

District of Columbia

★ The Nation's Capital ★

GENERAL

Forms request	202-727-4829	mytax.dc.gov
Tax assistance	202-727-4829	
Website	mytax.dc.gov	
Refund information	mytax.dc.gov	

NEW FOR 2022

Earned Income Tax Credit (EITC) is increased to 70% of the federal EIC. A taxpayer with qualifying children receiving this credit will get a refund equal to 40% of their federal EIC after their return is processed. The additional 30% will be paid in monthly installments over 11 months. The investment income test increased to \$10,300. The maximum credit for a taxpayer without qualifying children has decreased to \$560.

Homeowner and Renter Property Tax Credit. The maximum limit is increased to \$1,250. The federal adjusted gross income eligibility threshold for under age 70 increased to \$57,600 and for age 70 and older increased to \$78,600.

Keep Child Care Affordable Tax Credit. The maximum limit is increased to \$1,045.

New exclusions from DC Gross Income.

- Rebates issued by the Mayor pursuant to the Automated External Defibrillator Incentive Program.
- Lump-sum payments received by individuals from the Early Educator Pay Parity Program.
- Grants to housing providers and central business districts grants awarded by the Deputy Mayor for Planning and Economic Development.
- Funds received from the solar for all program and sustainable energy trust fund grants awarded by the Department of Energy and Environment.

Exclusion of cash assistance grants awarded to excluded workers have been extended through tax year ending December 31, 2023.

D-40P, Payment Voucher. The tax year has been added back to the form. For tax year 2022, use the 2022 D-40P.

DC Low-Income Housing Tax Credits (LIHTC). Taxpayers transferring or receiving DC LIHTC must be registered online at MyTax.DC.gov.

New Form D-30N. Taxpayers not required to file Form D-30 due to low income should now file Form D-30N.

Draft state information. The material in this tab is based on 2022 draft information, as the state had not released final information at the time this publication was completed. Check the Updates section of Quickfinder.com for any changes due to final forms and instructions.

RESIDENCY STATUS AND FILING REQUIREMENTS

An individual must file if he:

- Is a resident of the District of Columbia and is required to file a federal income tax return,
- Lived in the District of Columbia for 183 days or more (even if permanent residence is elsewhere),
- Lived in the District of Columbia as a part-year resident during a tax year.
- Is a member of the Armed Forces whose home of record for part or all of the year is the District of Columbia or

- Is a spouse or domestic partner of an exempt person meeting any one of the preceding requirements.
- Wants to receive a refund for DC taxes withheld or because is eligible for an earned income credit, property tax credit, or keep child care affordable tax credit.

Exempt person. The following individuals are considered exempt nonresidents of DC and do not need to file a DC tax return:

- A member of the U.S. Congress or an employee on the personal staff of a member of Congress who is considered a resident of the member's state of residency;
- An officer in the U.S. Executive Branch whose primary residence is not in the District of Columbia and who is appointed by the President, confirmed by the U.S. Senate and serves at the pleasure of the President or
- A justice of the U.S. Supreme Court whose primary residence is not in the District of Columbia.

Note: Spouses of the exempt persons (except spouses of military members) are not exempt and must file a separate DC return.

Military. Members of the Armed Forces who meet the residency requirements must file a return. However, if the member's home of record is outside DC, all military wages are exempt from tax. In addition, if the service member's spouse is domiciled outside DC but accompanies the service member to DC, any wages earned in DC are exempt from tax.

Nonresidents. Nonresidents are non-taxable in DC. Nonresidents who erroneously had DC income tax withheld or made DC estimated tax payments may file Form D-40B to request a refund.

FORMS TO FILE

Form D-40 (Individual Income Tax Return). Use for resident and part-year resident returns. **Note:** Nonresidents are not required to file a District of Columbia return.

Form D-40P (Payment Voucher for Individual Income Tax). To make payment for a balance due with Form D-40.

