

2008

D-20

**Corporate Franchise Tax
Forms and Instructions**

Secure - Accurate - Convenient ...



- **Any estimated tax liability in excess of \$25,000 must be paid electronically.**
- **Make estimated tax payments electronically with e-check, ACH Credit and ACH Debit. See www.taxpayerservicecenter.com**
- **When making a payment with your D-20 please use the voucher (D-2030P) provided.**

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

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

Need assistance?

File or pay online: www.taxpayerservicecenter.com

Get tax forms

Download forms at www.taxpayerservicecenter.com

Request forms by mail: 202-442-6546

Pick up forms:

Office of Tax and Revenue

941 North Capitol St NE 1st floor
8:15 am–5:30 pm

Reeves Center

2000 14th St NW Lobby
7 am–7 pm

Municipal Center

300 Indiana Av NW Lobby
6:30 am–8 pm

Recorder of Deeds Building

515 D St NW Lobby
8:30 am–4:30 pm

Wilson Building

1350 Pennsylvania Av NW Lobby
7 am–7 pm

MLK Jr Memorial Library

901 G St NW
Business Information Center
Sunday, 1–5 pm
Monday–Thursday 10 am–9 pm
Friday, Saturday 10 am–5:30 pm

Penn Branch

3220 Pennsylvania Av SE
8:15 am–4:30 pm

One Judiciary Square

441 4th St NW Lobby
7 am–7 pm

Office will be open Tuesdays and Thursdays, January 2–April 15

Ask tax questions

Contact our Customer Service Call Center: 202-727-4TAX(4829)

Regular hours

8:15 am–5:30 pm
Monday–Friday

Ask tax questions; get tax forms preparation help free

Visit our Walk-In Center, 941 North Capitol St NE, 1st floor

Regular hours

8:15 am–5:30 pm
Monday–Friday

Visit our Penn Branch Satellite Center, 3220 Pennsylvania Av SE

Regular hours

8:15 am–4:30 pm
Office will be open Tuesdays and Thursdays, January 2–April 15

Do you need help with this form? Visit our Walk-In Center at 941 North Capitol St NE. (1st floor)

Are you unable to hear or speak? Call the DC Relay Service, 202-855-1234.

[Chinese/中文] 您需要協助閱讀或了解英文嗎? 請致電 202-727-4829 或請到 941 North Capitol St NE, 要求免費語言熱線(Language Line)口譯員協助您。

[Korean/한국어] 영어를 읽거나 이해하기 위해 다른 사람의 도움이 필요하십니까? 202-727-4829 번으로 전화하시거나 941 North Capitol St NE 를 방문하십시오. 귀하를 도와드릴 무료 랭귀지 라인(Language Line) 통역사를 요청하십시오.

[Spanish/Español] ¿Necesita ayuda para leer o entender inglés? Llame al 202-727-4829 o venga a 941 North Capitol St NE. Pida que le asignen un intérprete de la Línea de los Idiomas (Language Line) para que le ayude, sin costo alguno.

[Vietnamese/Tiếng Việt] Quý vị có cần giúp đỡ để đọc và hiểu Anh ngữ không? Xin gọi 202-727-4829 hoặc đến 941 North Capitol St NE. Yêu cầu có được thông dịch viên Đường Dây Ngôn Ngữ (Language Line) để giúp đỡ miễn phí cho quý vị.

Who must file a Form D-20?

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

- You do not have to file if the corporation has been granted an exemption. If you are an exempt organization with unrelated business income, as defined in 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 \$100 minimum tax.
- Your corporation's activities in DC conducted by your employees or through agents or other representatives, determine if you are carrying on or engaging in a trade or business in DC.
- Corporate general and limited partners of a partnership that files a Form D-30, Unincorporated Business Franchise Tax Return, are considered to be engaging in a trade or business and are required to file a Form D-20. Use Line 24 (Other deductions) to deduct the corporate partner's distributive share of income on which the unincorporated business paid tax.

If you perform services in DC for subsidiary corporations, you are carrying on a trade or business. Dividends you receive from subsidiaries are business income subject to taxation by DC.

A corporation is required to file a Form D-20 if it:

- Has or maintains an office, warehouse, or other place of business in DC;
- Has an officer, agent, or other representative with an office or other place of business in DC;
- Derives income from work done or services performed in DC;
- Derives income from any type of activity in DC, including sales of tangible personal property; or
- Receives income from DC sources.

The words "trade or business" do not include sales of tangible personal property by a corporation if the corporation:

- Does not have or maintain an office, warehouse, or other place of business in DC;
- Does not have goods in DC in a warehouse or on consignment (or similar agreement); and
- Does not have an officer, agent, or other representative with an office or other place of business in DC.

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.

Treat income from sales of tangible personal property to the United States Government 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.

An organization recognized as exempt from DC taxes must, in order to maintain its DC tax-exempt status, send a copy of its IRS Form 990, 990PF, or 990EZ to: Office of Tax and Revenue, PO Box 556, Washington DC 20044-0556. If you are a Political Action Committee (see IRC §527), your taxable income is subject to tax as described, without regard to a specific deduction. Report your tax liability on Form D-20; the minimum tax payment of \$100 applies.

When and where should you file your Form D-20?

You must file your return and pay any tax due by:

- Calendar year filer – March 15th; or
- Fiscal year filer – the fifteenth day of the third month after the tax year closes.
- If the due date falls on a Saturday, Sunday or legal holiday, the return is due the next business day.

