 41(c) the total amount of estimated franchise tax payments made in 2020, including any credit carry forward brought forward from a prior year. Attach an explanation of detailed payments to the return.

**Note:** The credits cannot be shared among combined group members.

**Line 42 If this is an amended 2020 return, enter refund requested with original return.**

**Line 43 Total payments and credits.** Add Lines 41(a) through 41(d). Do not include Line 42.

**Line 44 Estimated tax interest**

If you are filing Form D-2220, Underpayment of Estimated Franchise Tax by Businesses, with your D-20 return, fill in the oval and enter the amount on Line 44. Attach the D-2220 to the return.

**Line 45 Total Amount Due**

If Line 43 is smaller than the total of Lines 40 and 44, enter the amount due.

**Line 46 Overpayment**

If Line 43 is larger than the total of Lines 40 and 44, enter the amount overpaid.

**Line 47 Amount to be applied to 2021 estimated franchise tax****Line 48 Amount to be refunded**

Subtract Line 47 amount from Line 46 amount and enter the result on Line 48.

**Form D-20 schedules****Schedule E – Reconciliation of the net income reported on Federal and DC Returns**

Complete this schedule, and attach statement(s) to provide details and explain any differences between the net income reported on your federal return and that reported on your D-20.

**Schedule F – DC apportionment Factor**

All businesses other than financial institutions engaging in a trade or business both in and outside DC must use the single sales factor formula to apportion their business income. Businesses domiciled in DC and not subject to tax elsewhere must report 100% of their net business income as DC income and allocate 100% of their non-business income to DC. Businesses carrying on a trade or business in DC and in other jurisdictions must apportion trade or business income to DC. Multiply the total income by a fraction. The numerator is the taxpayer's total sales in DC during the tax year. The denominator is the taxpayer's total sales everywhere during the tax year. Sales other than sales of tangible personal property shall be apportioned to the District by using the market-based sourcing rules.

Financial institutions must use a two-factor formula, determined by multiplying the financial institution's base (net income for the tax year) by an apportionment fraction. The numerator is the sum of the payroll factor plus the gross income factor; the denominator is 2.

- **Sales factor**

- The sales factor for all businesses except financial institutions and transportation companies is a fraction. The numerator is the taxpayer's total sales in DC during the tax year. The denominator is the taxpayer's total sales everywhere during the tax year.

- **Financial institutions** — the sales factor is a fraction. The numerator is the financial institution's gross income in DC during the tax year. The denominator is the financial institution's total gross income during the tax year.

- A financial institution whose commercial domicile is in DC and which is subject to tax in another jurisdiction, includes in the numerator of the DC income factor, any income which the other jurisdiction does not require to be included in the numerator of its income factor.
- If the predominant part of the secured property is or will be located in DC, treat all interest, loan placement fees, discount, net gain and other forms of gross income from each loan, secured primarily by real estate, as located in DC.
- If the loan originated in DC, treat all interest, loan placement fees, discount and net gain from unsecured loans and loans secured primarily by tangible or intangible personal property, or any resulting interest, as located in DC.
- For any financial institution whose commercial domicile is in DC, treat income from securities, investments, money market instruments, or any other source not required to be apportioned to outside DC, as located in DC. This income includes, but is not limited to, interest, dividends and net gains.
- Treat all fees, commissions, service charges and other forms of gross income from sales of depository or financial services as located in DC if the service is performed in DC. Include sales or services performed in two or more tax jurisdictions in the numerator of the jurisdiction where the most income-producing activity is performed.
  - If the property is located in DC, treat gross income from leases of tangible property as located in DC.
  - If the financial institution's principal office is located in DC, then treat all income (previously described) that is located in a jurisdiction where the financial institution is not subject to tax as being located in DC.

- **Transportation companies** — the sales factor is a fraction: the numerator is the total revenue units the company first received as originating or connecting traffic at a point in DC. Add to this the total of revenue units the company discharged or unloaded at a point in DC, upon termination of the transportation movement or upon transfer to a connecting carrier. The denominator is twice the total revenue units originated everywhere during the tax year. One ton of freight equals one revenue unit; ten passengers equal one revenue unit. If the company's revenue is predominantly from transporting passengers, you may use the number of passengers loaded and discharged, in place of the originating and terminating tonnage.

- **Tangible personal property sales**, including sales to the U.S. Government, are considered as taking place in DC, regardless of where title is transferred, F.O.B. point, or other sales conditions, if the property:

- Is delivered or shipped to a purchaser in DC; or
- Has an ultimate destination in DC, after all transportation (including that of the purchaser's) is complete; or
- Is delivered or shipped from an office, store, factory, warehouse or other storage place in DC to a purchaser in a jurisdiction outside DC — and you are not taxable in that jurisdiction.

Except for transportation companies, non-tangible personal property sales are considered to take place in DC if the income-producing activity or service is performed:

- In DC; or
- The proportion of the income-producing activity or service performed in DC is greater than that performed in any other jurisdiction.

- **Payroll factor**

- **Financial institutions** — financial institutions must use a two-factor formula, determined by multiplying the financial institution's base (net income for the tax year) by an apportionment fraction. The numerator is the sum of the payroll factor plus the gross income factor; the denominator is 2.

The payroll factor is a fraction: the numerator is the total compensation the financial institution paid to or accrued for persons performing services in DC during the tax year. The denominator is the total compensation the financial institution paid or accrued elsewhere during the tax year. Compensation is paid in DC if it is paid to an employee located or having a regular presence in DC. Any compensation paid to an employee located in a state where the financial institution is not taxable is treated as paid in DC, if the institution's principle office is in DC.

The value of compensation paid or accrued other than cash is its fair market value on the date of the payment or accrual. Do not include in either the numerator or denominator any compensation paid or accrued to employees for personal services rendered in the production of non-business income. Also, do not include payments to independent contractors.

## General

If your use of the income allocation and apportionment rules results in a tax that does not fairly represent your tax liability on income from your trade or business or from non-business sources in DC, you may petition for, or OTR may require, if reasonable:

- a separate accounting, unless the entity is conducting a unitary business;
- exclusion of one or more factors;
- inclusion of one or more factors that reflect the extent of your trade or business in DC; or
- use of any other method to effect a fair allocation and apportionment of income.

## Schedule G - Balance sheets (page 4 of Form D-20)

Submit balance sheets for the start and end of the tax year. Conform them to the corporation's books and records and your federal return. Attach an explanation of any variation. For combined reporting you may submit a separate balance sheet for each member.

**Schedule H-1 Reconciliation of income (Loss) per Books with income (Loss) per Return and H-2 Analysis of Unappropriated Retained Earnings per Books** (page 5 of Form D-20)

Generally, these schedules must conform to the corresponding schedules on the federal form filed for the corporation. Use Schedule H-1 to reconcile the difference between the income (loss) per books with income (loss) per Federal return. Attach statement(s) to provide details.

**NOTE:** If you filed a federal Schedule M-3, Net Income (Loss) Reconciliation for Corporations with Total Assets of \$10 Million or More, with your Form 1120, attach a copy of it to your D-20.

*Remember, attach all requested statements to your D-20 return.*

**Schedule K - Disregarded Entities** (page 6 of Form D-20)

Use this schedule to report the name and TIN for any single member limited liability company that is treated as a disregarded entity for District franchise tax purposes, whose income is included in the income reported on this return, and which is doing business in the District.

**Supplemental Information** (page 6 of Form D-20)

Provide all the information requested in this schedule.

**Combined Group Members' Schedule**

If filing a Combined Report, it is necessary to identify each member of the DC Combined Group subject to the franchise tax. Complete and submit the Combined Group Members' Schedule. Fill in Columns A through F for all members of the group and attach a copy of Federal Forms 851, 5471 and 8975 (including Schedule A). File this schedule each year that a DC Combined Report is filed.

**Worldwide Combined Reporting Election Form**

If the Worldwide Combined Reporting Election Form is completed and submitted, ensure the "Fill in if Worldwide" oval is shaded on D-20, page 1. Submit this form with the initial year of election.

**Schedule UB, Business Credits**

Use this schedule to claim: the Economic Development Zone Incentives Credits (see instructions); QHTC credits (see instructions); the Organ and Bone Marrow donor credit (see below); the Job Growth Incentive Act credit (see below); the Alternative Fuel Infrastructure Installation Credit; the Alternative Fuel Vehicle Conversion Credit (see below); the Employer-Assisted Home Purchase Tax Credit (see below); and the Small Retailer Property Tax Relief Credit (see below). The **Organ and Bone Marrow Donor Act of 2006** provides a credit to an employer who allows an employee up to 30 days paid leave to donate an organ and up to 7 days paid leave to donate bone marrow. This is a non-refundable credit equal to 25% of the regular salary paid to the donor-employee during the leave period. This credit may not be used to reduce the required \$250 or \$1,000 minimum tax payment. An employer claiming this credit may not also deduct the salary paid the employee for the same leave period. This credit is not available if the employee is eligible for leave under the Family and Medical Leave Act of 1993.

The 2011 Budget Support Act of 2010 authorized funds for the **Job Growth Incentive Act tax credits**. The credit must be approved by the Mayor in advance of starting the project. The process for applying for the credit is found in DC Official Code §47-1807.54. The approval will provide the amount of the allowable credit and the periods for which the credit can be claimed if the employer continues to qualify. The allowable approved amount of the credit can be claimed on Schedule

UB, Business Credits, Line 4 for D-20 filers or Line 15 for D-30 filers. In order to apply for the credit, the employer must be planning a project that:

- Will bring a net job growth to DC of at least 10 new jobs with an average yearly wage of at least 120% of the average yearly wage of DC residents;
- Will increase income tax and payroll revenue for DC;
- Will result in a retention of any new positions for at least one year; and
- Would not have occurred but for the job growth tax credit.

Beginning in 2014, through the taxable year ending December 31, 2026, there are 2 non-refundable credits allowed against DC Corporate Franchise Tax for: (1) alternative fuel infrastructure installation; and, (2) alternative fuel vehicle conversion. (See DC Code §47-1807.10 and §47-1807.11)

The **alternative fuel infrastructure credit** is a credit in the amount of 50% of the equipment and labor costs attributable to the purchase and installation of alternative fuel storage and dispensing or charging equipment on a qualified alternative fuel vehicle refueling property. The equipment and labor costs for which this tax credit may be claimed may not include costs associated with the purchase of land, access to land, the purchase of an existing qualified alternative fuel vehicle refueling property, or construction or purchase of any structure. If the amount of the tax credit exceeds the tax otherwise due, the amount of the credit not used may be carried forward for up to 2 tax years. If the alternative fuel storage and dispensing equipment or charging equipment on a qualified alternative fuel vehicle refueling property is no longer used to dispense or sell alternative fuel to the public, any unused tax credit is forfeited and the taxpayer may not claim a tax credit for the portion of the tax year after the date on which the alternative fuel storage and dispensing equipment was no longer used to dispense or sell alternative fuel to the public.

The **alternative fuel vehicle conversion credit** is a credit in the amount of 50% of the equipment and labor costs attributable to the cost of converting a motor vehicle licensed in the District that operates on petroleum diesel or petroleum derived gasoline to a motor vehicle that operates on an alternative fuel. This credit is limited to \$19,000 per vehicle.

The term "alternative fuel" means a fuel used to power a motor vehicle that consists of one or more of the following:

- a. At least 85% ethanol;
- b. Natural gas;
- c. Compressed natural gas;
- d. Liquefied natural gas;
- e. Liquefied petroleum gas;
- f. Biodiesel, excluding kerosene;
- g. Electricity provided by a vehicle-charging station; or
- h. Hydrogen.

The term "qualified alternative fuel vehicle refueling property" means a property in the District that contains equipment available for use by the public for storing and dispensing alternative fuel, including charging electrically.

If you are claiming one of these credits complete the Commercial Form, Alternative Fuel Vehicle Conversion and Infrastructure Credits, available online at [MyTax.DC.gov](http://MyTax.DC.gov). Attach it to the D-20, Schedule UB.

The **Employer-Assisted Home Purchase Tax Credit** is a credit equal to 1/2 of the amount of the homeownership assistance provided by the employer to its eligible employees during the taxable year; provided, that: (a) the credit shall not exceed \$2,500 for any one eligible employee who receives homeownership assistance; (b) the assistance is provided through a certified employer-assisted home purchase program; (c) the assistance is used for the purchase of a qualified residential real property; and (d) the eligible employee is a new homebuyer. "Homeownership assistance" means money provided to an eligible employee for the down payment or other acquisition costs for the purchase of the principal place of residence of the employee. "New homebuyer" means an employee (and, if married or in a registered domestic partnership, the employee's spouse or registered domestic partner) who did not own a principal place of residence in the District during the previous 12 months. "Certified employer-assisted home purchase program" means a program: (a) through which an employer provides homeownership assistance to its employees; (b) which is provided uniformly to its employees; provided, that the employer may limit eligibility for the program by establishing a maximum income limit and may limit assistance to new homebuyers; and (c) which is certified by the Mayor.

To claim the credit, the employer shall attach to its tax return a statement certifying, for each person for whom the employer is claiming the credit: (i) the person is an eligible employee of the employer; (ii) the employer provided homeownership assistance to the employee under a certified employer-assisted home purchase program; (iii) the amount of homeownership assistance provided to the employee; (iv) the employee used the homeownership assistance to purchase qualified residential property; (v) the household size and household income of the employee; (vi) the address of the qualified residential real property; and (vii), the employee intends to reside in the property for at least 5 years. A copy of the certification by the Mayor of the employer's employer-assisted affordable homeownership program must be provided. See DC Code §47-1807.07 for further details. A worksheet for computation of the credit is on the reverse side of Schedule UB.

**Small Retailer Property Tax Relief Credit.** For taxable years starting January 1, 2018, a business that has less than \$2.5 million in federal gross receipts or sales, may claim a credit against corporate or unincorporated business franchise tax equal to the total class 2 real property taxes paid by the business for a retail owned location in the District not to exceed \$5,000; or 10% of the rent paid by the business for rental retail location not to exceed \$5,000. The Small Retailer Property Tax Relief Credit does not apply if the business is exempt from or receives any tax credits towards its real property tax; or the rental retail location or the owned retail location is otherwise exempt from real property tax.

To be eligible for the credit, the business must own or lease a building or part of a building in the District that: is classified, in whole or in part as Class 2 Property as defined in DC Code §47-813; is the primary place of the retail business; has a Certificate of Occupancy for commercial use; and is a retail establishment from which the business of selling tangible personal property is conducted, or in or from which any retail sales are made. In addition, the business must file a Sales and Use Tax return, and must be current on all District of Columbia tax filings and payments. See Schedule SR with instructions, and DC. Code §§ 47-1807.14 and 47-1808.14 for further details.

### **District of Columbia Opportunity Zone Tax Benefits**

The Tax Cuts and Jobs Act of 2017 included a provision called 'Opportunity Zones' which established certain tax benefits for federal taxpayers with capital gains who invest those gains into a Qualified Opportunity Fund (QOF). A QOF is an investment vehicle that files either a partnership or corporation federal income tax return and is organized for the purpose of investing in Qualified Opportunity Zone property. Pursuant to the "Aligning Opportunity Zone Tax Benefits with DC Community Priorities Emergency Act of 2020", the District of Columbia has also acted to establish certain tax benefits for DC taxpayers with capital gains who invest those gains into an approved DC QOF.