Schedule H (Homeowner and Renter Property Tax Credit).

Schedule I (Additions to and Subtractions from Federal Adjusted Gross Income).

Schedule N (DC Non-Custodial Parent EITC Claim).

Schedule S (Supplemental Information and Dependents).

Schedule U (Additional Miscellaneous Credits and Contributions).

D-8609 (District of Columbia Low-Income Housing Credit Allocation and Certification);

Schedule ELC (Keep Child Care Affordable Tax Credit).

Schedule HSR (DC Health Care Shared Responsibility).

Form FR-127 (Extension of Time to File a DC Income Tax Return).

Form D-30 (Unincorporated Business Franchise Tax Return). To report District of Columbia business income of more than \$12,000.

Form D-30N (Affidavit of Gross Income In Lieu of D-30 Unincorporated Business Franchise Tax Return).

Form D-30P (Payment Voucher for Unincorporated Business Franchise Tax). To make payment for a balance due with Form D-30.

Form D-2440 (Disability Income Exclusion). Applies only to disabled retirees under 65.

Form D-2441 (Child and Dependent Care Credit for Part-Year Residents).

Form D-40ES (Estimated Payment for Individual Income Tax).

Form D-30ES (Unincorporated Business Declaration of Estimated Franchise Tax).

Form D-40B (Nonresident Request for Refund).

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- Disability exclusion of up to \$10,000 for persons determined as totally and permanently disabled by the Social Security Administration. Household AGI must be less than \$100,000.
- DC teachers' expenditures for necessary classroom teaching materials that were not deducted on the federal return, up to \$500.
- DC teachers' expenditures for tuition and fees that were not deducted on the federal return, up to \$1,500 per person.
- Loan repayment awards of up to \$120,000 to certain health care professionals to reduce their medical education debt.
- Health-care insurance premiums paid by an employer for a non-employee registered domestic partner or same-sex partner.
- DC poverty lawyer loan assistance reported on Form 1099-C (Cancellation of Debt). Attach Form 1099-C.
- Other items not subject to DC tax subtracted from federal adjusted gross income, such as rebates/grants received from the Private Security Camera, the Home Composting Incentive, and the Safe at Home Grant programs, along with COVID-19 related cash assistance received by *Excluded Workers* pursuant to grants awarded by the Washington Convention and Sports Authority and certain other grants included in the instructions.
- Earned income of nonresident military members or nonresident military spouses (or registered domestic partners).
- Capital gains deferred due to DC approved investment in a DC QOF.

Disability income. Form D-2440 (Disability Income Exclusion) is used to determine the subtraction for disability income. To be eligible, the following requirements must be met.

- 1) If married or registered domestic partners (RDPs), a joint return is filed.
- 2) Disability payments were received during 2022.
- 3) The taxpayer and/or spouse/RDP were under the age of 65 on December 31, 2022.
- 4) The taxpayer and/or spouse/RDP retired on disability and were permanently and totally disabled at the time of retirement.
- 5) On January 1, 2022, the taxpayer and/or spouse/RDP had not reached the age required to retire under their employer's retirement program.
- 6) The taxpayer has not notified the Office of Tax and Revenue that the choice has been made to treat the disability income as a pension.

A Physician's Certification of Permanent and Total Disability must be filed with Form D-2440. A certification statement is included with the form. If a certification has been filed in previous years, a new one does not need to be attached.

The maximum exclusion is \$100 per week of disability payments (\$5,200 for the year). Pay received for part of a week is pro-rated based on the average number of days worked in a week before retirement.

District of Columbia "529" college savings plan. A subtraction up to \$4,000 (\$8,000 MFJ) is allowed for an amount contributed to a qualified taxpayer-owned District of Columbia "529" college savings plan. If married individuals file a joint or combined separate return, each spouse/RDP may deduct up to \$4,000 for contributions made to all accounts for which that spouse/domestic partner is the sole owner. Contributions in excess of the limit may be carried forward for five years. Part-year residents may deduct only the amount contributed during the period of District of Columbia residence. The deduction is entered on line 6, Calculation B of Schedule I.