Mail a return with payment to the Office of Tax and Revenue, PO Box 679, Washington DC 20044-0679. Make the check or money order payable to the DC Treasurer. Write your FEIN, D-20 and the tax year on the payment. Staple your payment only to the form D-2030P.

Mail a no payment due or refund return to the Office of Tax and Revenue, PO Box 221, Washington DC 20044-0221.

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

Extension of time to file

You may request an extension of time to file your return by filing DC Form FR-128 (copy included) 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. Do not use the federal extension form for DC tax purposes.

How to avoid penalties and interest

File your return and pay on time

The Office of Tax and Revenue (OTR) imposes a 5 percent per-month penalty for a failure to file a return or pay any tax due on time. The penalty is calculated on the unpaid tax for each month or part of a month that the return is not filed or the tax is not paid. The maximum penalty is an additional amount equal to 25 percent of the tax due.

Interest of 10 percent per year, compounded daily, is imposed on any tax not paid on time. Interest is calculated from the due date of the return to the date the tax is paid. Interest accrues on any underpayment of tax even if you have an extension of time to file your return.

Underpayment penalties

There are penalties for underpayment of tax due to: negligence; substantial understatement of franchise tax liability; and substantial or gross valuation misstatement.

- Negligence is a failure to make a reasonable attempt to comply with tax provisions or a failure to exercise ordinary and reasonable care in return preparation without intent to defraud.
- A substantial understatement of franchise tax liability occurs when the understatement is more than the greater of 10 percent of the tax liability shown on the return or \$4,000.
- A valuation misstatement is substantial, if the correct valuation differs by 200 percent or more from the amount shown on the return.

The penalty is an additional amount equal to 20 percent of the underpayment due to negligence, substantial understatement or substantial valuation understatement.

- A valuation misstatement is gross if the correct valuation differs by 400 percent or more from the amount shown on the return. This penalty is an additional amount equal to 40 percent of the underpayment due to the gross valuation misstatement.

Underpayment of estimated tax installments

OTR will charge 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. The 10 percent penalty will be assessed automatically by OTR's integrated tax system. For additional information, see Form D-2220, Underpayment of Estimated Franchise Tax by Businesses. If you complete a Form D-2220, file it with your D-20.

Electronic payment required

If your quarterly estimated franchise tax liability exceeds \$25,000, you must pay electronically. See www.taxpayerservicecenter.com.

Paid tax preparer penalty

Penalties ranging from \$50 to \$1000 each are assessed if a paid tax preparer:

- Prepares a return or refund claim based on an unrealistic position;
- Should have known the applicable law or regulation;
- Does not adequately disclose in the return relevant facts for the position;
- Willfully attempts to understate tax liability; or
- Fails to sign a return or refund claim.

Fraud penalty

If OTR finds that part of an underpayment of tax required to be shown on the return is attributable to fraud it will presume that the entire underpayment is attributable to fraud. OTR will add an amount equal to 75 percent of the portion of the underpayment attributable to fraud; you have the burden of proof to show that is not attributable to fraud.

Charge for dishonored checks

You will be charged \$65 if your check is returned to us.

Which other DC forms may corporations need to file?

Business Credits, Schedule UB

The various credits available to businesses have been consolidated on schedule UB. The total from Schedule UB, Line 7 is reported on Line 38 of the D-20.

Qualified high technology companies (QHTC)

If you are a QHTC, you may be eligible for additional tax credits. You must file certain forms to claim these credits. For forms and details, see publication FR-399, Qualified High Technology Companies. FR-399 is available at www.taxpayerservicecenter.com and at our North Capitol St. location. If you are a QHTC, fill in the QHTC oval on page 1 of the D-20. Attach the QHTC-CERT form to the D-20.

Ballpark Fee (FR-1500)

You must file form FR-1500 and pay the ballpark fee if you have \$5 million or more in annual DC Gross Receipts. For details see www.taxpayerservicecenter.com, click on Business Tax Service Center then click on Baseball-Related Fees and Taxes (under Filing Information).

Consolidated Returns

Corporations in an affiliated group, as defined in IRC §1504(b), may file a Form D-20 and report the consolidated DC taxable income of all group members. If a group has elected to file a federal consolidated return and the election is revoked or terminated, the DC election will be automatically revoked or terminated. In tax years after a group files a consolidated return, any corporation with income from DC sources that becomes a group member is deemed to have waived any objection to filing a consolidated DC return. All affiliated group members are jointly and severally liable for the taxes, interest and penalties that apply to the group. OTR may require the filing of a consolidated D-20 return to

prevent tax evasion or to properly reflect the taxable income attributable to any business conducted in DC.

If a corporation belongs to an affiliated group for part of a year, report its DC income during the time it belonged in the consolidated return.

To file a consolidated D-20 return, the affiliated group must:

- File a federal consolidated return under IRC §1501.
- Complete Forms D-20 C, Election to File a DC Consolidated Corporation Franchise Tax Return and D-20 AG, Affiliated Group Schedule.
- Each member of a DC affiliated group must have income from DC sources and complete a Form D-20 CS, Authorization and Consent of a Subsidiary Corporation to be included in a DC Consolidated Corporation Franchise Tax Return.

These forms are included in this booklet. Attach the forms to your D-20 return.

A company claiming QHTC tax benefits cannot be part of a DC consolidated tax return.