The District of Columbia Opportunity Zone Tax Benefits available to a DC taxpayer, if the taxpayer meets certain criteria, are: (1) a deferral of a capital gains tax payment for investing in a QOF; (2) a reduction of capital gains tax liability through a 10% step-up in basis, if invested in a QOF for 5 years prior to December 31, 2026, and an additional 5% step-up in basis, if invested in a QOF for 7 years prior to December 31, 2026; and (3) an abatement of capital gains tax on an investment of capital gains in a QOF for at least 10 years before December 31, 2047.

DC taxpayers seeking the capital gains tax deferral, reduction or abatement at the District level must invest in a QOF that:

(1) is a QOF approved by the District of Columbia Government; and  
(2) has invested at least the value of the taxpayer's investment in the QOF in eligible Qualified Opportunity Zones Businesses (QOZBs) or Qualified Opportunity Zones Business Property (QOZBP) in the District of Columbia.

The District taxpayer investor will need to submit a DC QOF Approval letter issued by the Office of the Deputy Mayor for Planning and Economic Development (DMPED) with their tax returns, along with IRS Forms 8996 and 8997 for the tax year for which the taxpayer is seeking the benefits. The taxpayer must also submit other relating federal forms, if applicable, such as federal forms 8949, 4797, and federal Schedules K-1 and Schedule D, including any other information that OTR may require to administer the benefits.

If a corporate taxpayer investor has capital gain deferred on its federal return due to an investment in a Federal Qualified Opportunity Fund, add back the amount of the federal deferment on Line 9 of the D-20 return.

If a corporate taxpayer investor has capital gain deferred due to an investment in a DC approved DC Qualified Opportunity Fund, enter the amount of the DC deferment on Line 25 of the D-20 return

See DC Code §§ 47-1801.04(39)(A), (39)(B), (39)(C), (39)(D); and 47-1803.03(a)(20). For more information about the Qualified Opportunity Funds approval process and eligible investments, contact DMPED at [DCQOF@dc.gov](mailto:DCQOF@dc.gov) or (202) 727-6365. To apply for DC approved Opportunity Zone Tax Benefits, visit [OZMarketplace.dc.gov](http://OZMarketplace.dc.gov).

### Economic Development Zone Incentives Credits

**Supporting Documentation Required** If you are claiming an Economic Development Zone Incentives (EDZI) credits against your DC franchise tax liability, you **MUST** attach to your return:

1. A copy of the DC Council resolution approving the qualification for any credits claimed;
2. A certification of eligible employees issued by the DC Department of Employment Services; and
3. A completed EDZI Credit Worksheet.

If you do not have items 1 and 2, you do not qualify for this credit.

The EDZI Amendment Act allows a qualified business, under certain circumstances, to take various credits against its franchise tax liability. A qualified business is one that is approved as qualified under Section 5 of EDZI by the DC Office of Economic Development. You **MUST** complete the worksheet below and include it with the other attachments to your return. The following credits are allowed under EDZI to qualified businesses:

1. A non-refundable credit (not exceeding \$7,500 per certified employee) against the franchise tax in an amount equal to 50 percent of the wages of all certified employees who meet the

- requirements of Section 10(b) of EDZI;
2. A non-refundable credit against the franchise tax in an amount equal to 50 percent of the insurance premiums attributable to all employees for whom it obtains employer liability insurance under the District of Columbia Workers Compensation Act of 1979;
3. A non-refundable rent credit for lessors against the franchise tax. The credit allowed is the difference between the rental market value of the space leased to a licensed non-profit child care center and the actual rent stated in the lease agreement as indicated in the DC Council resolution approving the qualification of the business. A non-profit child care center is a child development center as defined in Section 10 of EDZI; and

Economic Development Zone Incentives credits shall not reduce the minimum tax liability under DC Code §47-1807.02(b) or §47-1808.03(b). For credits 1, 2, & 3 listed above, amounts not used as an offset against the tax may be carried forward or back for up to 5 years, except that no portion of the credits shall be claimed for any taxable year in which the qualified business was not located within an economic development zone or did not employ a certified employee.

Economic Development Zone Incentives Credit Worksheet			
Column 1 - Credit Category	Column 2	Column 3	Column 4
A. Certified employees wages maximum \$7,500 per certified employee in any taxable year	Total Wages \$	50% of Wages  Col. 2 x .50 =	\$
B. Certified (eligible employees) workers compensation liability insurance premiums	Total Premiums \$	50% of Premiums  Col. 2 x .50 =	\$
C. Child care center rent (lessor).....	Rental market value .....	\$ _____	\$
	Minus rent shown on lease agreement .....	\$ _____	
	Total child care center credit.....		
	Total of Column 4		\$
	Add any EDZI credit carry forward from a previous year		\$
	Total EDZI credit (enter on Line 1, Schedule UB)		\$





Important: Print in CAPITAL letters using black ink.

Header section containing Taxpayer Identification Number (TIN), Number of business locations, Tax period ending (MMDDYYYY), Name of corporation, Business mailing addresses, City, State, Zip Code, Designated Agent Name, and Designated Agent TIN. Includes 'OFFICIAL USE ONLY Vendor ID# 0000' and various checkboxes for QHTC status.

• READ INSTRUCTIONS BEFORE PREPARING RETURN • (To allocate non-business items, see instructions)

GROSS INCOME

Table for Gross Income with 11 rows. Columns include description, amount in dollars, and amount in cents. Includes items like Gross receipts, Cost of goods sold, Dividends, Interest, and Total gross income.

DEDUCTIONS

Table for Deductions with 13 rows. Columns include description, amount in dollars, and amount in cents. Includes items like Compensation of officers, Salaries and wages, Repairs, Bad debts, Rent, Taxes, Interest payments, and Depreciation.



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

		ENTER DOLLAR AMOUNTS ONLY																				
DEDUCTIONS	24	Pension, profit-sharing plans	24	\$																	00	
	25	Capital gains deferred due to DC approved investment in a DC Qualified Opportunity Fund	25	\$																		00
	26	Other deductions (attach statement)	26	\$																		00
	27	<b>Total deductions.</b> Add Lines 12-26.	27	\$																		00
	28	Net income Line 11 minus Line 27. <span style="float:right">Fill in if minus: <input type="radio"/></span>	28	\$																		00
	29	(a) Non-business income/state adjustment (attach statement) <span style="float:right">Fill in if minus: <input type="radio"/></span>	29a	\$																		00
		(b) Expense related to non-business income (attach statement)	29b	\$																		00
		(c) 29(a) minus 29(b) <span style="float:right">Fill in if minus: <input type="radio"/></span>	29c	\$																		00
	30	Net income subject to apportionment <span style="float:right">Fill in if minus: <input type="radio"/></span> Line 28 minus Line 29(c)	30	\$																		00
	31	DC apportionment factor from Form D-20, Schedule F, Col. 3, Line 5. If Combined Report, from Combined Reporting Schedule 2A, Col. 3, Line 9.	31																			
	32	Net income from trade or business <span style="float:right">Fill in if minus: <input type="radio"/></span> apportioned to DC Line 30 amount multiplied by Line 31 factor.	32	\$																		00
	33	Other income/deductions attributable to DC <span style="float:right">Fill in if minus: <input type="radio"/></span> (attach statement - see instructions)	33	\$																		00
	34	Total taxable income before apportioned NOL deduction <span style="float:right">Fill in if minus: <input type="radio"/></span> Line 32 plus or minus Line 33.	34	\$																		00
	35	Apportioned NOL deduction (Losses occurring in year 2000 and later)* *(Losses occurring in tax year 2018 or later are limited to 80%. See instructions.)	35	\$																		00
	36	<b>Total DC taxable income.</b> Line 34 minus Line 35. <span style="float:right">Fill in if minus: <input type="radio"/></span>	36	\$																		00
	37	Tax 8.25% of Line 36.	37	\$																		00
	38	Minus nonrefundable credits from Schedule UB, Line 9	38	\$																		00
	39	Total DC gross receipts from Line '4' MTLGR Worksheet <span style="float:right">\$</span> _____ <span style="float:right">00</span>																				
	40	Net tax. Line 37 minus Line 38. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M.	40	\$																		00
41	Payments and refundable credits:	41a	\$																		00	
	(a) Tax paid, if any, with request for an extension of time to file	41b	\$																		00	
	(b) Tax paid, if any, with original return if this is an amended return	41c	\$																		00	
	(c) 2020 estimated franchise tax payments	41d	\$																		00	
	(d) Refundable credits from Schedule UB, Line 12																					
42	If this is an amended 2020 return, enter refund requested with original return.	42	\$																		00	
43	Total payments and credits. Add Lines 41(a) through 41(d). Do not include Line 42.	43	\$																		00	
44	Estimated tax interest (Fill in oval if D-2220 attached) <input type="radio"/>	44	\$																		00	
45	Total Amount Due. If Line 43 is smaller than the total of Lines 40 and 44, enter amount due. Will this payment come from an account outside of the U.S.? <input type="radio"/> Yes <input type="radio"/> No See instructions.	45	\$																		00	
46	Overpayment. If Line 43 is larger than the total of Lines 40 and 44, enter amount overpaid.	46	\$																		00	
47	Amount you want to apply to your 2021 estimated franchise tax.	47	\$																		00	
48	Amount to be refunded. Line 46 minus Line 47.	48	\$																		00	

Third party designee To authorize another person to discuss this return with OTR, fill in here  and enter the name and phone number of that person. See instructions.

Designee's name \_\_\_\_\_ Phone number \_\_\_\_\_

PLEASE SIGN HERE Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Officer's signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_ Telephone number of person to contact \_\_\_\_\_

PAID PREPARER ONLY Preparer's signature (if other than taxpayer) \_\_\_\_\_ Date \_\_\_\_\_ Firm name \_\_\_\_\_ Firm address \_\_\_\_\_

Email Address \_\_\_\_\_ Preparer's PTIN \_\_\_\_\_ If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval.

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_



Schedule A - Cost of Goods Sold (See specific instructions for Line 2.)		Schedule B - Dividends (See specific instructions for Line 4.)	
1. Inventory at beginning of year.....	\$	NAME AND ADDRESS OF DECLARING CORPORATION	AMOUNT
2. Merchandise bought for manufacture or sale.....			\$
3. Salaries and wages.....			
4. Other costs per books (attach statement)..... (Additional federal depreciation and additional IRC § 179 expenses are not allowable.)			
5. Total .....	\$		
6. Minus: Inventory at end of tax year.....			
7. Cost of goods sold (Enter here and on D-20 Line 2.)	\$		
<b>Method of inventory valuation:</b>		<b>Total Dividends</b>	
		Minus deduction for Subpart F Income.	
		\$	
		Minus deduction for dividends received from wholly-owned subsidiary	
		<b>TOTAL (Enter here and on D-20, Line 4.)</b>	
		\$	

Schedule C - Compensation of officers (See specific instructions for Line 12. If more than 3 offices attach additional sheets as needed.)						
Col. 1 Name and Address of Officer	Col. 2 Official Title	Col. 3 Percent of Time Devoted to Business	Percent of Corporation Stock Owned		Col. 6 Amount of Compensation	Col. 7 Expense Account Allowances
			Col. 4 Common	Col. 5 Preferred		
		%	%	%	\$	\$
		%	%	%		
		%	%	%		
TOTAL COMPENSATION OF OFFICERS (Enter here and on D-20, Line 12.)					\$	

Schedule D - Taxes (See specific instructions for Line 17.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
		TOTAL (Enter here and on D-20, Line 17.)	\$

Schedule E - Reconciliation of the net income reported on Federal and DC returns			
1. Taxable income before net operating loss deduction and special deductions (page 1 of your Federal corporate return).	\$	7. Total DC taxable income reported (from D-20, Line 36.	\$
UNALLOWABLE DEDUCTIONS AND ADDITIONAL INCOME		NON-TAXABLE INCOME AND ADDITIONAL DEDUCTIONS	
2. Income taxes (see specific instructions for Line 17).		8. Net income apportioned or allocated to outside DC.	
3. DC income taxes and franchise taxes imposed by DC Revenue Act of 1947, as amended.		9. Other non-taxable income and additional deductions including NOL (itemize):	
4. Interest on obligations of states, territories of the U.S. or any Political Subdivision thereof.		(a) _____	
5. Other unallowable deductions and additional income (itemize, include additional federal depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1-5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_



**Schedule F - DC apportionment factor** (See instructions) **Note: If this is a combined report do not use Schedule F to derive the apportionment factor for the group. Leave Schedule F blank. Use Combined Reporting Schedule 2A, Line 9 instead.**

	Round cents to the nearest dollar.		Carry all factors to six decimal places and truncate.	
	Column 1 TOTAL	Column 2 in DC	Column 3 Factor (Column 2 divided by Column 1)	
For all businesses other than financial institutions:				
1. <b>SALES FACTOR:</b> All gross receipts of the business other than gross receipts from non-business income.	\$ _____ 00	\$ _____ 00	.	_____
For Financial Institutions:				
2. <b>SALES FACTOR:</b> All gross income of the financial institution other than gross income from non-business income.	\$ _____ 00	\$ _____ 00	.	_____
3. <b>PAYROLL FACTOR:</b> Total compensation paid or accrued by the financial institution.	\$ _____ 00	\$ _____ 00	.	_____
4. <b>SUM OF FACTORS:</b> (For Financial Institutions add Lines 2 and 3 of Column 3)			.	_____
5. <b>DC APPORTIONMENT FACTOR:</b> For businesses other than financial institutions enter the number from Line 1, Column 3. Enter on D-20, Line 31. For financial institutions divide Line 4, Column 3 by 2. If there are less than two factors, use Line 4, Column 3. Enter on D-20, Line 31.			.	_____

Schedule G - Balance Sheets		Beginning of Taxable Year		End of Taxable Year	
		(A) Amount	(B) Total	(A) Amount	(B) Total
<b>ASSETS</b>	1. Cash . . . . .				
	2. Trade notes and accounts receivable . . . . .				
	(a) MINUS: Allowance for bad debts . . . . .				
	3. Inventories . . . . .				
	4. Gov't obligations: (a) U.S. and its instrumentalities . . . . .				
	(b) States, subdivisions thereof, etc. . . . .				
	5. Other current assets (attach statement) . . . . .				
	6. Loans to stockholders . . . . .				
	7. Mortgage and real estate loans . . . . .				
	8. Other investments (attach statement) . . . . .				
	9. Buildings and other fixed depreciable assets . . . . .				
	(a) MINUS: Accumulated depreciation . . . . .				
	10. Depletable assets . . . . .				
	(a) MINUS: Accumulated depletion . . . . .				
11. Land (net of any amortization) . . . . .					
12. Intangible assets (amortizable only) . . . . .					
(a) MINUS: Accumulated amortization . . . . .					
13. Other assets (attach statement) . . . . .					
14. <b>TOTAL ASSETS</b> . . . . .					
<b>LIABILITIES AND CAPITAL</b>	15. Accounts payable . . . . .				
	16. Mortgages, notes, bonds payable in less than 1 year . . . . .				
	17. Other current liabilities (attach statement) . . . . .				
	18. Loans from stockholders . . . . .				
	19. Mortgages, notes, bonds payable in 1 year or more . . . . .				
	20. Other liabilities (attach statement) . . . . .				
	21. Capital stock: (a) Preferred stock . . . . .				
	(b) Common stock . . . . .				
	22. Paid-in or capital surplus (attach statement) . . . . .				
	23. Retained earnings - Appropriated (attach statement) . . . . .				
	24. Retained earnings - Unappropriated . . . . .				
	25. MINUS: Cost of treasury stock . . . . .		( _____ )		( _____ )
26. <b>TOTAL LIABILITIES AND CAPITAL</b> . . . . .					



