



Government of the District of Columbia
Office of the Chief Financial Officer
Office of Tax and Revenue

2017 FR-900Q

Employer/Payor Withholding Tax - Quarterly Return/Wage Reporting Instructions

For the following 2017 Quarters-
January 1, 2017 - March 31, 2017
April 1, 2017 - June 30, 2017
July 1, 2017 - September 30, 2017
October 1, 2017 - December 31, 2017

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Instructions for FR-900Q

(Rev. January 2017)

Employer/Payor Withholding Tax – Quarterly Return Wage Reporting

Future Developments

For the latest information about developments related to FR-900Q and its instructions, after publishing, go to www.mytax.dc.gov.

What's New?

Federal Employer Identification Number (FEIN) is required and the only acceptable tax identification number beginning with tax year 2017. SSN will no longer be allowed. The FR-900Q has been revised in its entirety. Please review carefully before filing the quarterly withholding return.

Existing monthly filers will be converted to quarterly filers. New withholding accounts will be established at the quarterly filing frequency. OTR will no longer accept monthly filing beginning January 2017. Existing quarterly filers will remain quarterly filers.

There is a new option to indicate a third party designee name and phone number.

If there is an overpayment situation, there are two options (1) credit carry forward and (2) send a refund. Select only one option. Failure to select an option or completing both options will result in credit carry forward. Refunds will be issued by paper check once approved.

If your tax professional, financial institution, payroll service, or other trusted third-party makes electronic payments on your behalf, ensure your payments are made by the 20th of the month or the 20th day of the month following the quarter being reported. Note that if your payment exceeds \$5,000 per period, you shall pay electronically.

Beginning with the quarterly return due April 30, 2017, you will now have the option to bulk file FR-900Q return via the MyTax.DC web portal. Separate instructions will be available on MyTax.DC.

By January 1, 2017 if you have a household employee, you must obtain a FEIN and report such withholding using the FR-900Q.

FR-900B, Employer/Payor Withholding Tax Annual Reconciliation is eliminated.

Tax booklets will no longer be mailed.

Do not use the FR-900Q to report backup withholding or income tax withholding on non-payroll payments such as pensions, annuities, and gambling winnings. Report these types of withholding on Form FR-900NP.

The FR-900P, Payment Voucher for Withholding Tax is available if you do not use an electronic payment method.

General Instructions

Every employer who pays wages to a DC resident who withholds DC income tax must file a DC withholding tax return. You must file the FR-900Q even if you withheld no tax or no payment is due unless you filed a final return.

You must be registered with the District of Columbia (DC) via the FR-500, Combined Registration Application for Business DC Taxes/Fees/Assessments prior to filing a FR-900Q. If you are filing your tax return or paying the DC taxes electronically, a valid federal employer identification number (FEIN) is required at the time the return is filed or the

payment is made. If a valid FEIN is not provided, or you are not registered with DC, the return or payment will not be processed. This may result in penalties.

OTR expects you will continue to make your payments on a weekly, semi-weekly or monthly basis, and report on a quarterly basis. Deposits are due by the 20th of the month, or on or before the 20th day of the month following the quarter being reported. If a payment is required to be made on a day that is not a business day, the payment is considered to be timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday.

You are responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action.

If you go out of business or stop paying wages to your employees, you must file a final return. Check the box in Part 2 and enter the final date you paid wages.

You are responsible for filing and submitting the withheld amounts on time. You may file using a computer-prepared or computer-generated substitute form, provided the form is approved in advance by OTR. If mailing the return with a payment, make the check or money order (US dollars) payable to the DC Treasurer. Write your FEIN, FR-900Q, and the tax year on the payment and submit with the FR-900P. If mailing a return send your return and/or payment to:

Office of Tax and Revenue
PO Box 96385
Washington, DC 20090-6385

When Must You File?

File your initial FR-900Q for the quarter in which you first paid wages that are subject to DC income tax withholding. Then you must file for every quarter after that – every 3 months – even if you have no taxes to report unless you are filing your final return. You are also required to file even when you submit your payment via ACH Credit. File the FR-900Q only once for each quarter unless you are filing an amended return. If you file electronically, do not file a paper FR-900Q.

Your Form FR-900Q is due by the last day of the month that follows the end of the quarter.

The Quarter includes ...	Quarter Ends	Form FR-900Q is Due
1. January, February, March	March 31	April 30
2. April, May, June	June 30	July 31
3. July, August, September	September 30	October 31
4. October, November, December	December 31	January 31

How Should You Complete FR-900Q?

Type or print your FEIN, name and address in the spaces provided. Do not use a SSN or Individual taxpayer identification number (ITIN). Enter the business legal name.

Federal Employer Identification Number (FEIN). Your business should have only one FEIN. If you do not have an FEIN, you may apply for one online. Go to IRS.gov and enter “EIN” in the search box. If you are filing your tax return electronically, a valid FEIN is required at the time the return is filed. Always be sure the FEIN on the form you file exactly

matches the FEIN the IRS assigned to our business.

Account Number. The account number must be the number that was provided by OTR when you registered. **Omission of the account number will cause delays in processing your return. Taxpayers are responsible for providing their assigned OTR account number to your tax professional, financial institution, payroll service, or other trusted third-party that are completing the withholding tax return.**

Indicate if you are filing an amended return and check the box for the Quarter being amended.

