

2014 **D-20ES** Declaration of Estimated Franchise Tax for Corporations

DCE001C

Secure - Accurate - Convenient ...

File Electronically Today!

www.taxpayerservicecenter.com



Important: If your quarterly estimated payment is greater than \$5,000, you must file and pay electronically.

General Instructions

Declaration of Estimated Franchise Tax for Corporations

Who must file a Form D-20ES?

A corporation must file a declaration of estimated franchise tax voucher if its District of Columbia (DC) franchise tax liability is expected to exceed \$1,000 for the taxable year.

Applying an overpayment from your prior DC corporation franchise tax return.

You can apply the full amount of any overpayment of tax from your prior year's DC corporation franchise tax return to the first payment of your estimated taxes or you can spread it across the four payments any way you choose. You may not do this if you have requested or received a refund of this overpayment.

Use the record of payments worksheet on page 9 to plan how much of the overpayment you will apply to each payment.

Could you be charged a penalty or fee?

If you underestimate your tax, you will be charged an underpayment rate of 10% per year compounded daily when your estimated tax payments do not equal:

- At least 90% of your 2014 corporation franchise tax; or
- 110% of your 2013 DC corporation franchise tax for a 12-month period.

You will be charged a penalty if any statement made on the voucher is not true and accurate to the best of your knowledge.

What if your estimated tax liability changes during the year?

If initially you are not required to file a declaration voucher but later in the taxable year your estimated franchise tax liability for the year increases to an amount greater than \$1,000, begin filing a declaration voucher. Use the next available voucher. See “**When are the declaration vouchers due?**” on page 3 for the due dates. If your estimated tax liability changes substantially, adjust the next payments accordingly.

Which other DC form may corporate taxpayers need to file?

Corporate Franchise Tax Return (D-20)

You may obtain the D-20 from:

- Website: www.taxpayerservicecenter.com
- Phone: 202-442-6546
- OTR Customer Service Center
1101 4th Street, SW, 2nd Floor
Washington, DC 20024

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

An extension of six months to file a franchise tax return may be granted if a valid extension of time to file is requested. In order to be valid, a FR-128 form must be filed by March 15, 2014. If the due date falls on a Saturday, Sunday, or legal holiday, the return is due the next business day. *Extension for combined reporting filers.* Effective for tax years beginning after December 31, 2010, a calendar or fiscal year taxpayer that is a member of a combined group and that must report income derived from the activities of that group in a combined report, shall receive an automatic 7-month extension. This extension applies to all final zero returns. The submission of the extension of time to file form is subject to the following considerations:

1. If you expect to have a balance due when you file your D-20, **you must pay with your timely filed extension application.**
2. If you do not expect to have a balance due when you file your D-20, you are not required to file a Form FR-128, if you have:

- a. Reasonably estimated your D-20 tax liability and paid the estimated amount of DC franchise tax through estimated tax payments; and
 - b. Filed a request to extend the time to file your federal tax return with the IRS. The timely filed federal extension to file form will satisfy the requirement for filing a Form FR-128 with DC.
3. If you do not expect to have a balance due and you have not filed an extension of time to file for your federal return and wish to request an extension for your DC franchise tax return, you should submit a Form FR-128

If there is an amount due, the DC Form FR-128 is required to be filed with the payment. Penalty and interest charges are imposed on any tax found owing and not paid on time with the extension request.

When are your vouchers due?

File your vouchers by the following dates:

- **Voucher 1:** April 15, 2014;
- **Voucher 2:** June 15, 2014;

- **Voucher 3:** September 15, 2014; and
- **Voucher 4:** December 15, 2014

Fiscal year taxpayers should file the declaration vouchers by the following dates:

- **Voucher 1:** The fifteenth day of the fourth month of your taxable year;
- **Voucher 2:** The fifteenth day of the sixth month of your taxable year;
- **Voucher 3:** The fifteenth day of the ninth month of your taxable year; and
- **Voucher 4:** The fifteenth day of the twelfth month of your taxable year.

If the due date falls on a Saturday, Sunday, or legal holiday, the voucher is due the next business day.

How to file your return

This booklet has all the vouchers and instructions you will need. It is mailed to each registered taxpayer who filed estimated tax payments in the previous year, except those who file electronically or use a substitute form. It also contains mailing labels. You are responsible for filing and submitting the amount due on time whether or not you receive the printed forms.

Substitute forms

You may file your DC estimated tax payment using a computer-prepared or 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. Check with the software developer to determine if its form was approved by the DC OTR.

By mail

If you file using paper, make the check or money order payable to the DC Treasurer. Write your Federal Employer Identification Number (FEIN), D-20ES, and the tax year on the check or money order.