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

**Schedule H-1 – Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1. Net income per books . . . . .	\$ _____	7. Income recorded on books this year and not included in this return (itemize). Tax-exempt interest \$ _____	\$ _____
2. Federal income tax . . . . .	_____		
3. Excess of capital losses over capital gains . .	_____		
4. Taxable income not recorded on books this year (itemize) . . . . .	_____		
5. Expenses recorded on books this year and not deducted on this return (itemize).  (a) Depreciation . . . . . \$ _____ (b) Depletion . . . . . \$ _____	_____	8. Deductions on this tax return and not charged against book income this year (itemize). (a) Depreciation . . . . . \$ _____ (b) Depletion . . . . . \$ _____	_____
6. TOTAL of Lines 1 through 5. . . . .	\$ _____	9. TOTAL of Lines 7 and 8 . . . . .	\$ _____
		10. Taxable Income (federal Form 1120, page 1, line 28 should equal Line 6 minus Line 9 of this Schedule.)	\$ _____

**Schedule H-2 – Analysis of Unappropriated Retained Earnings per Books**

1. Balance at beginning of year . . . . .	\$ _____	5. Distributions: (a) Cash . . . . .	\$ _____
2. Net income per books . . . . .	_____	(b) Stock . . . . .	_____
3. Other increases (itemize) . . . . .	_____	(c) Property . . . . .	_____
		6. Other decreases (itemize). _____	_____
4. TOTAL of Lines 1, 2 and 3. . . . .	\$ _____	7. TOTAL of Lines 5 and 6. . . . .	\$ _____
		8. Balance at end of year (Line 4 minus Line 7). .	\$ _____

**Schedule I – Income from Rent**

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. I-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. I-1)
1. _____		\$ _____	\$ _____	\$ _____	\$ _____
2. _____					
3. _____					
4. _____					
5. _____					
<b>6. TOTAL</b> (Enter the total of Column 3 on D-20, Line 6. Enter total of Column 4, 5, and 6 on appropriate deduction lines.)		\$ _____	\$ _____	\$ _____	\$ _____

\*excludes federal depreciation and additional IRC §179 expenses.

**Schedule I-1 – Explanation of deductions claimed in Columns 5 and 6 of Schedule I.**

Column No.	Explanation	Amount	Column No.	Explanation	Amount
		\$ _____			\$ _____



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

**\***

**Schedule K- Disregarded Entities** (Name and TIN for any single member limited liability company that is treated as a disregarded entity for District franchise tax purposes, whose income is included in the income reported on this return, and which is doing business in the District). (See instructions.)

Disregarded Entity Name	TIN

**Supplemental Information**

1. STATE OR COUNTRY OF INCORPORATION	2.(a) DATE OF INCORPORATION	2.(b) DATE BUSINESS BEGAN IN DC	3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN:
4. THE CORPORATION'S BOOKS ARE IN THE CARE OF -	5. LOCATED AT -		
6. During 2020, has the Internal Revenue Service made or proposed any adjustments to your federal income tax return, or did you file any amended returns with the IRS? YES <input type="radio"/> NO <input type="radio"/>		If you have already provided OTR with a detailed statement, enter the date it was sent. <input type="text"/>	
If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 9 under Amended returns.		MM/DD/YYYY	
7. Is this corporation unitary with another entity?	<input type="radio"/> YES <input type="radio"/> NO	If yes, explain:	
8. Is this return made on the accrual basis?	<input type="radio"/> YES <input type="radio"/> NO	If no, indicate basis used: <input type="radio"/> Cash Basis <input type="radio"/> Other (specify)	
9. Did you file a franchise tax return with DC for the year 2019?	<input type="radio"/> YES <input type="radio"/> NO	If no, state reason	
10. Did you withhold DC income tax from wages paid to your DC resident employees during 2020?	<input type="radio"/> YES <input type="radio"/> NO	If no, state reason:	
11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2020?	<input type="radio"/> YES <input type="radio"/> NO		
12. (a) Has the business been terminated?	<input type="radio"/> YES <input type="radio"/> NO	If yes, explain and give date:	
(b) Have you moved out of DC?	<input type="radio"/> YES <input type="radio"/> NO		
13. Did you file an annual ballpark fee return?	<input type="radio"/> YES <input type="radio"/> NO		

\*Schedule J has been deleted.

# 2020 SCHEDULE UB Business Credits



2 0 2 3 0 0 2 1 0 0 0 0

OFFICIAL USE ONLY  
Vendor ID# 0000

**Important:** Print in CAPITAL letters using black ink.  
Attach to your Form D-20 or D-30.

Taxpayer Identification Number  Fill in  if FEIN  if filing a D-20 Return  
 Fill in  if SSN  if filing a D-30 Return

Enter your business name

### D-20 Return

#### Nonrefundable Credits (Nonrefundable Credits may not be applied against the required minimum tax)

1	Economic Development Zone Incentives Credits ( <i>see worksheet</i> ).	1	\$	<input type="text"/>	00
2	Qualified High Technology Company Credits <i>from Part D, Line 4a, DC Form D-20CR</i> .	2	\$	<input type="text"/>	00
3	Organ and Bone Marrow Donor Credit ( <i>see computation on reverse side</i> ).	3	\$	<input type="text"/>	00
4	Job Growth Incentive Act	4	\$	<input type="text"/>	00
5	Enter alternative fuel credits. <i>See instructions</i>				
	5a Alternative fuel infrastructure. <input type="text"/> \$ <input type="text"/> 00 <i># of stations</i>		\$	<input type="text"/>	00
	5b Alternative fuel vehicle conversion. <input type="text"/> \$ <input type="text"/> 00 <i># of vehicles</i>		\$	<input type="text"/>	00
6	Total alternative fuel credits. Add Lines 5a and 5b only and enter here.	6	\$	<input type="text"/>	00
7	Employer-assisted Home Purchase Tax Credit ( <i>see computation on reverse side</i> ). 7a <input type="text"/> <i># of employees</i>	7	\$	<input type="text"/>	00
8	RESERVED	8	\$	<input type="text"/>	00
9	Total the nonrefundable D-20 credits, enter here and on Form D-20, Line 38.	9	\$	<input type="text"/>	00

#### Refundable Credits

10	RESERVED	10	\$	<input type="text"/>	00
11	Small Retailer Property Tax Relief Credit	11	\$	<input type="text"/>	00
12	Total the refundable D-20 credits, enter here and on Form D-20, Line 41(d).	12	\$	<input type="text"/>	00

### D-30 Return

#### Nonrefundable Credits (Nonrefundable Credits may not be applied against the required minimum tax)

13	Economic Development Zone Incentives Credit ( <i>see worksheet</i> ).	13	\$	<input type="text"/>	00
14	Organ and Bone Marrow Donor Credit ( <i>see computation on reverse side</i> )	14	\$	<input type="text"/>	00
15	Job Growth Incentive Act	15	\$	<input type="text"/>	00
16	Enter alternative fuel credits. <i>See instructions</i>				
	16a Alternative fuel infrastructure. <input type="text"/> \$ <input type="text"/> 00 <i># of stations</i>		\$	<input type="text"/>	00
	16b Alternative fuel vehicle conversion. <input type="text"/> \$ <input type="text"/> 00 <i># of vehicles</i>		\$	<input type="text"/>	00
17	Total alternative fuel credits. Add Lines 16a and 16b only and enter here.	17	\$	<input type="text"/>	00
18	Employer-assisted Home Purchase Tax Credit ( <i>see computation on reverse side</i> ). 18a <input type="text"/> <i># of employees</i>	18	\$	<input type="text"/>	00
19	RESERVED	19	\$	<input type="text"/>	00
20	Total the nonrefundable D-30 credits, enter here and on Form D-30, Line 38.	20	\$	<input type="text"/>	00

#### Refundable Credits

21	Small Retailer Property Tax Relief Credit	21	\$	<input type="text"/>	00
22	Total the refundable D-30 credits, enter here and on Form D-30, Line 41(d).	22	\$	<input type="text"/>	00

**Organ and Bone Marrow Donor Credit**

An employer who provides an employee with paid leave to donate an organ (up to 30 days leave) or to donate bone marrow (up to 7 days leave) is eligible to claim a credit against the franchise tax. The credit is equal to 25% of the salary paid to the employee during the leave period. If you take the credit, you may not also deduct the salary paid to the donor employee for that period. This credit is not available if the employee is eligible for leave under the Family and Medical Leave Act of 1993.

<b>Organ and Bone Marrow Donor Credit</b> — Computation —			
Column 1 Credit Category	Column 2 Total Paid Leave	Column 3 Leave Credit Calculation	Column 4 Total Credit
Organ Donor(s)	Total Paid Leave Wages  \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
Bone Marrow Donor(s)	Total Paid Leave Wages  \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
		<b>Total of Col. 4. Enter here and on Schedule UB.*</b>	\$ _____

\*Line 3 of Schedule UB for D-20 filers  
Line 14 of Schedule UB for D-30 filers

<b>Employer-Assisted Home Purchase Tax Credit</b> — Computation —	
1. Number of Eligible Employees	<input style="width: 40px; height: 20px;" type="text"/>
2. Amount of Homeownership Assistance provided during this period to Eligible Employees.....x 50%	\$ _____
3. Tax Credit ..... (Cannot exceed Line 2 amount and limited to \$2,500 per Eligible Employee)	\$ _____
<p><b>Enter amount from Line 3 on Line 7 of Schedule UB for D-20 filers, or Line 18 of Schedule UB for D-30 filers.</b></p>	

**Employer-Assisted Home Purchase Tax Credit**

An employer who provides homeownership assistance to eligible employees through a certified home purchase program may be eligible to claim a credit against the franchise tax if certain conditions are met. See instructions and DC Code Section 47-1807.07 for further details.



SCHEDULE SR Small Retailer Property Tax Relief Credit



Important: Read eligibility requirements before completing. Print in CAPITAL letters using black ink.

OFFICIAL USE ONLY Vendor ID#0000

Taxpayer Identification Number  Fill in  if FEIN Fill in  if filing a D-20 Return  
 Fill in  if SSN Fill in  if filing a D-30 Return

Enter your business name  Sales and Use Tax Account Number

Mailing address (number, street and suite number if applicable)

City  State  Zip Code +4

Address of Class 2 DC Property (number, street and suite number if applicable) for which you are claiming the credit if different from above

City  State  Zip Code +4

Certificate of Occupancy Permit Number

If member of a Combined Group, Taxpayer Identification Number of Designated Agent

- ◆ Do not claim this credit if your qualified business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or the qualified owned retail location is otherwise exempt from real property tax.
- ◆ The credit equals the total Class 2 real property taxes paid by a qualified corporation or qualified unincorporated business for a qualified retail owned location during the taxable year not to exceed \$5,000; or 10% of the total rent paid by a qualified corporation or qualified unincorporated business for a qualified rental retail location not to exceed \$5,000.

1 Amount of federal gross receipts or sales. Do not make claim if \$2.5m or more.	1 \$	<input type="text"/>	.00
2 If tenant, amount of rent paid in taxable year 2020 on qualified retail location.	2 \$	<input type="text"/>	.00
3 Enter the Class 2 property taxes paid in 2020 on qualified owned retail location or 10% of rent paid in taxable year 2020 on qualified rental retail location.	3 \$	<input type="text"/>	.00
4 Property Tax Credit Limit.	4 \$	<input type="text"/> 5 0 0 0	.00
5 Small Retailer Property Tax Relief Credit. Enter the smaller of Line 3 or Line 4 here, and on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.	5 \$	<input type="text"/>	.00

6 Owner/Landlord's name

Owner/Landlord's address (number and street)

City  Telephone number

State  Zip Code +4

7 If Owner, enter information from your real property tax bill or assessment. If a section is blank on your property tax bill, leave it blank here.

Square number  Suffix number  Lot number

## Instructions for Schedule SR

### Small Retailer Property Tax Relief Credit

For taxable years beginning after December 31, 2017, a qualified corporation, or qualified unincorporated business, may claim a credit against corporate or unincorporated business franchise tax as follows:

(1) a tax credit equal to 10% of the total rent paid by the corporation/unincorporated business for a qualified rental retail location during the taxable year not to exceed \$5,000; or

(2) a tax credit equal to the total Class 2 real property taxes paid by the qualified corporation/unincorporated qualified business for a qualified retail owned location during the taxable year not to exceed the lesser of the real property tax paid during the taxable year or \$5,000.

The credit in any one taxable year may exceed the qualified corporation/qualified unincorporated business's franchise tax liability, including any minimum tax due for that taxable year and is refundable to the qualified corporation/qualified unincorporated business claiming the credit.

The credit shall not apply if the qualified corporation/qualified unincorporated business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or qualified owned retail location is otherwise exempt from real property tax.

### Qualified Corporation/Qualified Unincorporated Business Defined

The term "qualified corporation" or "qualified unincorporated business" means a corporation or unincorporated business that: is engaged in the business of making sales at retail and files a sales tax return reflecting those sales; has less than \$2,500,000 in federal gross receipts or sales; and is current on all District tax filings and payments.

### Qualified Retail Rental Location/Qualified Retail Owned Location Defined

The term "qualified retail rental location" or "qualified retail owned location" means a building or part of a building in the District that during the taxable year is: a retail establishment the premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made; the primary place of the retail business of the qualified corporation/

qualified unincorporated business; leased or owned by the qualified corporation/qualified unincorporated business; classified, in whole or in part, as Class 2 Property as defined in DC Code §47-813; and has obtained a Certificate of Occupancy for commercial use.

### Tax-Exempt and Government Properties

Businesses that lease a qualified retail rental location or own a qualified retail owned location that is exempt from real property taxation by the District (including government-owned buildings) are not eligible to claim this credit.

### Line Instructions

**Line 1** Enter the total amount of federal gross receipts or sales. If you have federal gross receipts or sales of \$2.5 million or more you are ineligible to claim the credit.

**Line 2** If you are a tenant, enter the amount of rent paid on the qualified retail rental location in taxable year 2020.

**Line 3** If you are an owner, enter the amount of Class 2 real property taxes paid on the qualified retail owned location in 2020, or, if you are a tenant, enter the amount of 10% of the rent paid on the qualified retail rental location in taxable year 2020.

**Line 4** The credit limit is \$5,000.

**Line 5** Enter the smaller of Line 3 or Line 4 on Line 5. This is the amount of the credit that may be claimed. Enter the Line 5 amount on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.