Eliminate all intercompany transactions before determining the DC income apportionment factors. An intercompany transaction is one between corporations belonging to the same DC affiliated group immediately before and after the transaction. Use IRC regulations under §1.1502 et seq. and interpretations about intercompany transactions to determine the DC affiliated group's taxable income.

Any deferred gain, loss or deduction from a prior transaction with a DC affiliated group member becomes taxable if that member ceases membership in the group or if the asset is transferred to a corporation that is not a member of the DC group.

Prepare all supplementary and supporting schedules in column form, one column for each corporation. On the supporting schedules, include columns for: totals of like items before adjustments are made; intercompany transaction eliminations and adjustments; and totals of like items after giving effect to eliminations and adjustments.

If you file a DC consolidated return, fill in the consolidated return oval on page 1 of the D-20. Provide separate computations for D-20, Lines 1–36 for each affiliate. The separate computations should reflect the elimination of intercompany transactions.

Explanation of terms

Business income

This is income from transactions and activities occurring in the regular course of the taxpayer's 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, including dividends, interest and royalties, which are not required to be allocated.

Taxable in another state

For purposes of allocating and apportioning income among DC and other jurisdictions, 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.

General Instructions**Special rules on depreciation**

For federal tax purposes, businesses may deduct additional bonus depreciation and additional IRC §179 expenses. DC does not allow the additional bonus depreciation deduction nor any additional IRC §179 expenses. Do not claim the 30 or 50 percent federal bonus depreciation deduction nor the additional IRC §179 expenses on your DC return. DC limits IRC §179 expense deductions to \$25,000 (\$40,000 for a QHTC).

Office of Tax and Revenue rulings

As of December 31, 2002, all rulings issued prior to that date were revoked. Taxpayers cannot rely on these rulings unless they were resubmitted to the Office of Tax and Revenue for review and, if approved, reissued. Direct any rulings questions to OTR, General Counsel at (202) 442-6500 or by e-mail to OTRRuling@dc.gov.

Net operating loss (NOL) carrybacks

For federal tax purposes, businesses are allowed to carry back a NOL. DC does not allow NOL carrybacks. You may not claim a NOL carryback for DC tax purposes.

Amended returns

You must use the Form D-20 of the year you are amending. If the return is for tax year 2001 or later, 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.

Note: DC Form D-2030X is obsolete for tax years after 2000.

If the IRS adjusts your federal return or if you file an amended federal return, you must file an amended DC return within 90 days. If the federal adjustment makes you eligible for a DC tax refund, you must file for the DC refund within 180 days.

Mail the amended return and any attachments to the Office of Tax and Revenue, PO Box 679, Washington DC 20044-0679.

Refund offset

If you have other DC tax liabilities, OTR may apply all or part of any overpayment of franchise tax to offset them.

Final Return

If you have ended business operations, fill in the final return oval on Page 1.

Estimated tax payments

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 booklet, Declaration of Estimated Franchise Tax for Corporations, for payment vouchers and details.

You will be automatically assessed a penalty for any underpayment of DC estimated tax.

Corporate tax rate and minimum tax

The tax rate is 9.975 percent on your "total District taxable income" on line 36. The minimum tax is \$100, even if you have a loss.

Incomplete forms will delay processing

Complete all items on the Form D-20, otherwise, OTR will send the return back to you to complete and resubmit.

Taxable year beginning and ending

Enter the taxable year beginning and ending dates 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 beginning and ending dates.

NAICS Business Activity Codes

Please refer to FR-500, Combined Business Tax Registration Application, for a listing of business codes. You may visit our website — www.taxpayerservicecenter.com to view FR-500 and the business activity codes. Please enter your code in the NAICS Code block on page 1 of your return.

All entries on the return and attachments are dollars only

Enter only whole dollar amounts on the tax forms and schedules. Do not enter cents.

Help us identify your forms and attachments

Write your FEIN, tax period, business name and address on any statements submitted with the return or filed separately. The FEIN is used for tax administration purposes only.

Signature and verification

An authorized officer of the corporation must sign 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 the return 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.

Forms

An easy and fast way to get DC tax forms is by downloading them from our website. Go to www.taxpayerservicecenter.com, then click on Tax Forms/Publications.

Tax fraud hotline

Anyone suspecting tax fraud is encouraged to report it to the Tax Fraud Hotline at 1 800-380-3495 or by e-mail at TaxFraudHotline@dc.gov.

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.**

Allocation and apportionment required

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, Schedule F.

All non-business income must be allocated.

Non-business income allocation

Non-business income

Allocate items of non-business income to 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 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.

Gross Income

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

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 cost or market, whichever is lower; or by another IRS-approved method. You must continue to use the method you choose until you get permission from the Office of Tax and Revenue to change. If the inventories do not agree 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, Schedule B, Page 3. 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).

Line 6 Net rental income

Enter from D-20, Schedule I the net rental income you received from real or personal property rental. Deduct 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 IRC §179 expenses nor the 30 or 50 percent additional bonus depreciation allowed under federal law. If you claimed this bonus depreciation on your federal return, reduce 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 also does not allow any accelerated depreciation nor any additional federal IRC §179 expenses. DC allows a maximum of \$25,000 IRC §179 expenses

(\$40,000 for a QHTC). If you claimed these additional expenses on your federal return, reduce such expenses taken on your D-20 by that additional amount.

Line 7 Net 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

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 additional 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: Any part of 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 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 9 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 9.

Line 10 Total gross income

Add lines 3 through 9.

Deductions

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 11 Compensation of officers

Enter the total compensation for all officers shown on D-20, Schedule C, page 3. 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 12 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.