If mailing vouchers send your vouchers and payments to:

Office of Tax and Revenue

PO Box 96019

Washington, DC 20090-6019

NOTE: Please use the mailing labels provided in this booklet when mailing your vouchers.

By accessing the DC Electronic Taxpayer Service Center (eTSC)

Corporate taxpayers may file and pay the D-20ES by accessing the DC eTSC website. A pre-registration is required. Allow 5-7 business days for processing. Visit www.taxpayerservicecenter.com for information on completing an eTSC application.

Electronic Filing Instructions

The instructions in this booklet are specifically for filers of paper returns. When you file electronically, note that the instructions may differ. Follow the “on screen” instructions. If you need further explanations, review the instructions in this booklet.

Electronic Payment Options

If your liability is greater than \$5,000 per period, **you shall pay electronically.**

Refer to the Electronic Funds Transfer (EFT) Payment Guide available on the DC website at www.taxpayerservicecenter.com for instructions for electronic payments. The electronic taxpayer service center (eTSC) does not allow the use of foreign bank accounts.

Payment options are as follows:

- **Electronic check (e-check).** E-check is similar to ACH debit, but it is a one-time transaction where the taxpayer provides the banking information at the time of payment instead of storing the information. There is no fee for business e-check payments.
- **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 eTSC registered to use this payment type, and does not need to access 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) for corporate estimated tax payments.

- **ACH Debit.** ACH debit is for registered eTSC business taxpayers only. There is no fee. Taxpayers' bank routing and account numbers are stored within their on-line eTSC account. They can use this account to pay any existing liability. They give OTR the right to debit the money from their bank account.
- **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.

Note: 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.

Note: International ACH Transaction (IAT). Electronic banking rules have changed. If you request a refund to be direct deposited into an account outside of the United States, you will receive a paper check.

Your payment cannot be drawn on a foreign account. You must pay by money order or credit card instead.

Getting started

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

- ✓ 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.

Taxpayer Identification Number(s) (TIN)

Corporations must use their Federal Employers Identification Number (FEIN).

- A FEIN is a valid number issued by the Internal Revenue Service (IRS). To apply for a FEIN, get Form SS-4, Application for Employer Identification Number (EIN) under Starting a Business. You may also get this form by calling 1-800-TAX-FORM (1-800-829-3676).

You must wait until you receive the FEIN before you file a DC return. Your return may be rejected if your TIN is missing, incorrect or invalid.

Help us identify your forms and attachments

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

Filling out the form

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

Using black ink, print in CAPITAL letters.

R O B E R T S

Leave a space between words and between numbers and words.

8 E L M

Write 3s with rounded tops, not flat tops.

Yes No
3 7 ~~3 7~~

Write 7s without middle bars.

Round cents to the nearest dollar.

Do not enter cents.

\$ 5 7 2 0 4 00

Personal Information

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

Key website resources

- **DC Official Code**
<http://www.lexisnexis.com/hottopics/dccode/>
- **DC Regulations**
<http://www.dcregs.dc.gov/>
- **US Department of State Tax Exemption Cards**
www.state.gov/ofm/tax/
- **DC Tax Forms/Publications**
<http://otr.cfo.dc.gov/page/tax-forms-and-publications>
- **Mailing Address for Returns**
<http://otr.cfo.dc.gov/otr/node/392882>
- **Electronic Funds Transfer (EFT) Guide**
<http://otr.cfo.dc.gov/otr/publication/2013-electronic-funds-transfer-payment-guide-eft>
- **NACHA Guidelines**
<http://www.nacha.org/>
- **Social Security Administration**
<http://ssa.gov/>
- **Internal Revenue Service**
<http://www.irs.gov>

Record of payments

KEEP WITH YOUR RECORDS

Use this worksheet to plan and record how much of any overpayment credit you will apply to each payment and the date you paid.

Total estimated tax for 2014

Credits from any 2013 D-20 overpayment

Voucher number	Payment amount	−	Portion of 2013 overpayment applied	=	Payment amount		Date paid		Payment Information
1	<input type="text"/>	−	<input type="text"/>	=	<input type="text"/>		<input type="text"/>		<input type="text"/>
2	<input type="text"/>	−	<input type="text"/>	=	<input type="text"/>		<input type="text"/>		<input type="text"/>
3	<input type="text"/>	−	<input type="text"/>	=	<input type="text"/>		<input type="text"/>		<input type="text"/>
4	<input type="text"/>	−	<input type="text"/>	=	<input type="text"/>		<input type="text"/>		<input type="text"/>











OFFICE OF TAX AND REVENUE
CORPORATION ESTIMATED FRANCHISE TAX
PO BOX 96019
WASHINGTON DC 20090-6019



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