**Line 6** For the qualified retail location, enter the Owner or Landlord's name, address and telephone number.

**Line 7** If the property is a qualified retail owned location, enter the Square number, Suffix number and Lot number for the property as it appears on your real property tax bill or assessment.

**Note:** In addition to other requirements as listed above, all businesses must have a sales and use tax account with OTR and file all required returns in order to qualify for this credit. The Schedule SR cannot be filed as a standalone return. It must be filed with Schedule UB and the D-20 Corporation Franchise Tax Return, or D-30 Unincorporated Franchise Tax Return, as applicable. A business with multiple locations in the District may claim the credit for only one property owned or leased.

Combined Group Members' Schedule

NOTE: READ INSTRUCTIONS BEFORE COMPLETING THIS FORM



Important: Print in CAPITAL letters using black ink.

Worldwide

Taxpayer Identification Number of Designated Agent      Taxable year ending MMDDYYYY      Number of members in the combined group




Name of Designated Agent

Telephone number



Business mailing address line #1

Business mailing address line #2

City

State

Zip Code + 4





A List the designated agent and all combined members	B Taxpayer Identification Number	C Was a separate DC franchise tax return filed in the prior year?	D Is the member new to the combined group?	E Was gross income received from District sources?	F Does the member have nexus in DC?
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: If more than 14 combined members, continue list on a separate sheet of paper.

# Combined Group Members' Schedule

## Instructions

It is necessary to identify each member of the DC Combined Group subject to the franchise tax.

Attach a copy of Federal Forms 851, 5471, and 8975 (including Schedule A).

File this schedule each year that a DC Combined Report is filed.

Enter the number of members in the combined group.

**Column A** - List the designated agent and all combined members included in the DC Combined Report.

**Column B** - Give the Taxpayer Identification Number (TIN) for each member listed.

**Column C** - Indicate if each member listed filed a separate DC franchise tax return in the prior tax year.

**Column D** - Indicate if any members are new to the DC Combined Group.

**Column E** - Indicate if the member received gross income from DC sources.

**Column F** - Indicate if the member has nexus in DC.

Worldwide Combined Reporting Election Form



Taxpayer Identification Number of Designated Agent

Input field for Taxpayer Identification Number

Taxable Year YYYY

Input field for Taxable Year

Worldwide

Radio button for Worldwide

Name of Designated Agent

Input field for Name of Designated Agent

Telephone number

Input field for Telephone number

Business address line #1

Input field for Business address line #1

Business address line #2

Input field for Business address line #2

City

Input field for City

State

Input field for State

Zip code +4

Input field for Zip code +4

- In accordance with the provisions of DC Official Code § 47-1810.07 and the combined reporting regulations, election is hereby made to report on a worldwide unitary combined basis.
• A worldwide unitary combined reporting election is binding for and applicable to the tax year it is made and all years thereafter for a period of ten years.
• It may be withdrawn or reinstated after withdrawal, prior to the expiration of the ten-year period, only upon written request for reasonable cause based on extraordinary hardship due to unforeseen changes in DC tax statutes, law or policy and only with the written permission from the Office of Tax and Revenue.
• Upon the expiration of the ten-year period, a taxpayer may withdraw from the worldwide unitary combined reporting election.
• Withdrawal must be made in writing within one year of the expiration of the election and is binding for a period of ten years, subject to the same conditions as applied to the original election.

Date Beginning Tax Period: MMDDYYYY

Input field for Date Beginning Tax Period

Date Ending Tax Period: MMDDYYYY

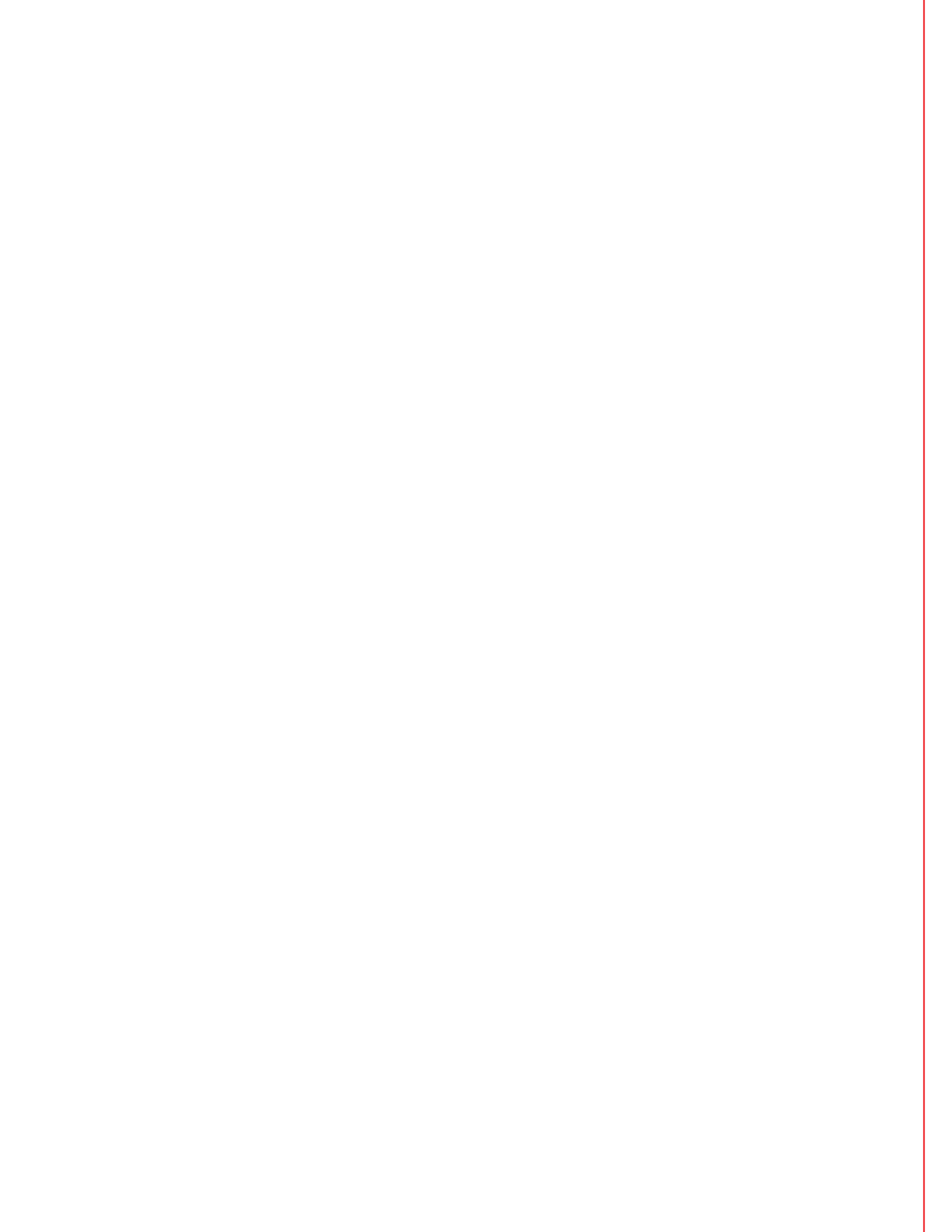
Input field for Date Ending Tax Period

Authorized Signature

Printed Name

Date

Under penalties of law, I declare that the designated agent has authorized me to sign on behalf of all members of the combined group, and that I have examined this form and the information contained herein is, to the best of my knowledge and belief, correct and complete.



**2020** D-20CR

**QHTC Corporate Business Tax Credits  
 (File With Form D-20)**



Official Use Only: VENDOR ID# 0000

Tax Return Year Beginning \_\_\_\_\_, 20\_\_ and ending \_\_\_\_\_, 20\_\_

Initial year of  
 certification as QHTC

TAXPAYER IDENTIFICATION NUMBER: \_\_\_\_\_

BUSINESS NAME AS SHOWN ON TAX RETURN FORM D-20: \_\_\_\_\_

**PART A – TAX CREDIT FOR 5% OF WAGES PAID TO QUALIFIED EMPLOYEES  
 DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Number of eligible employees

2. Total Wages paid during this period to Qualified Employees ..... \$

3. Tax credit – The credit per employee is limited to the lesser of 5% of the employee's wages or \$3,000.  
 (From FP-333, Line 12, FR-399 QHTC Instruction Book). \$

**PART B – TAX CREDIT FOR 50% OF WAGES PAID TO QUALIFIED  
 DISADVANTAGED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Employees eligible in First year  2. Months in First year

3. Total Wages paid during tax year 20\_\_ to Qualified Disadvantaged Employees ..... \$

4. Tax credit -The credit is 50% of qualified disadvantaged employee wages paid during the first 24 months of  
 employment beginning after December 31, 2000, not to exceed \$15,000 per employee per year. (From  
 FP-334, Line 13, FR-399 QHTC Instruction Book). \$

**PART C — TAX CREDIT FOR THE COSTS OF RETRAINING QUALIFIED  
 DISADVANTAGED EMPLOYEES DURING THE FIRST 18 MONTHS OF THEIR EMPLOYMENT**

1. Number of employees eligible, first 12 months.

2. Total expenditures for retraining Qualified Disadvantaged Employees paid or incurred during this period. \$

3. Amount of Retraining Costs Tax Credit ..... \$   
 (Limited to \$10,000 per employee for retraining costs incurred during the first 18 months of employment  
 beginning after December 31, 2000.) From Retraining Costs Tax Credit Worksheet, FR-399 QHTC Instruction Book.

**PART D – SUMMARY OF QHTC TAX CREDITS**

**Non-refundable credits**

1a. Qualified Employee Wages Tax Credit (Part A , Line 3) plus any carryover\* ..... \$

b. Amount of credit used this return ..... \$

c. Amount of credit carried forward ..... \$

2. Qualified Disadvantaged Employee Wages Tax Credit (Part B, Line 4) ..... \$

3. Retraining Costs Tax Credit (Part C, Line 3) ..... \$

4a. Total non-refundable QHTC Tax Credits used this return. .... \$   
 (add Lines 1b, 2, and 3 - enter on Schedule UB, Line 2) .

4b. Total non-refundable QHTC Tax Credits carried forward (Line 1C) ..... \$

**\*Note:** This credit may not be carried forward unless the credit was obtained for wages of a qualified employee hired before October 1, 2019.

# INSTRUCTIONS FOR FORM D-20CR

## **Who may use Form D-20CR?**

A business which is a corporation, including a Limited Liability Company (LLC) which has elected to be treated as a corporation for Federal tax purposes and is certified as a QHTC may file a Form D-20CR to claim the applicable credits listed on Form D-20CR.

## **Should the Certification of Gross Revenue Worksheet be submitted with the Form D-20CR?**

Yes, it must be submitted in the first year that the business is a QHTC for six or more months and in all subsequent years.

## **Which forms are required to claim QHTC credits?**

A company must file a DC corporate franchise tax return (D-20) to claim the credits entered on the Form D-20CR. The QHTC Self-Certification on [MyTax.DC.gov](http://MyTax.DC.gov) must also be completed. (This is required even if the company has been previously certified as a QHTC.)

## **Claiming a Tax Credit Carryover**

When claiming a tax credit carryover on your return please attach a copy of your form D-20CR for the year(s) from which the carryover originated.

## **Part A - Tax credit for wages paid to qualified employees during the first twenty-four months of employment**

An incorporated QHTC is allowed a credit against the corporate franchise tax equal to the lesser of 5% of the wages paid during the first 24 calendar months to a qualified employee, or \$3,000 per qualified employee. The qualified employee must be hired after December 31, 2017 and employed in DC by the QHTC in the "permitted activities." This credit may be carried forward for 10 years if the amount of the credit allowable under this section was obtained for wages of a qualified employee hired before October 1, 2019. Use the FP-333 "Tax Credit For Wages Paid To Qualified Employees" from the FR-399 QHTC Instruction Book to determine the amount of this credit.

## **Part B - Tax credit for 50% of the wages paid to qualified disadvantaged employees during the first twenty-four months of employment**

An incorporated QHTC is allowed a credit against its corporate franchise tax equal to the lesser of 50% of the wages paid to each qualified disadvantaged employee during the first 24 calendar months of employment, or \$15,000 per employee. The credit may not be carried forward. Use the FP-334 "Tax Credit For Wages Paid To Qualified Disadvantaged Employees" from the FR-399 QHTC Instruction Book to determine the amount of this credit.

## **Part C - Tax credit for the costs of retraining qualified disadvantaged employees during the first eighteen months of employment**

An incorporated QHTC is allowed a credit against the corporate franchise tax for expenditures paid or incurred during the taxable year for retraining qualified disadvantaged employee(s). See DC Code §47-1817.04. The credit claimed under this section is limited to the lesser of the costs of retraining, or \$10,000 for each qualified disadvantaged employee during the first 18 months of employment. This credit may not be carried forward. Use the Retraining Costs Tax Credit Worksheet in the FR-399 QHTC Instruction Book to determine the amount of this credit.

## **Part D- Summary of QHTC tax credits**

This is a summary of the tax credits claimed in Parts A through C. Copy the correct lines when completing Part D. Enter the amount of non-refundable credits from Line 4a of Part D on Schedule UB, Line 2.

**\*Note:** "TYBA" means "tax year beginning after".





Important: Print in CAPITAL letters using black ink.

Header section containing: Taxpayer Identification Number (TIN), Number of business locations, Tax period ending (MMDDYYYY), OFFICIAL USE ONLY Vendor ID# 0000, Name of corporation, Business mailing address #1 and #2, City, State, Zip Code + 4, Designated Agent Name, Designated Agent TIN.

• READ INSTRUCTIONS BEFORE PREPARING RETURN • (To allocate non-business items, see instructions)

GROSS INCOME

DEDUCTIONS

Main table with 23 rows for Gross Income and Deductions. Includes columns for line number, description, amount, and tax amount. Includes instructions: 'Enter dollar amounts only. If amount is zero, leave line blank; if minus, enter amount and fill in oval.'