Deductions

Itemized deductions or the standard deduction. Taxpayers must claim the same type of deduction (either standard or itemized)

for the District of Columbia that is claimed on the federal return. Complete Calculation G-1 of Schedule S to compute the total standard deduction.

District of Columbia Standard Deduction	
Filing Status	Standard Deduction
Single or MFS	\$12,950
HOH	\$19,400
MFJ or QW	\$25,900
Note: Part-year residents must pro-rate the standard deduction based on the number of days as a resident of the District of Columbia.	

Dependent claimed on other return. Dependents are allowed a standard deduction of **\$1,150** or **\$400** plus earned income, up to a maximum of \$12,950.

Age 65 or older. An additional exemption of \$1,750 (single or HOH) or \$1,400 (MFJ or MFS) is allowed for taxpayer and/or spouse if age 65 or older.

Blind. An additional exemption of \$1,750 (single or HOH) or \$1,400 (MFJ or MFS) is allowed for taxpayer and/or spouse if blind.

District of Columbia itemized deductions. The District of Columbia itemized deduction calculation starts with federal itemized deductions and is then reduced by state and local income or sales taxes and increased by any federal limitation on property taxes.

For taxpayers with District of Columbia AGI in excess of \$200,000 (\$100,000 for a separate return filed by a married individual), certain District of Columbia itemized deductions are reduced by 5% of District of Columbia AGI in excess of \$200,000 (\$100,000 for a separate return filed by a married individual). The itemized deductions that are not subject to the 5% limitation are medical and dental expenses, expenses incurred in the production on investment interest and casualty or theft loss deduction.

Calculation F Worksheet	
1) Total federal itemized deductions (from federal Schedule A.....)	1) _____
2) State and local tax deduction from Schedule A, line 7	2) _____
3) Subtract line 2 from line 1.....	3) _____
4) Taxes from line 5b of federal Schedule A.....	4) _____
5) Taxes from line 6 of federal Schedule A.....	5) _____
6) District of Columbia itemized deductions. Add lines 3, 4 and 5. If District of Columbia AGI is equal or less than \$200,000 (\$100,000 MFS), stop here and enter this amount on line 18 of Form D-40.....	6) _____
If District of Columbia AGI exceeds \$200,000 (\$100,000 MFS), continue below to determine the allowable itemized deductions.	
7) Sum of Form 1040 or 1040-SR, Schedule A lines 4, 9 & 15.....	7) _____
8) Subtract line 7 from line 6.....	8) _____
9) Enter the amount of District of Columbia AGI.....	9) _____
10) Enter \$200,000 (or \$100,000 if MFS).....	10) _____
11) Subtract line 10 from line 9.....	11) _____
12) Multiply line 11 by 5%.....	12) _____
13) Subtract line 12 from line 8 (if <0, enter 0).....	13) _____
14) Add line 7 and line 13. Enter here and on line 18 of Form D-40	14) _____

Itemized deductions for part-year District of Columbia residents. Use the following worksheet to figure itemized deductions.

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The credit can be taken against income tax, franchise tax, and insurance premium tax equally over ten years. The credit is not refundable, but any amount of the credit that exceeds the tax due for the current year can be carried forward to any of the ten remaining subsequent taxable years. All or any of the credits may be transferred, sold, assigned, or allocated to eligible parties.

To claim the credit, the owner/transferor must file with the DC return a copy of the eligibility statement from the DC Department of Housing and Community Development and Forms D-8609, D-8609A, D-8609DS, and Schedule U. Failure to attach these documents results in disallowance of the credit. A claim should not be submitted if IRS Form 8609 has not been issued.