Line 13 Repairs

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

Line 14 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 15 Rent

Enter rent paid or accrued for business property in which the corporation has 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 16 Taxes

Taxes reported on your federal Form 1120 must be reported on D-20, Schedule D, page 3. Do not include 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.

Line 17 Interest

Enter interest paid or accrued on business debt. If any interest income is not taxable, then the related interest expense is not deductible.

Line 18 Contributions and/or gifts

Enter contributions and/or gifts made in the tax year if no portion benefits any private stockholder or individual. This deduction may not exceed 15% of the net income of the business (Line 26). Attach a statement with detailed information about contributions and gifts. Contribution and gift carry-overs are **not** allowed.

Line 19 Amortization

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

Line 20 Depreciation

Enter the depreciation amount from your federal Form 4562. 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 or the additional IRC §179 expenses 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 federal bonus depreciation. Attach a statement showing your computation of the depreciation amount.

A QHTC may deduct the lesser of \$40,000 **or** the actual cost of personal property, as described in IRC §179(d)(1).

Line 21 Depletion

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

Line 22 Royalty payments

Royalty payments are deductible only if paid to unrelated entities. See DC Code §47-1803.03(b)(7)(C)(ii) for the definition of related entities. See DC Code §47-1803.03(b)(7)(B) for the very limited exceptions to the disallowance of royalty payments to related entities.

D-20 page 2, line-by-line

Line 23 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 24 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). Identify and explain them in a detailed attachment.

Note: Relocation costs incurred by a QHTC are not deductible if the QHTC credits for relocation are taken.

Line 26 Net Income

Subtract Line 25 from Line 10; enter the amount on Line 26.

Line 27 Net operating loss deduction (before year 2000)

Enter any DC net operating loss carried *forward* from a year before 2000. DC does not allow net operating loss (NOL) carrybacks. A form for claiming the NOL, D-20 NOL, is provided in this booklet.

Line 28 Net Income after net operating loss deduction

Subtract Line 27 from Line 26 and enter the result on Line 28. Also enter the amount on Line 35, if it is entirely from a DC trade or business.

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 expense allocation.

Lines 30-34

Follow the instructions on the form.

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. A form, D-20 NOL, for claiming the NOL is provided in this booklet.

Line 37 Tax

The tax due may not be less than \$100, the required minimum tax.

Line 38 Minus Nonrefundable Credits

Subtract the nonrefundable credits entered from Schedule UB, Line 6.

Line 40 Payments and Refundable Credits

If Line 40(b) includes any estimated franchise tax payment credit brought forward from before 2008, attach an explanation of it to your return.

Lines 41-44

Follow the instructions on the form.

Line 45 Amount to be refunded

Subtract Line 44 amount from Line 43 amount and enter the result on Line 45.

Other Form D-20 schedules

Schedule E – Reconciliation of the Net Income Reported on Federal and DC Returns

Complete this schedule to explain any differences between the net income reported on your federal return and that reported on your D-20.

Schedule F – DC Apportionment Factor

Corporations engaging in a trade or business both in and outside DC

must use property, payroll and sales as the three factor formula to apportion their business income. Corporations 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.

Corporations 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 property factor plus the payroll factor plus the sales factor. The denominator is three, reduced by the number of factors without a denominator.

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.

- **Property Factor**

- The property factor is a fraction; the numerator is the average value of real and tangible personal property you owned or rented and used in DC during the tax year to produce business income. The denominator is the average value of real and tangible personal property you owned or rented and used during the tax year to produce business income. Do not include in the numerator or the denominator any property or portion of property, not used to produce business income.
- **Transportation companies**, in addition to that stated above, have a numerator which also includes the portion of the average value of its vehicles, rolling stock, aircraft, watercraft and other equipment used during the taxable period to transport persons and property both in and outside DC. This portion is determined by comparing the total miles per unit of its equipment traveled in DC with the total mileage traveled everywhere by each class of its property.
- **Railroad companies** – the classes of property are those you must report for DC personal property tax purposes (DC Code §47-1512).

For property used in any activities where the income from which is allocable or apportionable, you may use any method that properly reflects the portion of the average value used to arrive at the property factor. This is subject to the approval of OTR.

Property you own is valued at its original cost to you plus the cost of any additions and improvements you made. If you cannot determine your original cost or if the cost is zero, value the property at its market value when you acquired it.

Property rented to you is valued at eight times the net annual rental rate. This is the annual rental paid by you minus any annual rental received from sub-rentals, if the rental and sub-rental rates are reasonable. Net annual rental also includes the amounts paid or accrued for property use or rental of facilities of another. This applies whether paid as rent, as reasonable compensation for use or under any other designation, pursuant to statutory enactment, lease, or rental agreement of any kind, contract, or otherwise. Payments for leased property capitalized as rent for federal tax purposes are includible in this factor only to the extent of their capitalized value for federal tax purposes. If OTR determines that any net annual rental rate or sub-rental rate is unreasonable, or if a nominal or zero rate is charged, OTR may determine and apply a rate that reasonably reflects the property's rental value.

To determine the property's average value, average its value at the start and at the end of the tax period. You may

use monthly or quarterly values during the tax period, if necessary, to properly reflect the average value of the property (subject to OTR approval).