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

DEDUCTIONS		ENTER DOLLAR AMOUNTS ONLY									
24	Pension, profit-sharing plans	24	\$								00
25	Capital gains deferred due to DC approved investment in a DC Qualified Opportunity Fund	25	\$								00
26	Other deductions (attach statement)	26	\$								00
27	<b>Total deductions.</b> Add Lines 12-26.	27	\$								00
28	Net income Line 11 minus Line 27. <span style="float:right">Fill in if minus: <input type="radio"/></span>	28	\$								00
29	(a) Non-business income/state adjustment (attach statement) <span style="float:right">Fill in if minus: <input type="radio"/></span>	29a	\$								00
	(b) Expense related to non-business income (attach statement)	29b	\$								00
	(c) 29(a) minus 29(b) <span style="float:right">Fill in if minus: <input type="radio"/></span>	29c	\$								00
30	Net income subject to apportionment <span style="float:right">Fill in if minus: <input type="radio"/></span> Line 28 minus Line 29(c)	30	\$								00
31	DC apportionment factor from Form D-20, Schedule F, Col. 3, Line 5. If Combined Report, from Combined Reporting Schedule 2A, Col. 3, Line 9.	31									
32	Net income from trade or business <span style="float:right">Fill in if minus: <input type="radio"/></span> apportioned to DC Line 30 amount multiplied by Line 31 factor.	32	\$								00
33	Other income/deductions attributable to DC <span style="float:right">Fill in if minus: <input type="radio"/></span> (attach statement - see instructions)	33	\$								00
34	Total taxable income before apportioned NOL deduction <span style="float:right">Fill in if minus: <input type="radio"/></span> Line 32 plus or minus Line 33.	34	\$								00
35	Apportioned NOL deduction (Losses occurring in year 2000 and later)* *(Losses occurring in tax year 2018 or later are limited to 80%. See instructions.)	35	\$								00
36	<b>Total DC taxable income.</b> Line 34 minus Line 35. <span style="float:right">Fill in if minus: <input type="radio"/></span>	36	\$								00
37	Tax 8.25% of Line 36.	37	\$								00
38	Minus nonrefundable credits from Schedule UB, Line 9	38	\$								00
39	Total DC gross receipts from Line '4' MTLGR Worksheet <span style="float:right">\$</span> _____ <span style="float:right">.00</span>										
40	Net tax. Line 37 minus Line 38. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M.	40	\$								00
41	Payments and refundable credits:	41a	\$								00
	(a) Tax paid, if any, with request for an extension of time to file	41b	\$								00
	(b) Tax paid, if any, with original return if this is an amended return	41c	\$								00
	(c) 2020 estimated franchise tax payments	41d	\$								00
42	If this is an amended 2020 return, enter refund requested with original return.	42	\$								00
43	Total payments and credits. Add Lines 41(a) through 41(d). Do not include Line 42.	43	\$								00
44	Estimated tax interest (Fill in oval if D-2220 attached) <input type="radio"/>	44	\$								00
45	Total Amount Due. If Line 43 is smaller than the total of Lines 40 and 44, enter amount due. Will this payment come from an account outside of the U.S.? <input type="radio"/> Yes <input type="radio"/> No See instructions.	45	\$								00
46	Overpayment. If Line 43 is larger than the total of Lines 40 and 44, enter amount overpaid.	46	\$								00
47	Amount you want to apply to your 2021 estimated franchise tax.	47	\$								00
48	Amount to be refunded. Line 46 minus Line 47.	48	\$								00

Third party designee To authorize another person to discuss this return with OTR, fill in here  and enter the name and phone number of that person. See instructions.

Designee's name \_\_\_\_\_ Phone number \_\_\_\_\_

PLEASE SIGN HERE Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Officer's signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_ Telephone number of person to contact \_\_\_\_\_

PAID PREPARER ONLY Preparer's signature (if other than taxpayer) \_\_\_\_\_ Date \_\_\_\_\_ Firm name \_\_\_\_\_ Firm address \_\_\_\_\_

Email Address \_\_\_\_\_ Preparer's PTIN \_\_\_\_\_ If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval.

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_



Schedule A - Cost of Goods Sold (See specific instructions for Line 2.)		Schedule B - Dividends (See specific instructions for Line 4.)	
1. Inventory at beginning of year.....	\$	NAME AND ADDRESS OF DECLARING CORPORATION	AMOUNT
2. Merchandise bought for manufacture or sale.....			\$
3. Salaries and wages.....			
4. Other costs per books (attach statement)..... (Additional federal depreciation and additional IRC § 179 expenses are not allowable.)			
5. Total .....	\$		
6. Minus: Inventory at end of tax year.....			
7. Cost of goods sold (Enter here and on D-20 Line 2.)	\$		
<b>Method of inventory valuation:</b>		<b>Total Dividends</b>	
		Minus deduction for Subpart F Income.	
		\$	
		Minus deduction for dividends received from wholly-owned subsidiary	
		<b>TOTAL (Enter here and on D-20, Line 4.)</b>	
		\$	

Schedule C - Compensation of officers (See specific instructions for Line 12. If more than 3 offices attach additional sheets as needed.)						
Col. 1 Name and Address of Officer	Col. 2 Official Title	Col. 3 Percent of Time Devoted to Business	Percent of Corporation Stock Owned		Col. 6 Amount of Compensation	Col. 7 Expense Account Allowances
			Col. 4 Common	Col. 5 Preferred		
		%	%	%	\$	\$
		%	%	%		
		%	%	%		
TOTAL COMPENSATION OF OFFICERS (Enter here and on D-20, Line 12.)					\$	

Schedule D - Taxes (See specific instructions for Line 17.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
		TOTAL (Enter here and on D-20, Line 17.)	\$

Schedule E - Reconciliation of the net income reported on Federal and DC returns			
1. Taxable income before net operating loss deduction and special deductions (page 1 of your Federal corporate return).	\$	7. Total DC taxable income reported (from D-20, Line 36.	\$
UNALLOWABLE DEDUCTIONS AND ADDITIONAL INCOME		NON-TAXABLE INCOME AND ADDITIONAL DEDUCTIONS	
2. Income taxes (see specific instructions for Line 17).		8. Net income apportioned or allocated to outside DC.	
3. DC income taxes and franchise taxes imposed by DC Revenue Act of 1947, as amended.		9. Other non-taxable income and additional deductions including NOL (itemize):	
4. Interest on obligations of states, territories of the U.S. or any Political Subdivision thereof.		(a) _____	
5. Other unallowable deductions and additional income (itemize, include additional federal depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1-5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$

Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_



**Schedule F - DC apportionment factor** (See instructions) **Note: If this is a combined report do not use Schedule F to derive the apportionment factor for the group. Leave Schedule F blank. Use Combined Reporting Schedule 2A, Line 9 instead.**

Round cents to the nearest dollar. Carry all factors to six decimal places and truncate.

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor <small>(Column 2 divided by Column 1)</small>
For all businesses other than financial institutions:			
1. <b>SALES FACTOR:</b> All gross receipts of the business other than gross receipts from non-business income.	\$ _____ 00	\$ _____ 00	. _____
For Financial Institutions:			
2. <b>SALES FACTOR:</b> All gross income of the financial institution other than gross income from non-business income.	\$ _____ .00	\$ _____ .00	. _____
3. <b>PAYROLL FACTOR:</b> Total compensation paid or accrued by the financial institution.	\$ _____ .00	\$ _____ .00	. _____
4. <b>SUM OF FACTORS:</b> (For Financial Institutions add Lines 2 and 3 of Column 3)			. _____
5. <b>DC APPORTIONMENT FACTOR:</b> For businesses other than financial institutions enter the number from Line 1, Column 3. Enter on D-20, Line 31. For financial institutions divide Line 4, Column 3 by 2. If there are less than two factors, use Line 4, Column 3. Enter on D-20, Line 31.			. _____

Schedule G - Balance Sheets		Beginning of Taxable Year		End of Taxable Year	
		(A) Amount	(B) Total	(A) Amount	(B) Total
<b>ASSETS</b>	1. Cash . . . . .				
	2. Trade notes and accounts receivable . . . . .				
	(a) MINUS: Allowance for bad debts . . . . .				
	3. Inventories . . . . .				
	4. Gov't obligations: (a) U.S. and its instrumentalities . . . . .				
	(b) States, subdivisions thereof, etc. . . . .				
	5. Other current assets (attach statement) . . . . .				
	6. Loans to stockholders . . . . .				
	7. Mortgage and real estate loans . . . . .				
	8. Other investments (attach statement) . . . . .				
	9. Buildings and other fixed depreciable assets . . . . .				
	(a) MINUS: Accumulated depreciation . . . . .				
	10. Depletable assets . . . . .				
	(a) MINUS: Accumulated depletion . . . . .				
11. Land (net of any amortization) . . . . .					
12. Intangible assets (amortizable only) . . . . .					
(a) MINUS: Accumulated amortization . . . . .					
13. Other assets (attach statement) . . . . .					
14. TOTAL ASSETS . . . . .					
<b>LIABILITIES AND CAPITAL</b>	15. Accounts payable . . . . .				
	16. Mortgages, notes, bonds payable in less than 1 year . . . . .				
	17. Other current liabilities (attach statement) . . . . .				
	18. Loans from stockholders . . . . .				
	19. Mortgages, notes, bonds payable in 1 year or more . . . . .				
	20. Other liabilities (attach statement) . . . . .				
	21. Capital stock: (a) Preferred stock . . . . .				
	(b) Common stock . . . . .				
	22. Paid-in or capital surplus (attach statement) . . . . .				
	23. Retained earnings - Appropriated (attach statement) . . . . .				
	24. Retained earnings - Unappropriated . . . . .				
	25. MINUS: Cost of treasury stock . . . . .		( _____ )		( _____ )
26. TOTAL LIABILITIES AND CAPITAL . . . . .					



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

**Schedule H-1 – Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1. Net income per books . . . . .	\$ _____	7. Income recorded on books this year and not included in this return (itemize). Tax-exempt interest \$ _____	\$ _____
2. Federal income tax . . . . .	_____		
3. Excess of capital losses over capital gains . .	_____		
4. Taxable income not recorded on books this year (itemize) . . . . .	_____		
5. Expenses recorded on books this year and not deducted on this return (itemize).  (a) Depreciation . . . . . \$ _____ (b) Depletion . . . . . \$ _____	_____	8. Deductions on this tax return and not charged against book income this year (itemize). (a) Depreciation . . . . . \$ _____ (b) Depletion . . . . . \$ _____	_____
6. TOTAL of Lines 1 through 5. . . . .	\$ _____	9. TOTAL of Lines 7 and 8 . . . . .	\$ _____
		10. Taxable Income (federal Form 1120, page 1, line 28 should equal Line 6 minus Line 9 of this Schedule.)	\$ _____

**Schedule H-2 – Analysis of Unappropriated Retained Earnings per Books**

1. Balance at beginning of year . . . . .	\$ _____	5. Distributions: (a) Cash . . . . .	\$ _____
2. Net income per books . . . . .	_____	(b) Stock . . . . .	_____
3. Other increases (itemize) . . . . .	_____	(c) Property . . . . .	_____
		6. Other decreases (itemize). _____	_____
4. TOTAL of Lines 1, 2 and 3. . . . .	\$ _____	7. TOTAL of Lines 5 and 6. . . . .	\$ _____
		8. Balance at end of year (Line 4 minus Line 7). .	\$ _____

**Schedule I – Income from Rent**

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. I-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. I-1)
1. _____		\$ _____	\$ _____	\$ _____	\$ _____
2. _____					
3. _____					
4. _____					
5. _____					
<b>6. TOTAL</b> (Enter the total of Column 3 on D-20, Line 6. Enter total of Column 4, 5, and 6 on appropriate deduction lines.)		\$ _____	\$ _____	\$ _____	\$ _____

\*excludes federal depreciation and additional IRC §179 expenses.

**Schedule I-1 – Explanation of deductions claimed in Columns 5 and 6 of Schedule I.**

Column No.	Explanation	Amount	Column No.	Explanation	Amount
		\$ _____			\$ _____



Taxpayer Name: \_\_\_\_\_

Taxpayer Identification Number: \_\_\_\_\_

\*  
**Schedule K- Disregarded Entities** (Name and TIN for any single member limited liability company that is treated as a disregarded entity for District franchise tax purposes, whose income is included in the income reported on this return, and which is doing business in the District). (See instructions.)

Disregarded Entity Name	TIN

**Supplemental Information**

1. STATE OR COUNTRY OF INCORPORATION	2.(a) DATE OF INCORPORATION	2.(b) DATE BUSINESS BEGAN IN DC	3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN:
4. THE CORPORATION'S BOOKS ARE IN THE CARE OF -	5. LOCATED AT -		
6. During 2020, has the Internal Revenue Service made or proposed any adjustments to your federal income tax return, or did you file any amended returns with the IRS? YES <input type="radio"/> NO <input type="radio"/> If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 9 under Amended returns.		If you have already provided OTR with a detailed statement, enter the date it was sent.	<input type="text"/> MM/DD/YYYY
7. Is this corporation unitary with another entity?	<input type="radio"/> YES <input type="radio"/> NO	If yes, explain:	
8. Is this return made on the accrual basis?	<input type="radio"/> YES <input type="radio"/> NO	If no, indicate basis used: <input type="radio"/> Cash Basis <input type="radio"/> Other (specify)	
9. Did you file a franchise tax return with DC for the year 2019?	<input type="radio"/> YES <input type="radio"/> NO	If no, state reason	
10. Did you withhold DC income tax from wages paid to your DC resident employees during 2020?	<input type="radio"/> YES <input type="radio"/> NO	If no, state reason:	
11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2020?	<input type="radio"/> YES <input type="radio"/> NO		
12. (a) Has the business been terminated?	<input type="radio"/> YES <input type="radio"/> NO	If yes, explain and give date:	
(b) Have you moved out of DC?	<input type="radio"/> YES <input type="radio"/> NO		
13. Did you file an annual ballpark fee return?	<input type="radio"/> YES <input type="radio"/> NO		

\*Schedule J has been deleted.



2 0 2 3 0 0 2 1 0 0 0 0

OFFICIAL USE ONLY Vendor ID# 0000

Important: Print in CAPITAL letters using black ink. Attach to your Form D-20 or D-30.

Taxpayer Identification Number

Grid for Taxpayer Identification Number

Fill in if FEIN, Fill in if SSN

Fill in if filing a D-20 Return, Fill in if filing a D-30 Return

Enter your business name

Text box for business name

D-20 Return

Nonrefundable Credits (Nonrefundable Credits may not be applied against the required minimum tax)

Table with 9 rows for D-20 Nonrefundable Credits: Economic Development Zone Incentives Credits, Qualified High Technology Company Credits, Organ and Bone Marrow Donor Credit, Job Growth Incentive Act, Alternative fuel infrastructure, Alternative fuel vehicle conversion, Total alternative fuel credits, Employer-assisted Home Purchase Tax Credit, Total nonrefundable D-20 credits.

Refundable Credits

Table with 3 rows for D-20 Refundable Credits: RESERVED, Small Retailer Property Tax Relief Credit, Total the refundable D-20 credits.

D-30 Return

Nonrefundable Credits (Nonrefundable Credits may not be applied against the required minimum tax)

Table with 6 rows for D-30 Nonrefundable Credits: Economic Development Zone Incentives Credit, Organ and Bone Marrow Donor Credit, Job Growth Incentive Act, Alternative fuel infrastructure, Alternative fuel vehicle conversion, Total alternative fuel credits, Employer-assisted Home Purchase Tax Credit, Total nonrefundable D-30 credits.

Refundable Credits

Table with 2 rows for D-30 Refundable Credits: Small Retailer Property Tax Relief Credit, Total the refundable D-30 credits.

**Organ and Bone Marrow Donor Credit**

An employer who provides an employee with paid leave to donate an organ (up to 30 days leave) or to donate bone marrow (up to 7 days leave) is eligible to claim a credit against the franchise tax. The credit is equal to 25% of the salary paid to the employee during the leave period. If you take the credit, you may not also deduct the salary paid to the donor employee for that period. This credit is not available if the employee is eligible for leave under the Family and Medical Leave Act of 1993.