Check the Box for the Quarter. Under “Report for this Quarter of 2017” at the top of the FR-900Q, check the appropriate box of the quarter for which you are filing.

Specific Instructions:

Part 1: Answer these questions for this quarter.

1. Enter the DC income tax withheld from wages, tips and other compensation. Do not enter dollar signs and decimal points. Enter dollars to the left of the pre-printed decimal point and cents to the right of it. If you were not required to withhold, leave this line blank.

If you are making payments monthly, enter the amounts **withheld** for each month of the quarter. If you are making quarterly payments, it is due on the 20th of the month following the quarter end and the return is due on the last day of the month. However, on MyTaxDC, you will be able to do both together if you wish with the above dates in mind.

2. Enter the total withholding payments for this quarter, including overpayment

applied from prior quarters. Do not enter dollar signs and decimal points. Enter dollars to the left of the pre-printed decimal point and cents to the right of it. If you were not required to withhold, leave this line blank.

3. Balance Due. If Line 1 is greater than Line 2, subtract Line 2 from Line 1. **DO NOT MAKE AN ENTRY ON BOTH LINES 3 AND 4.** You may pay the amount on Line 3 by EFT, credit card, debit card, check/money order (US dollars). For ACH credit, follow the DC EFT guide available on the website.
4. Overpayment. If Line 2 is greater than Line 1, subtract Line 1 from Line 2. If your payments are more than the amount for the quarter, you can choose to have DC apply it to your next return or issue a refund. Check only one box. If you do not check either box or if you check both boxes, we will apply the overpayment to any past due tax account that is shown on your record or apply it to the next period.

Part 2: Tell us about your business.

In Part 2, only answer this question if your business stopped paying wages or has closed. If the question does not apply, leave it blank and go to Part 3. If you go out of business or stop paying wages, you must file a final return. To advise DC that this is your final return, check the box and enter the date you last paid wages in the space provided.

Part 3: Sign Here

Complete all information in Part 3 and sign FR-900Q. A paid preparer must sign FR-900Q and provide the information in the Paid Preparer section if the preparer was paid to prepare FR-900Q and is not an employee of the filing entity. The preparer must give you a copy of the return. If you are a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided.

Third-party Designee

If you want to allow an employee, a paid tax preparer, or another person to discuss your FR-900Q with DC, check the 'yes' box. Enter the name and phone number of the specific person to speak with – not the name of the firm that prepared your tax return. By checking 'yes' you authorize DC to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to do all of the following:

- Give us any information that is missing from your return.
- Call us for information about processing your return.
- Respond to certain DC notices that you have shared with your designee about math errors and return preparation. DC will not send notices to your designee.

You are not authorizing your designee to bind you to anything (including additional tax liability) or to otherwise represent you before DC. The authorization will automatically expire one (1) year from the due date for filing your FR-900Q. If you or your designee want to terminate the authorization, write to the DC Office of Tax and Revenue.

Penalties and Interest

OTR will charge:

- A penalty of 5% per month if you fail to file a return or pay any tax due on time. It is computed on the unpaid tax for each month or fraction of a month, that the return is not filed or the tax is not paid. It may not exceed an additional amount equal to 25% of the tax due;
- A 20% penalty on the portion of an underpayment of taxes if attributable to negligence. Negligence is failure to make a reasonable attempt to comply with the law or to exercise ordinary and reasonable care in preparing tax returns without the intent to defraud. One indication of negligence is failure to keep adequate books and records;
- Interest of 10% per year, compounded daily, on a late payment;
- A one-time fee to cover internal collection efforts on any unpaid balance. The collection fee assessed is 10% of the tax balance due after 90 days. Payments received by the OTR on accounts are first applied to the collection fee, then to penalty, interest and tax owed;
- A civil fraud penalty of 75% of the underpayment which is attributable to fraud (see DC Official Code §47-4212).

Criminal Penalties

You will be penalized under the criminal provisions of the DC Official Code, Title 47 and any other applicable penalties, if you are required to file a return or report, or perform any act and you:

- Fail to file the return or report timely. If convicted, you will be fined not more than \$1,000 or imprisoned for not more than 180 days, or both, for each failure or neglect;
- Willfully fail to file the return or report timely. If convicted, you will be fined not more than \$5,000 or imprisoned for not more than 180 days, or both;
- Willfully attempt to evade or defeat a tax; willfully fail to collect, account for, or pay a tax or willfully make fraudulent or false statements.

Corporate officers may be held personally liable for the payment of taxes owed to DC.

Enforcement actions

The OTR may use lien, levy, seizure, collection agencies and liability offset if a taxpayer fails to pay the District within 20 days after receiving a Notice of Tax Due and a demand for payment.

Visit www.mytax.dc.gov.

Other DC Forms, Notices and Publication You May Need

- FR-230, Income Tax Withholding Instructions and Tables
- D-4, Employee Withholding Allowance Certificate
- D-4A, Certificate of Non-residence in DC
- FR-900NP, Annual Return for Withholding Reported on Forms 1099 and W-2G
- FR-900A, Employer/Payor Withholding Tax – Annual Return
- FR-900P, Payment Voucher for Withholding Tax
- Electronic W-2 Filing
- WT, Transmittal for Paper Forms W2/1099