- **Payroll Factor**

- The payroll factor is a fraction: the numerator is the total compensation you paid to or accrued for persons performing services in DC during the tax year. The denominator is the total compensation you paid or accrued everywhere during the tax year. The value of compensation paid or accrued other than in cash is its fair market value on the date of 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.
- **Transportation companies** — the numerator of the payroll factor also includes the total compensation paid or accrued to employees employed on vehicles, rolling stock, aircraft, watercraft and other equipment you used during the taxable period to transport persons and property between DC and other jurisdictions. To determine this amount, apply the percentage computed (as described in the property factor) to the total compensation.

If compensation is paid or accrued for services the income from which can be allocated or apportioned, you may use any method that properly reflects the portion of the average value of the compensation used to arrive at the payroll factor. The method used is subject to OTR approval.

Compensation is paid or accrued in DC if:

- The individual's services are performed entirely in DC; or
- The individual's services are performed in DC and other jurisdictions, but the services performed outside DC are incidental to the individual's services in DC; or
- Some of the individual's services are performed in DC and:
 - (1) the base of operations is in DC or if there is no base of operations in DC, the place from which services are directed or controlled is in DC; or
 - (2) the base of operations or place from which services are directed or controlled is not in DC, or in any state where some part of the services are performed, but the individual's residence is in DC.

Financial institutions — the payroll factor is a fraction: the numerator is the total the financial institution paid or accrued in DC as compensation. The denominator is the total compensation the financial institution paid or accrued everywhere 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 principal office is in DC.

- **Sales Factor**

- The sales factor, except for 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.
- **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, warehouse, factory, 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, based on performance cost.

- **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, based on performance cost.
 - 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.

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.

Schedule H-1 Reconciliation of income (Loss) per Books with income (Loss) per Return and H-2 Analysis of Unappropriated Retained Earning 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.

Supplemental Information (page 6 of Form D-20)

Provide all the information requested in this schedule.

Schedule UB, Business Credits

Use this schedule to claim the EDZI credit (see below), QHTC credits (see instructions page 6) and the Organ and Bone Marrow donor credit.

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 \$100 minimum tax. An employer claiming this credit may not also deduct the salary paid 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.

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.

Economic Development Zone Incentives Credit

Supporting Documentation Required If you are claiming an Economic Development Zone Incentives (EDZI) credit 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.

The EDZI Amendment Act allows a qualified business, under certain circumstances, to take various credits against its franchise tax liability. (The maximum annual credit is \$7500.) 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 credit 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 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; and
3. A 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.

A credit carry forward for five years is available for any EDZI credit not used in a previous year. The maximum amount that may be claimed in any year is \$7500, including any carry forward.

Economic Development Zone Incentives Credit Worksheet (maximum annual credit allowable is \$7,500)			
Column 1 - Credit Category	Column 2	Column 3	Column 4
A. Certified employees wages	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 (if more than \$7,500, enter \$7,500)		\$
	Add any EDZI credit carry forward from a previous year		\$
	Total EDZI credit (enter on Line 1, Schedule UB - maximum \$7500)		\$

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 bonus depreciation is 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.)	\$		
Method of inventory valuation:			
			Total Dividends
			\$
			Minus deduction for Subpart F Income.
			Minus deduction for dividends received from wholly-owned subsidiary
			TOTAL (Enter here and on D-20, Line 4.)
			\$

Schedule C - Compensation of officers (See specific instructions for Line 11.)						
Col. 1 Name, Address and SSN 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 11.)					\$	

Schedule D - Taxes (See specific instructions for Line 16.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
TOTAL (Enter here and on D-20, Line 16.)			\$

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 District 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 16).		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 bonus depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1-5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$



Schedule F - DC Apportionment Factor (See instructions, page 10.)

Round cents to the nearest dollar.
If an amount is zero, leave the line blank.

Carry all factors to six decimal places.

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor (Column 2 divided by Column 1.)
1. PROPERTY FACTOR: Average value of real estate and tangible personal property owned or rented to and used by the corporation. (Financial institutions do not complete this item.)	\$ [] 00	\$ [] 00	[]
2. PAYROLL FACTOR: Total compensation paid or accrued by the corporation.	\$ [] 00	\$ [] 00	[]
3. SALES FACTOR: All gross receipts of the corporation other than gross receipts from non-business income.	\$ [] 00	\$ [] 00	[]
4. SUM OF FACTORS: (Add Column 3 entries.)			[]
5. DC APPORTIONMENT FACTOR: Line 4 divided by 3 if there are 3 denominators. If fewer than 3 entries in col. 1, divide Line 4 by the actual number. Note: Financial institutions use a two-factor formula and divide Line 4 by 2. (Enter the factor here and 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
ASSETS				
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.				
LIABILITIES AND CAPITAL				
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				

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 –	
<p>6. During 2008, 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"/></p> <p>If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 7 under Amended returns.</p> <p style="text-align: right;">If you have already provided OTR with a detailed statement, enter the date it was sent. <input style="width: 100px; height: 20px;" type="text"/> MM/DD/YYYY</p>			
<p>7. Is this corporation affiliated with a partnership or another corporation? <input type="radio"/> YES <input type="radio"/> NO If yes, explain:</p>			
<p>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)</p>			
<p>9. Did you file a franchise tax return with DC for the year 2007? <input type="radio"/> YES <input type="radio"/> NO If no, state reason</p>			
<p>10. Did you withhold DC income tax from wages paid to your DC resident employees during 2008? <input type="radio"/> YES <input type="radio"/> NO If no, state reason:</p>			
<p>11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2008? <input type="radio"/> YES <input type="radio"/> NO</p>			
<p>12. (a) Has the business been terminated? <input type="radio"/> YES <input type="radio"/> NO If yes, explain and give date:</p> <p>(b) Have you moved out of DC? <input type="radio"/> YES <input type="radio"/> NO</p>			

Organ and Bone Marrow Donor Credit
— 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. x 25% _____ \$ _____	\$ _____
Bone Marrow Donor(s)	Total Paid Leave Wages \$ _____	Col 2 _____ amt. x 25% _____ \$ _____	\$ _____
		Total of Col. 4. Enter here and on Schedule UB.	