<b>Organ and Bone Marrow Donor Credit</b> — Computation —			
Column 1 Credit Category	Column 2 Total Paid Leave	Column 3 Leave Credit Calculation	Column 4 Total Credit
Organ Donor(s)	Total Paid Leave Wages  \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
Bone Marrow Donor(s)	Total Paid Leave Wages  \$ _____	Col 2 _____ amt. × 25% _____ \$ _____	\$ _____
		<b>Total of Col. 4. Enter here and on Schedule UB.*</b>	\$ _____

\*Line 3 of Schedule UB for D-20 filers  
Line 14 of Schedule UB for D-30 filers

<b>Employer-Assisted Home Purchase Tax Credit</b> — Computation —	
1. Number of Eligible Employees	_____
2. Amount of Homeownership Assistance provided during this period to Eligible Employees.....x 50%	\$ _____
3. Tax Credit ..... (Cannot exceed Line 2 amount and limited to \$2,500 per Eligible Employee)	\$ _____
<p><b>Enter amount from Line 3 on Line 7 of Schedule UB for D-20 filers, or Line 18 of Schedule UB for D-30 filers.</b></p>	

**Employer-Assisted Home Purchase Tax Credit**

An employer who provides homeownership assistance to eligible employees through a certified home purchase program may be eligible to claim a credit against the franchise tax if certain conditions are met. See instructions and DC Code Section 47-1807.07 for further details.



SCHEDULE SR Small Retailer Property Tax Relief Credit



Important: Read eligibility requirements before completing. Print in CAPITAL letters using black ink.

OFFICIAL USE ONLY Vendor ID#0000

Taxpayer Identification Number. Fill in if FEIN, if filing a D-20 Return, if SSN, if filing a D-30 Return.

Enter your business name and Sales and Use Tax Account Number.

Mailing address (number, street and suite number if applicable).

City, State, Zip Code +4.

Address of Class 2 DC Property (number, street and suite number if applicable) for which you are claiming the credit if different from above.

City, State, Zip Code +4.

Certificate of Occupancy Permit Number.

If member of a Combined Group, Taxpayer Identification Number of Designated Agent.

- Do not claim this credit if your qualified business is exempt from or receives any tax credits towards its real property tax... The credit equals the total Class 2 real property taxes paid by a qualified corporation or qualified unincorporated business...

Table with 5 rows and 2 columns. Line 1: Amount of federal gross receipts or sales. Line 2: Rent paid in taxable year 2020. Line 3: Class 2 property taxes. Line 4: Property Tax Credit Limit (5000.00). Line 5: Small Retailer Property Tax Relief Credit.

6 Owner/Landlord's name and address. Telephone number, City, State, Zip Code +4.

7 If Owner, enter information from your real property tax bill or assessment. Square number, Suffix number, Lot number.

## Instructions for Schedule SR

### Small Retailer Property Tax Relief Credit

For taxable years beginning after December 31, 2017, a qualified corporation, or qualified unincorporated business, may claim a credit against corporate or unincorporated business franchise tax as follows:

(1) a tax credit equal to 10% of the total rent paid by the corporation/unincorporated business for a qualified rental retail location during the taxable year not to exceed \$5,000; or

(2) a tax credit equal to the total Class 2 real property taxes paid by the qualified corporation/unincorporated qualified business for a qualified retail owned location during the taxable year not to exceed the lesser of the real property tax paid during the taxable year or \$5,000.

The credit in any one taxable year may exceed the qualified corporation/qualified unincorporated business's franchise tax liability, including any minimum tax due for that taxable year and is refundable to the qualified corporation/qualified unincorporated business claiming the credit.

The credit shall not apply if the qualified corporation/qualified unincorporated business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or qualified owned retail location is otherwise exempt from real property tax.

### Qualified Corporation/Qualified Unincorporated Business Defined

The term "qualified corporation" or "qualified unincorporated business" means a corporation or unincorporated business that: is engaged in the business of making sales at retail and files a sales tax return reflecting those sales; has less than \$2,500,000 in federal gross receipts or sales; and is current on all District tax filings and payments.

### Qualified Retail Rental Location/Qualified Retail Owned Location Defined

The term "qualified retail rental location" or "qualified retail owned location" means a building or part of a building in the District that during the taxable year is: a retail establishment the premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made; the primary place of the retail business of the qualified corporation/

qualified unincorporated business; leased or owned by the qualified corporation/qualified unincorporated business; classified, in whole or in part, as Class 2 Property as defined in DC Code §47-813; and has obtained a Certificate of Occupancy for commercial use.

### Tax-Exempt and Government Properties

Businesses that lease a qualified retail rental location or own a qualified retail owned location that is exempt from real property taxation by the District (including government-owned buildings) are not eligible to claim this credit.

### Line Instructions

**Line 1** Enter the total amount of federal gross receipts or sales. If you have federal gross receipts or sales of \$2.5 million or more you are ineligible to claim the credit.

**Line 2** If you are a tenant, enter the amount of rent paid on the qualified retail rental location in taxable year 2020.

**Line 3** If you are an owner, enter the amount of Class 2 real property taxes paid on the qualified retail owned location in 2020, or, if you are a tenant, enter the amount of 10% of the rent paid on the qualified retail rental location in taxable year 2020.

**Line 4** The credit limit is \$5,000.

**Line 5** Enter the smaller of Line 3 or Line 4 on Line 5. This is the amount of the credit that may be claimed. Enter the Line 5 amount on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.

**Line 6** For the qualified retail location, enter the Owner or Landlord's name, address and telephone number.

**Line 7** If the property is a qualified retail owned location, enter the Square number, Suffix number and Lot number for the property as it appears on your real property tax bill or assessment.

**Note:** In addition to other requirements as listed above, all businesses must have a sales and use tax account with OTR and file all required returns in order to qualify for this credit. The Schedule SR cannot be filed as a standalone return. It must be filed with Schedule UB and the D-20 Corporation Franchise Tax Return, or D-30 Unincorporated Franchise Tax Return, as applicable. A business with multiple locations in the District may claim the credit for only one property owned or leased.



Important: Print in CAPITAL letters using black ink.

Worldwide

Taxpayer Identification Number of Designated Agent

Taxable year ending MMDDYYYY

Number of members in the combined group




Name of Designated Agent

Telephone number



Business mailing address line #1

Business mailing address line #2

City

State

Zip Code + 4





A List the designated agent and all combined members	B Taxpayer Identification Number	C Was a separate DC franchise tax return filed in the prior year?	D Is the member new to the combined group?	E Was gross income received from District sources?	F Does the member have nexus in DC?
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
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		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: If more than 14 combined members, continue list on a separate sheet of paper.

# Combined Group Members' Schedule

## Instructions

It is necessary to identify each member of the DC Combined Group subject to the franchise tax.

Attach a copy of Federal Forms 851, 5471, and 8975 (including Schedule A).

File this schedule each year that a DC Combined Report is filed.

Enter the number of members in the combined group.

**Column A** - List the designated agent and all combined members included in the DC Combined Report.

**Column B** - Give the Taxpayer Identification Number (TIN) for each member listed.

**Column C** - Indicate if each member listed filed a separate DC franchise tax return in the prior tax year.

**Column D** - Indicate if any members are new to the DC Combined Group.

**Column E** - Indicate if the member received gross income from DC sources.

**Column F** - Indicate if the member has nexus in DC.

Worldwide Combined Reporting Election Form



Taxpayer Identification Number of Designated Agent

Input field for Taxpayer Identification Number

Taxable Year YYYY

Input field for Taxable Year

Worldwide

Name of Designated Agent

Input field for Name of Designated Agent

Telephone number

Input field for Telephone number

Business address line #1

Input field for Business address line #1

Business address line #2

Input field for Business address line #2

City

Input field for City

State

Input field for State

Zip code +4

Input field for Zip code +4

- In accordance with the provisions of DC Official Code § 47-1810.07 and the combined reporting regulations, election is hereby made to report on a worldwide unitary combined basis.
• A worldwide unitary combined reporting election is binding for and applicable to the tax year it is made and all years thereafter for a period of ten years.
• It may be withdrawn or reinstated after withdrawal, prior to the expiration of the ten-year period, only upon written request for reasonable cause based on extraordinary hardship due to unforeseen changes in DC tax statutes, law or policy and only with the written permission from the Office of Tax and Revenue.
• Upon the expiration of the ten-year period, a taxpayer may withdraw from the worldwide unitary combined reporting election.
• Withdrawal must be made in writing within one year of the expiration of the election and is binding for a period of ten years, subject to the same conditions as applied to the original election.

Date Beginning Tax Period: MMDDYYYY

Input field for Date Beginning Tax Period

Date Ending Tax Period: MMDDYYYY

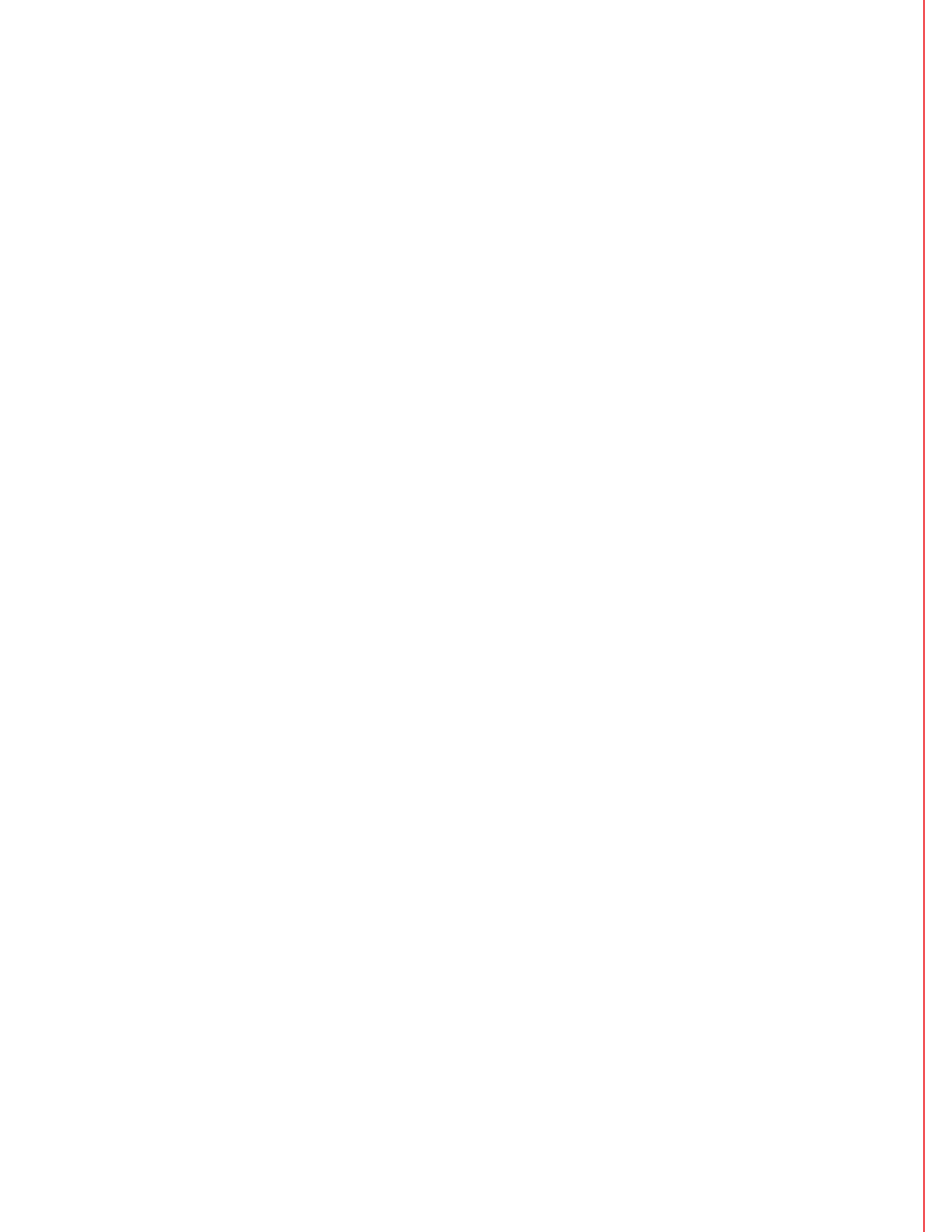
Input field for Date Ending Tax Period

Authorized Signature

Printed Name

Date

Under penalties of law, I declare that the designated agent has authorized me to sign on behalf of all members of the combined group, and that I have examined this form and the information contained herein is, to the best of my knowledge and belief, correct and complete.



**2020** D-20CR

**QHTC Corporate Business Tax Credits  
 (File With Form D-20)**



Official Use Only: VENDOR ID# 0000

Tax Return Year Beginning \_\_\_\_\_, 20\_\_ and ending \_\_\_\_\_, 20\_\_

Initial year of  
 certification as QHTC

TAXPAYER IDENTIFICATION NUMBER: \_\_\_\_\_

BUSINESS NAME AS SHOWN ON TAX RETURN FORM D-20: \_\_\_\_\_

**PART A – TAX CREDIT FOR 5% OF WAGES PAID TO QUALIFIED EMPLOYEES  
 DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Number of eligible employees

2. Total Wages paid during this period to Qualified Employees ..... \$

3. Tax credit – The credit per employee is limited to the lesser of 5% of the employee's wages or \$3,000.  
 (From FP-333, Line 12, FR-399 QHTC Instruction Book). \$

**PART B – TAX CREDIT FOR 50% OF WAGES PAID TO QUALIFIED  
 DISADVANTAGED EMPLOYEES DURING THE FIRST 24 MONTHS OF EMPLOYMENT**

1. Employees eligible in First year  2. Months in First year

3. Total Wages paid during tax year 20\_\_ to Qualified Disadvantaged Employees ..... \$

4. Tax credit -The credit is 50% of qualified disadvantaged employee wages paid during the first 24 months of  
 employment beginning after December 31, 2000, not to exceed \$15,000 per employee per year. (From  
 FP-334, Line 13, FR-399 QHTC Instruction Book). \$

**PART C — TAX CREDIT FOR THE COSTS OF RETRAINING QUALIFIED  
 DISADVANTAGED EMPLOYEES DURING THE FIRST 18 MONTHS OF THEIR EMPLOYMENT**

1. Number of employees eligible, first 12 months.

2. Total expenditures for retraining Qualified Disadvantaged Employees paid or incurred during this period. \$

3. Amount of Retraining Costs Tax Credit ..... \$   
 (Limited to \$10,000 per employee for retraining costs incurred during the first 18 months of employment  
 beginning after December 31, 2000.) From Retraining Costs Tax Credit Worksheet, FR-399 QHTC Instruction Book.

**PART D – SUMMARY OF QHTC TAX CREDITS**

**Non-refundable credits**

1a. Qualified Employee Wages Tax Credit (Part A , Line 3) plus any carryover\* ..... \$

b. Amount of credit used this return ..... \$

c. Amount of credit carried forward ..... \$

2. Qualified Disadvantaged Employee Wages Tax Credit (Part B, Line 4) ..... \$

3. Retraining Costs Tax Credit (Part C, Line 3) ..... \$

4a. Total non-refundable QHTC Tax Credits used this return. .... \$   
 (add Lines 1b, 2, and 3 - enter on Schedule UB, Line 2) .