Taxpayer Name: _____



Federal Employer I.D. Number: _____

		ENTER DOLLAR AMOUNTS ONLY											
DEDUCTIONS	23 Pension, profit-sharing plans. Fill in if minus: <input type="radio"/>	23	\$.00	
	24 Other deductions. <i>Attach statement.</i>	24	\$.00	
	25 Total deductions. <i>Add Lines 11-24.</i>	25	\$.00	
TAXABLE INCOME	26 Net income. <i>Line 10 minus Line 25.</i> Fill in if minus: <input type="radio"/>	26	\$.00	
	27 Net operating loss deduction. <i>(For years before 2000.)</i>	27	\$.00	
	28 Net income after net operating loss deduction. <i>Line 26 minus Line 27.</i> Fill in if minus: <input type="radio"/>	28	\$.00	
	29 (a) Non-business income. <i>Attach statement.</i> Fill in if minus: <input type="radio"/>	29a	\$.00	
	(b) Expense related to non-business income. <i>Attach statement.</i>	29b	\$.00	
	(c) 29(a) minus 29(b). Fill in if minus: <input type="radio"/>	29c	\$.00	
	30 Net income subject to apportionment. <i>Line 28 minus Line 29(c).</i> Fill in if minus: <input type="radio"/>	30	\$.00	
	31 DC apportionment factor <i>from Form D-20, Schedule F, col. 3, line 5.</i>	31											
	32 Net income from trade or business apportioned to DC. <i>Line 30 amount multiplied by Line 31 factor.</i> Fill in if minus: <input type="radio"/>	32	\$.00
	33 Portion of Line 29(c) attributable to DC. <i>Attach statement.</i> Fill in if minus: <input type="radio"/>	33	\$.00
	34 Total taxable income before apportioned NOL deduction. <i>Line 32 plus or minus Line 33.</i> Fill in if minus: <input type="radio"/>	34	\$.00
	35 Apportioned NOL deduction. <i>(Losses occurring in year 2000 and later.)</i>	35	\$.00
36 Total District taxable income, <i>Line 34 plus or minus Line 35.</i> Fill in if minus: <input type="radio"/>	36	\$.00	
37 Tax <i>9.975% of Line 36. If less than \$100, enter required minimum of \$100.</i>	37	\$.00	
38 Minus Nonrefundable Credits from Schedule UB, Line 6.	38	\$.00	
39 Net Tax (may not be less than \$100).	39	\$.00	
TAX PAYMENTS AND CREDITS	40 Payments and Refundable Credits:												
	(a) Tax paid, if any, with request for an extension of time to file <u>or</u> paid with original return if this is an amended return.	40a	\$.00	
	(b) 2008 estimated franchise tax payments.	40b	\$.00	
	(c) Refundable credits from Schedule UB, Line 7.	40c	\$.00	
	41 Add Lines 40(a), (b) and (c).	41	\$.00	
	42 Tax Due. <i>If Line 39 amount is larger, subtract Line 41 from Line 39.</i>	42	\$.00	
	43 Overpayment. <i>If Line 41 amount is larger, subtract Line 39 from Line 41.</i>	43	\$.00	
44 Amount you want to apply to your 2009 estimated franchise tax.	44	\$.00	
45 Amount to be refunded. <i>Line 43 minus Line 44.</i>	45	\$.00	

Payment due return – make payment payable to the DC Treasurer. Include your FEIN, D-20 and tax year on the payment and attach it to the D-2030P voucher. Mail return and payment to PO Box 679. Use the mail label provided on the return envelope.

Refund or no payment due return – mail return to PO Box 221. Use the mail label provided on the return envelope.

Your return is due by the 15th day of the third month following the close of your tax year.

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 _____					
	Preparer's FEIN, SSN or PTIN _____			If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval. <input type="radio"/>								

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 bonus depreciation is 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.)	\$		
Method of inventory valuation:			
		Total Dividends	
		\$	
		Minus deduction for Subpart F Income.	
		Minus deduction for dividends received from wholly-owned subsidiary	
		TOTAL (Enter here and on D-20, Line 4.)	
		\$	

Schedule C - Compensation of officers (See specific instructions for Line 11.)						
Col. 1 Name, Address and SSN 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 11.)					\$	

Schedule D - Taxes (See specific instructions for Line 16.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
	\$		\$
		TOTAL (Enter here and on D-20, Line 16.)	\$

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 District 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 16).		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 bonus depreciation and additional IRC § 179 expenses).		(b) _____	
(a) _____			
(b) _____			
6. TOTAL of Lines 1-5.	\$	10. TOTAL of Lines 7, 8 and 9.	\$



Schedule F - DC Apportionment Factor (See instructions, page 10.)

Round cents to the nearest dollar.
If an amount is zero, leave the line blank.

Carry all factors to six decimal places.

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor (Column 2 divided by Column 1.)
1. PROPERTY FACTOR: Average value of real estate and tangible personal property owned or rented to and used by the corporation. (Financial institutions do not complete this item.)	\$ [] 00	\$ [] 00	[]
2. PAYROLL FACTOR: Total compensation paid or accrued by the corporation.	\$ [] 00	\$ [] 00	[]
3. SALES FACTOR: All gross receipts of the corporation other than gross receipts from non-business income.	\$ [] 00	\$ [] 00	[]
4. SUM OF FACTORS: (Add Column 3 entries.)			[]
5. DC APPORTIONMENT FACTOR: Line 4 divided by 3 if there are 3 denominators. If fewer than 3 entries in col. 1, divide Line 4 by the actual number. Note: Financial institutions use a two-factor formula and divide Line 4 by 2. (Enter the factor here and 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
ASSETS				
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				
LIABILITIES AND CAPITAL				
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				

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 –	
<p>6. During 2008, 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"/></p> <p>If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 7 under Amended returns.</p> <p>If you have already provided OTR with a detailed statement, enter the date it was sent. <input type="text"/> MM/DD/YYYY</p>			
<p>7. Is this corporation affiliated with a partnership or another corporation? <input type="radio"/> YES <input type="radio"/> NO If yes, explain:</p>			
<p>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)</p>			
<p>9. Did you file a franchise tax return with DC for the year 2007? <input type="radio"/> YES <input type="radio"/> NO If no, state reason</p>			
<p>10. Did you withhold DC income tax from wages paid to your DC resident employees during 2008? <input type="radio"/> YES <input type="radio"/> NO If no, state reason:</p>			
<p>11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2008? <input type="radio"/> YES <input type="radio"/> NO</p>			
<p>12. (a) Has the business been terminated? <input type="radio"/> YES <input type="radio"/> NO If yes, explain and give date:</p> <p>(b) Have you moved out of DC? <input type="radio"/> YES <input type="radio"/> NO</p>			

Organ and Bone Marrow Donor Credit
— 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. x 25% _____ \$ _____	\$ _____
Bone Marrow Donor(s)	Total Paid Leave Wages \$ _____	Col 2 _____ amt. x 25% _____ \$ _____	\$ _____
		Total of Col. 4. Enter here and on Schedule UB.	

Extension of Time to File a DC Franchise or Partnership Return FR-128

ENTER DOLLAR AMOUNTS ONLY

- 1 Total estimated franchise tax liability for the tax period.
- 2 Estimated franchise tax payments *(include any tax overpayment credit)*.
- 3 Other payments.
- 4 Total payments and credits *(add Lines 2 and 3)*.
- 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.)

1	\$.00
2	\$.00
3	\$.00
4	\$.00
5	\$.00

▼ Sign on the back of the FR-128 payment voucher. ▼

Detach at perforation and mail the voucher, with payment attached, to the Office of Tax and Revenue.



2008

FR-128 Extension of Time to File a DC Franchise or Partnership Return



Federal Employer I.D. Number	Social Security Number (if self-employed)	OFFICIAL USE	
Business Name	Taxable year beginning MM/YY	Taxable year ending MM/YY	
Business mailing address			
City		State	Zip Code +4
A 6-month extension of time to file until _____ 15, 2009, for calendar year 2008, or until _____, _____, for fiscal year ending _____, _____, is requested for the following return:			
(fill in one): <input type="radio"/> D-20 <input type="radio"/> D-30 <input type="radio"/> D-65		Payment submitted with this form \$ _____ .00	

INSTRUCTIONS

Purpose

Use Form FR-128 to request a 6-month extension of time to file a Corporation Franchise Tax Return (Form D-20), an Unincorporated Business Franchise Tax Return (Form D-30), or a Partnership Return of Income (Form D-65).

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-128 with your payment in full of any tax due to: Office of Tax and Revenue, PO Box 7792, Washington, DC 20044-7792. Be sure to sign and date the FR-128. Make your payment out to the DC Treasurer. On the payment include your FEIN or SSN, FR-128 and the tax year.

Note: If you are a Qualified High Technology Company please submit a completed DC Form QHTC-CERT with your extension request.

Extension of time to file

A 6-month extension of time to file 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. When you file your return (D-20/D-30/D-65), attach a copy of the FR-128 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-128.**

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 of 6 months may be granted.

Signature

The request must be signed by:

- Corporations — any designated or authorized officer;
- Unincorporated businesses — any owner or member;
- Partnerships — any member;
- Paid preparers — must also provide your identification number.

Note: Receivers, trustees in bankruptcy, or assignees that are in control of the property, business or organization must sign the request for extension.

Detach and Mail

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.		
	Taxpayer(s) signature(s) (See instructions)	Title	Date
PAID PREPARER ONLY	Paid preparer's signature (If other than taxpayer)		Date
	Firm name		Telephone Number of Paid Preparer
	Firm address		

Telephone Number of Person to Contact

[] [] [] - [] [] [] [] [] [] [] [] [] [] [] []

Paid Preparer's FEIN, SSN or PTIN

[] []

Make check or money order payable to the DC Treasurer. Include your FEIN (or SSN), "FR-128" and tax year on the payment. Mail the voucher with payment attached to: Office of Tax and Revenue, PO Box 7792, Washington, DC 20044-7792.