4b. Total non-refundable QHTC Tax Credits carried forward (Line 1c) ..... \$

**\*Note:** This credit may not be carried forward unless the credit was obtained for wages of a qualified employee hired before October 1, 2019.

# INSTRUCTIONS FOR FORM D-20CR

## **Who may use Form D-20CR?**

A business which is a corporation, including a Limited Liability Company (LLC) which has elected to be treated as a corporation for Federal tax purposes and is certified as a QHTC may file a Form D-20CR to claim the applicable credits listed on Form D-20CR.

## **Should the Certification of Gross Revenue Worksheet be submitted with the Form D-20CR?**

Yes, it must be submitted in the first year that the business is a QHTC for six or more months and in all subsequent years.

## **Which forms are required to claim QHTC credits?**

A company must file a DC corporate franchise tax return (D-20) to claim the credits entered on the Form D-20CR. The QHTC Self-Certification on [MyTax.DC.gov](http://MyTax.DC.gov) must also be completed. (This is required even if the company has been previously certified as a QHTC.)

## **Claiming a Tax Credit Carryover**

When claiming a tax credit carryover on your return please attach a copy of your form D-20CR for the year(s) from which the carryover originated.

## **Part A - Tax credit for wages paid to qualified employees during the first twenty-four months of employment**

An incorporated QHTC is allowed a credit against the corporate franchise tax equal to the lesser of 5% of the wages paid during the first 24 calendar months to a qualified employee, or \$3,000 per qualified employee. The qualified employee must be hired after December 31, 2017 and employed in DC by the QHTC in the "permitted activities." This credit may be carried forward for 10 years if the amount of the credit allowable under this section was obtained for wages of a qualified employee hired before October 1, 2019. Use the FP-333 "Tax Credit For Wages Paid To Qualified Employees" from the FR-399 QHTC Instruction Book to determine the amount of this credit.

## **Part B - Tax credit for 50% of the wages paid to qualified disadvantaged employees during the first twenty-four months of employment**

An incorporated QHTC is allowed a credit against its corporate franchise tax equal to the lesser of 50% of the wages paid to each qualified disadvantaged employee during the first 24 calendar months of employment, or \$15,000 per employee. The credit may not be carried forward. Use the FP-334 "Tax Credit For Wages Paid To Qualified Disadvantaged Employees" from the FR-399 QHTC Instruction Book to determine the amount of this credit.

## **Part C - Tax credit for the costs of retraining qualified disadvantaged employees during the first eighteen months of employment**

An incorporated QHTC is allowed a credit against the corporate franchise tax for expenditures paid or incurred during the taxable year for retraining qualified disadvantaged employee(s). See DC Code §47-1817.04. The credit claimed under this section is limited to the lesser of the costs of retraining, or \$10,000 for each qualified disadvantaged employee during the first 18 months of employment. This credit may not be carried forward. Use the Retraining Costs Tax Credit Worksheet in the FR-399 QHTC Instruction Book to determine the amount of this credit.

## **Part D- Summary of QHTC tax credits**

This is a summary of the tax credits claimed in Parts A through C. Copy the correct lines when completing Part D. Enter the amount of non-refundable credits from Line 4a of Part D on Schedule UB, Line 2.

**\*Note:** "TYBA" means "tax year beginning after".





**IMPORTANT: Please read the instructions on the reverse before completing this form**

Business Name (from your D-20 or D-30 return)	Taxpayer Identification Number (TIN)
Person to contact if there are questions	Daytime telephone number

**No underpayment interest is due and this form should not be filed if:**

- A. Your tax liability on taxable income after deducting DC applicable credits and estimated tax payments is less than \$1001, or
- B. You have made the required periodic DC estimated franchise tax payments and the total is equal to or more than 110% of last year's taxes or 90% of the current year's taxes. Note: In order to use the prior year 110% exception, you must have filed a DC franchise tax return last year and you must have been in business in DC for the entire year.

**Computation of Underpayment Interest**

1	2020 DC franchise tax liability from Forms D-20, or D-30.	\$	
2	Multiply the amount on Line 1 by 90% (.90).	\$	
3	2019 DC franchise tax liability from Forms D-20, or D-30 X 110%.	\$	
4	Minimum estimated tax requirement for tax year 2020 (lesser of Lines 2 and 3).	\$	
5	Multiply the amount on Line 4 by 25% (.25). <i>Note: If your income was not evenly received over 4 periods, see instructions on the reverse of this form on the "Annualized Income" method.</i>	\$	

**Due date of Payments**

Due dates shown are for calendar year; for fiscal year, use the 15<sup>th</sup> day of the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup> and 12<sup>th</sup> months after the end of the fiscal year.

1 <sup>st</sup> Period	2 <sup>nd</sup> Period	3 <sup>rd</sup> Period	4 <sup>th</sup> Period
04/15/20	06/15/20	09/15/20	12/15/20

6 Enter the amount from Line 5 or the annualized amount in each period (the 2<sup>nd</sup> period includes the 1<sup>st</sup> period amount, 3<sup>rd</sup> period includes the 1<sup>st</sup> and 2<sup>nd</sup> period amounts, the 4<sup>th</sup> period includes all period amounts).

--	--	--	--

Check here  if you are using the "Annualized Income" method.

7 DC estimated taxes paid each period (the 2<sup>nd</sup> period includes the 1<sup>st</sup> period amount, 3<sup>rd</sup> period includes 1<sup>st</sup> and 2<sup>nd</sup> period amounts, the 4<sup>th</sup> period includes all period amounts).

--	--	--	--

8 Underpayment each period (Line 6 minus Line 7).

--	--	--	--

9 Underpayment Interest Factors.

.0175      .0265      .0262      .0348

10 Line 8 multiplied by Line 9.

--	--	--	--

11 Underpayment Interest - Total of amounts from Line 10. Pay this amount.

\$

(See D-2220 instructions).

# Instructions for Underpayment of Estimated Tax by D-20 or D-30 Filers

## Estimated Tax Interest

DC law requires any business that expects its DC franchise tax liability to exceed \$1000 for the tax year to file a declaration of estimated franchise tax using the payment vouchers in:

- D-20ES – Declaration of Estimated Franchise Tax for Corporations; or
- D-30ES – Declaration of Estimated Franchise Tax for Unincorporated Businesses.

The law states that any business required to file and pay estimated tax that fails to pay the amount required by the due date is subject to interest on the underpayment of estimated franchise tax.

### When is interest assessed for Underpayment of Estimated Franchise Tax?

A 10% interest, compounded daily, is assessed if your total DC estimated franchise tax payments compared to your DC franchise tax liability do not equal at least the smaller of:

- 90% of the tax due on your 2020 DC franchise tax return; or
- 110% of the tax due on your 2019 DC franchise tax return (consisting of 12 months).

You must have filed a 2019 DC franchise tax return to use the 110% exception.

A penalty will be assessed if any statement made on an estimated tax payment voucher is not true and accurate to the best of the signatory's knowledge.

### Are there any exceptions?

You are not subject to interest for underpayment of estimated franchise tax if:

- You had no DC franchise tax liability for the tax year 2019 and in that year, you did business in DC for the entire 12 months;
- The franchise tax due for 2020, minus any estimated tax payments, is less than \$1001;
- Your total DC estimated franchise tax payments are equal to or greater than 110% of your 2019 DC franchise tax liability for the entire year; or
- Your remaining tax due after totaling all credits and estimated tax payments is less than 10% of your total DC franchise tax liability for the year.

## When do you use this form?

- You may use this form to calculate your underpayment interest. If you do, attach it to your tax return and enter the underpayment interest on Line 44 of Forms D-20 or D-30. Fill-in the oval if the D-2220 is attached. If you do not wish to calculate the interest, OTR will do it when your return is processed and will notify you of the amount due.
- You may also complete this form if you believe the interest amount assessed by OTR for underpayment of estimated franchise tax is incorrect.

### How do you file this form?

Attach it to your return if you complete the form before filing your tax return. If you complete the D-2220 after filing and receiving a notice of interest assessment, send it to:

Office of Tax and Revenue  
1101 4th St SW, 2nd Floor  
Washington DC 20024

## Completing this form

### Line 1

Enter the amount from your 2020 D-20 or D-30.

### Line 2

Multiply the amount on Line 1 by 90% (.90). Your estimated franchise tax payments must be equal to or greater than this amount.

### Line 3

Enter 110% of the amount from your 2019 DC Forms D-20 or D-30. If your 2019 return was amended or corrected, multiply 110% times the corrected amount.

### Line 4

Enter the lesser of the amounts on Line 2 and Line 3. If you did not file a DC franchise tax return for 2019, you may only use Line 2. This is your minimum estimated franchise tax payment for 2020.

### Line 5

Multiply the amount on Line 4 by 25% (.25). This gives you an even distribution of your tax liability over the four periods of the tax year.

### Line 6

Enter the amount required from Line 5 under each of the payment columns. For example, if Line 5 is \$2000, you would enter \$2000 for the 1<sup>st</sup> period, \$4000 for the 2<sup>nd</sup> period, \$6,000 for the 3<sup>rd</sup> period and \$8,000 for the 4<sup>th</sup> period.

**Annualized income method:** If your income was different for each period, determine the percentage for each period (divide the period income by the full year's income). Multiply Line 4 by each period's percentage and enter the amounts earned by period on Line 6. Accumulate the periodic amounts as shown above. Check the "Annualized Income" box.

### Line 7

Enter the amount of estimated franchise tax payments made in each period. Include the amounts from the previous period with the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> periods. For example, if your estimated payment amount is \$1,000 in each period, you would enter \$1,000 in the 1<sup>st</sup> period, \$2,000 in the 2<sup>nd</sup> period, \$3,000 in the 3<sup>rd</sup> period and \$4,000 in the 4<sup>th</sup> period.

### Line 8 Underpayment each period

For each column, subtract Line 7 from Line 6. If Line 7 exceeds Line 6, you have no underpayment interest. If there is an amount remaining, this is your periodic underpayment amount.

### Line 9 Underpayment Interest Factors

These are the underpayment interest factors by period.

### Line 10

For each period, multiply the amount on Line 8 by the factor on Line 9. This is your underpayment interest amount by period.

### Line 11 Underpayment Interest

Add the amounts on Line 10 for each period. This is your total underpayment of estimated franchise tax penalty.

- If you are filing the D-2220 with your D-20 or D-30 return, enter the amount on Line 44 and pay the total amount with the return. Fill in the oval on Line 44 and attach the D-2220 to the return.
- If you are filing the D-2220 form separately, pay the amount you owe and attach to the D-20P Payment Voucher, using the applicable mailing address.

Make the check or money order payable to the **DC Treasurer. 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.**

**D-20P PAYMENT VOUCHER**  
**See instructions on back**

*Detach at perforation and mail the voucher, with payment attached. See mailing address on back.*



**D-20P Payment Voucher for  
Corporation Franchise Tax**



Important: Print in CAPITAL letters using black ink.

Official Use Only Vendor ID# 0000

Amount of payment (dollars) \$           00

*To avoid penalties and interest, your payment must be postmarked no later than the due date of your return.*

Taxpayer Identification Number

Business name or Designated Agent name

Tax period ending (MMDDYYYY)

Business mailing address (number, street and suite/apartment number if applicable)

Business mailing address (number, street and suite/apartment number if applicable)

City

State

Zip Code + 4

STAPLE CHECK OR MONEY ORDER HERE

Revised 03/2020



**D-20P Payment Voucher for  
Corporation Franchise Tax**



Important: Print in CAPITAL letters using black ink.

Official Use Only Vendor ID# 0000

Amount of payment (dollars) \$           00

*To avoid penalties and interest, your payment must be postmarked no later than the due date of your return.*

Taxpayer Identification Number

Business name or Designated Agent name

Tax period ending (MMDDYYYY)

Business mailing address (number, street and suite/apartment number if applicable)

Business mailing address (number, street and suite/apartment number if applicable)

City

State

Zip Code + 4

STAPLE CHECK OR MONEY ORDER HERE

Revised 03/2020

## **Instructions for D-20P PAYMENT VOUCHER** – please print clearly

Use the D-20P Payment Voucher to make any payment due on your **D-20** return.

- Do not use this voucher to make estimated tax payments.
- Enter your Taxpayer Identification Number (TIN).
- Enter name and address exactly as they appear on your return.
- Enter the amount of your payment.
- Make the check or money order (US dollars) payable to the DC Treasurer.
- Write your TIN, tax period and type of return filed (D-20) on the payment.
- **Staple your check or money order to the D-20P voucher only.** Do not attach your payment to your D-20 return.
- Mail the D-20P **with**, but not attached to, your D-20 tax return in the envelope provided in this tax booklet. If you do not have the return envelope, make sure to address your envelope to: Office of Tax and Revenue PO Box 96166, Washington DC 20090-6166.

### **Notes:**

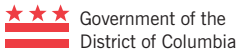
- If your payment exceeds \$5,000 in any period, **you must pay electronically.** Visit [MyTax.DC.gov](http://MyTax.DC.gov).
- **For electronic filers**, in order to comply with banking rules, you will be asked the question “Will the funds for this payment come from an account outside of the United States”. If the answer is yes, you will be required to pay by money order (US dollars) or credit card. Please notify this agency if your response changes in the future. 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.

# FR-120 Extension of Time to File a DC Corporation Franchise Tax Return Worksheet

ENTER DOLLAR AMOUNTS ONLY

1	Total estimated corporation franchise tax liability for the tax period.	1	\$																		00
2	Estimated franchise tax payments (include any tax overpayment credit).	2	\$																		00
3	Other payments.	3	\$																		00
4	Total payments and credits (add Lines 2 and 3).	4	\$																		00
5	Balance due (Line 1 minus Line 4). Payment in full must be submitted with this form or your request will be denied. (Note: you will be subject to the failure-to-pay penalty and interest on any tax due and not paid with this form.)	5	\$																		00

Detach at perforation and mail the voucher, with payment attached, to the Office of Tax and Revenue. (See addresses on back)



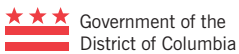
## 2020 FR-120 Extension of Time to File a DC Corporation Franchise Tax Return



Important: Print in CAPITAL letters using black ink.

Amount of payment (dollars only)	\$																			00	OFFICIAL USE ONLY Vendor ID# 0000															
Taxpayer Identification Number																				Tax period ending (MMDDYYYY)																
Business Name or Designated Agent name																				Fill in <input type="radio"/> if Combined Report																
Business mailing address (number, street and suite/apartment number if applicable)																				Fill in <input type="radio"/> if Living or Traveling Outside the U.S.																
City										State			Zip Code + 4																							
A 6 or 7 month extension of time to file until _____ 15, 2021, for calendar year 2020, or until _____, _____, for fiscal year ending _____, is requested.																																				

Revised 09/2020



## 2020 FR-120 Extension of Time to File a DC Corporation Franchise Tax Return



Important: Print in CAPITAL letters using black ink.