Extension of Time to File a DC Franchise or Partnership Return FR-128

ENTER DOLLAR AMOUNTS ONLY

- 1 Total estimated franchise tax liability for the tax period.
- 2 Estimated franchise tax payments *(include any tax overpayment credit)*.
- 3 Other payments.
- 4 Total payments and credits *(add Lines 2 and 3)*.
- 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.)*

1	\$.00
2	\$.00
3	\$.00
4	\$.00
5	\$.00

▼ Sign on the back of the FR-128 payment voucher. ▼

Detach at perforation and mail the voucher, with payment attached, to the Office of Tax and Revenue.



2008 FR-128 Extension of Time to File a DC Franchise or Partnership Return



Federal Employer I.D. Number	Social Security Number (if self-employed)	OFFICIAL USE	
Business Name	Taxable year beginning MM/YY	Taxable year ending MM/YY	
Business mailing address			
City		State	Zip Code +4
A 6-month extension of time to file until _____ 15, 2009, for calendar year 2008, or until _____, _____, for fiscal year ending _____, _____, is requested for the following return:			
(fill in one): <input type="radio"/> D-20 <input type="radio"/> D-30 <input type="radio"/> D-65		Payment submitted with this form \$ _____ .00	



D-20 C Election to File a DC Consolidated Corporation Franchise Tax Return

Federal Employer I.D. Number	Taxable year: Beginning MMDDYYYY	Ending MMDDYYYY	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Name of affiliated group		Telephone number	
<input type="text"/>		<input type="text"/>	
DC business address line #1			
<input type="text"/>			
DC business address line #2			
<input type="text"/>			
City	State	Zip Code +4	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

The above named affiliated group hereby elects to file a DC consolidated corporation franchise tax return. All members of the affiliated group understand and consent to the following as conditions of this election:

- The affiliated group must file a federal consolidated corporation return pursuant to IRC §1501;
- Each member of the DC affiliated group must have gross income derived from sources in DC;
- The election to file a DC consolidated return is binding as long as the affiliated group remains in existence unless the Office of Tax and Revenue consents to a discontinuance;
- The election must be made by the due date (including any extension) for filing the DC Corporation Franchise Tax Return; and
- The affiliated group may not include any DC corporation claiming Qualified High Technology Company tax credits/benefits.

Under penalties of perjury, I declare that the common parent corporation has authorized me to sign this form on behalf of all members of the affiliated 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.

PRINT NAME HERE AND SIGN BELOW

SIGNATURE

TITLE

DATE



D-20 CS Authorization and Consent of a Subsidiary Corporation to be Included in a DC Consolidated Corporation Franchise Tax Return

Each subsidiary must complete this form the first taxable year a consolidated return is filed. *Attach it to the consolidated return.*

Taxable year: Beginning		Ending	
MMDDYYYY		MMDDYYYY	
FEIN (Subsidiary)			
Name (Subsidiary)		Telephone number	
DC business address line #1			
DC business address line #2			
City	State	Zip Code + 4	
FEIN of common parent corporation			
Name of common parent corporation			

The subsidiary corporation named above authorizes its common parent corporation to include it in a consolidated return for the taxable year shown. The authorization also applies to each following taxable year, unless the Office of Tax and Revenue consents to a discontinuance.

Under penalties of perjury, I declare that the subsidiary named above has authorized me to sign this form on its behalf, that I have examined this form and the information contained herein is, to the best of my knowledge and belief, correct and complete.

<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature of corporate officer	Title	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of corporate officer (print or type)	Telephone number	

Purpose of Form

The common parent of an affiliated group that files a federal consolidated corporation return may elect to file a DC consolidated corporation return. The election by the common parent is effective only if accompanied by written consents to the election signed by each member of the affiliated group. This form is to be used by each of the subsidiary corporations included in the affiliated group to consent to the election made by the common parent.

Elections for Taxable Years Beginning on January 1, 2001 or thereafter

The election must be made by the common parent by the due date, including any extensions, for filing the original return.

How to Make an Election to File a DC Consolidated Corporation Franchise Tax Return

- Complete this form for each subsidiary included in the DC affiliated group for the taxable year for which the election is made.
- File the completed forms AND the tax return by the due date, including any extensions, for filing the original return.
- In taxable years after the election, any new member joining a DC affiliated group is required to complete this authorization. The completed form must be attached to the DC Form D-20 for the first taxable year in which the new member joins the DC affiliated group.
- The subsidiary consent form must be signed by an officer of the subsidiary.

AFFILIATED GROUP SCHEDULE INSTRUCTIONS

We need to identify each member of the DC Affiliated Group subject to the DC corporation franchise tax.

Attach a copy of federal Form 851, Affiliations Schedule, to your Form D-20.

File this schedule each year that a DC consolidated corporation franchise tax return is filed.

Column A – List the parent and subsidiary corporations included in the DC Consolidated Corporation Franchise Tax Return.

Column B – Give the Federal Employer Identification Number (FEIN) for each corporation listed.

Column C – Indicate if each company listed filed a separate DC corporate franchise tax return in the prior tax year.

Column D – Indicate if this company is new to the Federal Consolidated Group.

Column E – Indicate if the company received gross income from DC sources.



D-20 NOL Net Operating Loss Deduction for Years Before 2000

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

Name of corporation		FEIN	
		-	
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			
Summary:		Total losses claimed. \$	Total losses remaining (to be carried forward). \$

- Enter loss on D-20, Line 27.



D-20 NOL Net Operating Loss Deduction for Year 2000 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		FEIN	
<input type="text"/>		<input type="text"/>	
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			
Summary:		Total losses claimed. \$	Total losses remaining (to be carried forward). \$

- Enter loss on D-20, Line 35.