Amount of payment (dollars only)	\$																			00	OFFICIAL USE ONLY Vendor ID# 0000															
Taxpayer Identification Number																				Tax period ending (MMDDYYYY)																
Business Name or Designated Agent name																				Fill in <input type="radio"/> if Combined Report																
Business mailing address (number, street and suite/apartment number if applicable)																				Fill in <input type="radio"/> if Living or Traveling Outside the U.S.																
City										State			Zip Code + 4																							
A 6 or 7 month extension of time to file until _____ 15 2021, for calendar year 2020, or until _____, _____, for fiscal year ending _____, is requested.																																				

Revised 09/2020

# Instructions for Form FR-120 (Corporation Franchise Tax)

## Purpose

Use Form FR-120 to request a 6-month extension of time to file a Corporation Franchise Tax Return (Form D-20) or a 7-month extension of time to file if you are a Combined Reporting filer.

## When to file

The request for an extension of time to file must be submitted no later than the due date of the return.

## Where to submit your request

Mail the completed FR-120 with your payment in full of any tax due for D-20 to: Office of Tax and Revenue, PO Box 96019 Washington, DC 20090-6019. Make your payment out to the DC Treasurer. Include your TIN, FR-120 and the tax year on the payment.

## Extension of time to file

A 6-month extension of time to file (7-month extension for Combined Reporting filers) will be allowed if you complete this form properly, file it on time and PAY the full amount of any tax due shown on Line 5 of the Worksheet. When you file your return (D-20), attach a copy of the FR-120 which you filed. A separate extension request must be filed for each return. Blanket requests for extensions will not be accepted.

## Federal extension forms

The Office of Tax and Revenue does not accept the federal application for an extension of time to file. **You must use DC Form FR-120.**

## Additional extension of time

No additional extension of time to file will be granted beyond the 6-month extension unless the taxpayer is outside the continental limits of the United States. In that case, an additional extension up to 6 months may be granted, but in no case shall such extension be granted for more than one year. To request the additional extension of time for living or traveling outside the U.S., fill in the oval on the front of this form.

## Notes:

- If your payment exceeds \$5,000 in any period, **you must pay electronically.** Visit [MyTax.DC.gov](http://MyTax.DC.gov).
- **For electronic filers**, in order to comply with new banking rules, you will be asked the question "Will the funds for this payment come from an account outside of the United States". If the answer is yes, you will be required to pay by money order (US dollars) or credit card. Please notify this agency if your response changes in the future. 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.

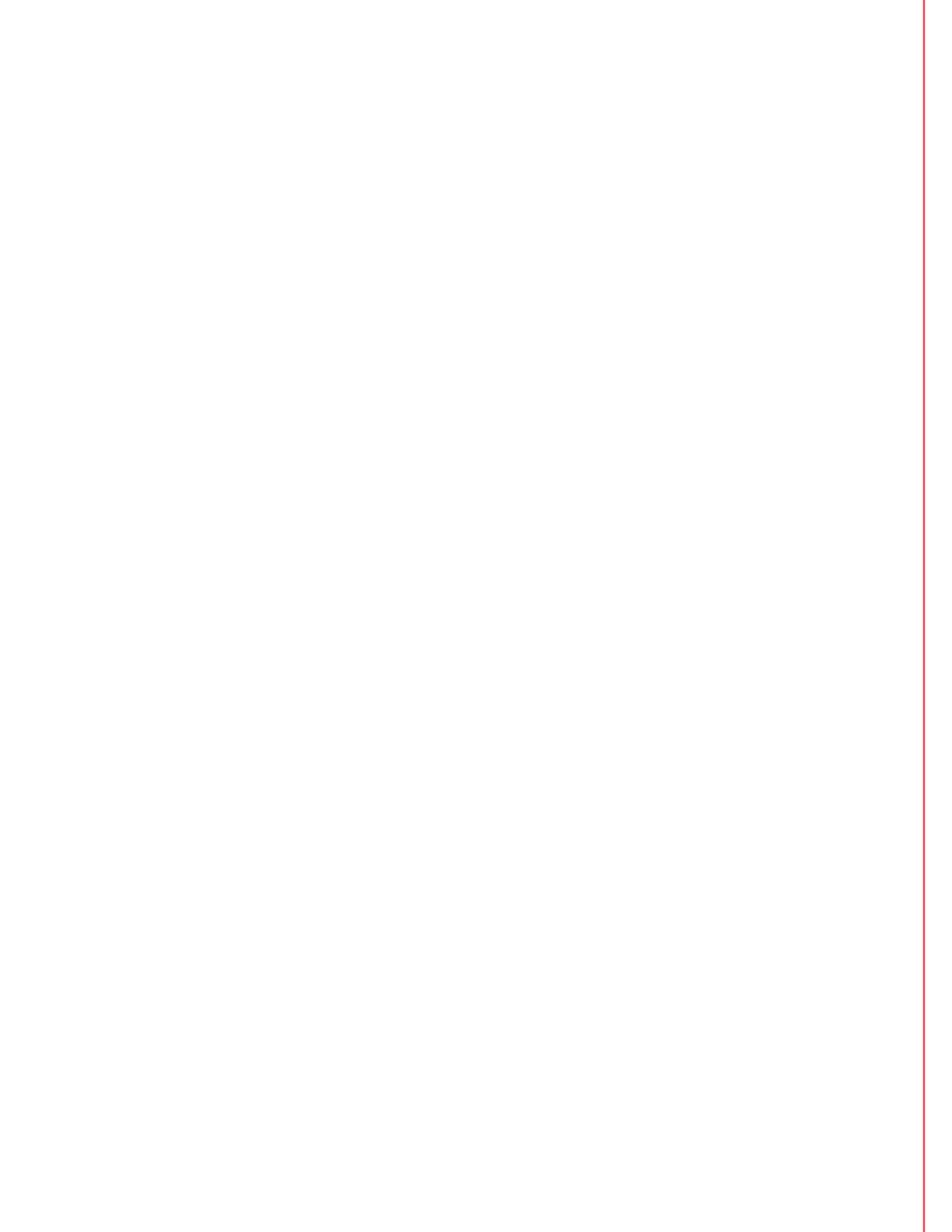


### D-20 NOL Net Operating Loss Deduction for Tax Years 2000 to 2017

Complete a separate D-20 NOL for each business carrying forward a NOL. Please attach this form to your D-20.

Name of corporation		Taxpayer Identification Number	
Year	DC net income/loss	Losses claimed	Losses remaining
Oldest loss year	\$	\$	\$
Subsequent year 1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
Summary:		Total losses claimed. \$	Total losses remaining (to be carried forward). \$

- Add these totals to D-20 NOL Net Operating Loss Deduction for Tax Years 2018 and later.







## D-20 NOL Net Operating Loss Deduction for Tax Years 2018 and Later

Complete a separate D-20 NOL for each business carrying forward a NOL. Please attach this form to your D-20.

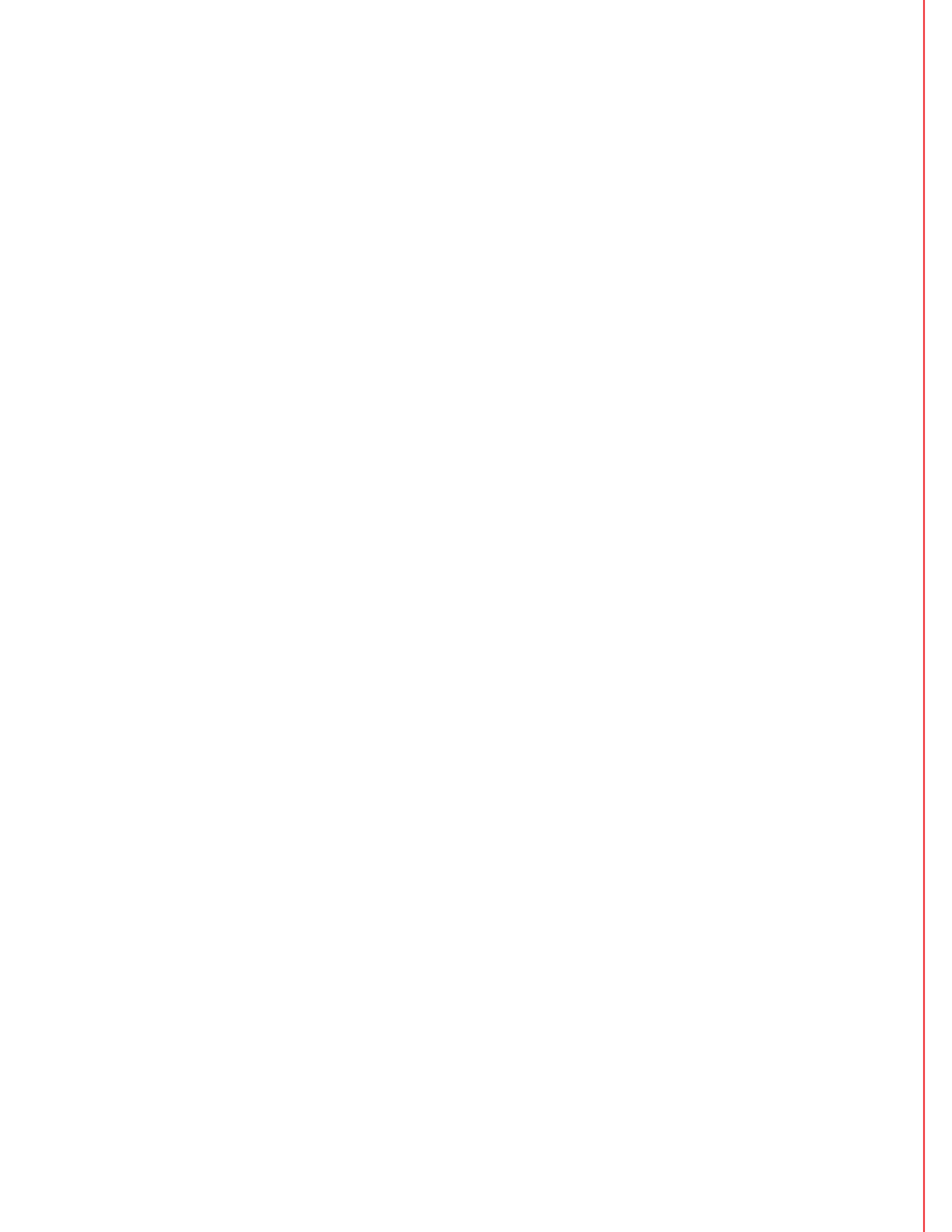
Name of corporation		Taxpayer Identification Number	
Year - 2018 and Later	DC net income/loss	Losses claimed*	Losses remaining
Oldest loss year	\$	\$	\$
Subsequent year 1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
Year 2000 to 2017 <small>From D-20 NOL Deduction for Tax Years 2000-2017</small>	DC net income/loss	Losses claimed	Losses remaining

**Summary:** Add losses claimed for tax years 2000 to 2017 to losses claimed for tax years 2018 and later.

\*Deductions for DC apportioned net operating losses occurring in tax years 2018 and later are limited to 80% of taxable income computed without regard to the deduction.

Total losses claimed.	Total losses remaining (to be carried forward).
\$	\$

- Enter loss on D-20, Line 35.



## 15 DAY NOTICE OF BULK SALE REQUIREMENT

Pursuant to DC Code §47-4461, the purchaser, transferee, or assignee of all or a part of the inventory, furnishings, equipment, materials, or supplies (“property”) of a business, must, at least 15 days before taking possession of or paying for the property, notify the Office of Tax and Revenue by registered or certified mail. The notice must identify the price, terms, and conditions of the sale, including a description of the property being sold, its location, and the identity of the seller, transferor, or assignor (“seller”). The notice is required whether or not the seller has represented to, or informed, the purchaser that it owes tax to the District of Columbia, or whether taxes are in fact owing.

If the purchaser fails to give the required notice, or OTR informs the purchaser that a possible claim for tax exists: (1) The money or other consideration which the purchaser is required to pay for the sale will be subject to a first priority right and lien for the taxes determined to be due from the seller to the District of Columbia; and (2) The purchaser shall not pay the seller any money or other consideration to the extent of the amount of the lien. A purchaser who fails to comply with the Notice of Bulk Sale requirement will be personally liable for the payment to the District of Columbia of the taxes determined to be due from the seller to the extent of the fair market value of the assets transferred.

The required Notice of Bulk Sale must be sent by certified or registered mail to:

Office of Tax and Revenue  
Marc Aronin, Chief of Collection Division,  
Compliance Administration  
1101 4th Street, SW, Washington, DC 20024

\*Note: Due to Covid19, a copy of the Notice of Bulk Sale should also be emailed to:  
[Jennifer.Loster@dc.gov](mailto:Jennifer.Loster@dc.gov)

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## Key Website Resources

### DC Official Code

[www.lexisnexis.com/hottopics/dccode/](http://www.lexisnexis.com/hottopics/dccode/)

### DC Regulations

[www.dcregs.dc.gov/](http://www.dcregs.dc.gov/)

### DC Tax Forms/Publications

[MyTax.DC.gov](http://MyTax.DC.gov)

### Mailing Address for Returns

[MyTax.DC.gov](http://MyTax.DC.gov)

### Electronic Funds Transfer (EFT) Guide

[MyTax.DC.gov](http://MyTax.DC.gov)

### NACHA Guidelines

[www.nacha.org/](http://www.nacha.org/)

### Social Security Administration

[www.ssa.gov/](http://www.ssa.gov/)

### Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

## Need assistance?

**File or pay online:** [MyTax.DC.gov](http://MyTax.DC.gov).

**Get tax forms** Download forms at [MyTax.DC.gov](http://MyTax.DC.gov). Request forms by mail: 202-727-4829

Pick up forms:

### Office of Tax and Revenue

1101 4th St SW 2nd Floor  
8:15 am–5:30 pm

### Ask tax questions

Visit our Walk-In Center, 1101 4th St SW 2nd Floor; or  
Contact our Customer Service Administration: 202-727-4TAX(4829)

#### Regular hours

8:15 am–5:30 pm  
Monday–Friday

## Do you need help with this form?

Visit our Walk-In Center, at 1101 4th St SW 2nd Floor.

### Are you unable to hear or speak?

Call the DC Relay Service,  
202-727-3363.

[Spanish] Si necesita ayuda en Español, por favor llame al [\(202\) 727-4829](tel:2027274829) para proporcionarle un intérprete **de manera gratuita**.

[Vietnamese] Nếu quý vị cần giúp đỡ về tiếng Việt, xin gọi [\(202\) 727-4829](tel:2027274829) để chúng tôi thu xếp có thông dịch viên đến giúp quý vị **miễn phí**.

[French] Si vous avez besoin d'aide en Français appelez-le [\(202\) 727-4829](tel:2027274829) et l'assistance d'un interprète vous sera **fournie gratuitement**.

[Amharic] በአማርኛ አርዳታ ከፈለጉ በ [\(202\) 727-4829](tel:2027274829) ይደውሉ። የገንዘብ አስተርጓሚ ይመደብዎታል።

[Korean] 한국어로 언어 지원이 필요하신 경우 [\(202\) 727-4829](tel:2027274829) 로 연락을 주시면 **무료로** 통역이 제공됩니다.

[Chinese] 如果您需要用(中文)接受幫助，請電洽 [\(202\) 727-4829](tel:2027274829) 將**免費**向您提供口譯員服務。