Individual Health Care Shared Responsibility

All DC residents with federal AGI greater than **\$30,169.80** are required to either have health care coverage, have an exemption, or pay a tax penalty on their DC tax return. The shared responsibility penalty is calculated on Schedule HSR. The maximum penalty is the smaller of the District Average Bronze Plan Premium (ABPP) or the greater of \$2,100 or 2.5% of AGI less DC standard deduction. Following are the amounts for ABPP that correspond to the number of family members.

- 1 person—\$3,450
- 2 persons—\$6,900
- 3 persons—\$10,350
- 4 persons—\$13,800
- 5 or more persons—\$17,250

The penalty is prorated for the months without insurance coverage. Low income taxpayers are exempt from shared responsibility payment if their AGI is equal to or less than the amount that corresponds to the number of family members and the age of the individual for which the exemption is claimed. See following table for low income exemption AGI thresholds.

Low Income Exemption AGI Threshold Amounts		
Number of Shared Responsibility Family Members:	If your AGI is equal to or below the following amounts, members age 21 or older as of 12/31/2022 are exempt:	If your AGI is equal to or below the following amounts, members under age 21 as of 12/31/2022 are exempt:
1	\$30,169.80	\$44,031.60
2	\$40,648.20	\$59,324.40
3	\$51,126.60	\$74,617.20
4	\$61,605.00	\$89,910.00
5	\$72,083.40	\$105,202.80
6	\$82,561.80	\$120,495.60
7	\$93,040.20	\$135,788.40
8	\$103,518.60	\$151,081.20
For Each Additional Member, add:	\$10,478.40	\$15,292.80

Refundable Credits

Property tax credit. Renters and homeowners with total federal adjusted gross income of \$57,600 or less (\$78,600 or less if

taxpayer is age 70 or older) may be eligible for a property tax credit of up to \$1,250. Schedule H (Homeowner and Renter Property Tax Credit) is filed with Form D-40. If Form D-40 is not required to be filed, Schedule H may be filed by itself. The credit must be claimed within three years of the due date for Form D-40, either on the original return or an amended return.

The credit is available only to full-year residents who rented or owned and lived in their home, apartment, rooming house or condominium in DC for the entire year. Only one member of a household can claim a property tax credit. There can be more than one claimant if individuals or families share housing but file separate tax returns. The credit claimed is calculated based on share of rent or property tax.

- The credit is not available if the taxpayer rented from a landlord whose property was either exempt from real property taxes or who paid a percentage of rental income to the District instead of paying real estate tax.
- Taxpayers under age 65 may not be claimed as a dependent on someone else's federal, state or District of Columbia income tax return.
- The residence may not be part of a public housing dwelling.
- The property may not be owned by a government, house of worship, or non-profit organization.

Total federal AGI of every member of the tax filing unit includes income subject to federal but not subject to DC income tax. A tax filing unit is defined as an individual or married couple (including any persons who would be claimed as dependents) that could file one individual income tax return.

Use *Property Tax Credit Worksheet for Section A and Section B* on Page DC-8.

Earned income tax credit. Taxpayers who claimed the federal earned income credit may claim a District of Columbia credit of 70% of the federal earned income credit amount.

Taxpayers without a qualifying child may qualify for the credit if earned income or federal AGI does not exceed \$27,136. The following worksheet should be completed to determine the amount of eligible credit.

DC Earned Income Credit Worksheet—No Qualifying Child	
1) Earned income, including wages from federal Form 1040 or 1040-SR, plus elected combat pay and less any taxable scholarships, work performed while an inmate in a penal institutions, amounts received as a pension or annuity from a nonqualified deferred compensation plan or nongovernmental Section 457 plan or Medicaid waiver payment excluded from income	1) _____
2) If earned income is less than \$7,320, enter lesser of line 1 × .0765 or \$560	2) _____
3) Federal AGI	3) _____
4) Greater of line 1 or line 3	4) _____
5) If line 4 is less than \$20,532, enter amount from line 2. Part-year residents must prorate. Enter this amount on line 27e of Form D-40. If line 4 exceeds \$20,532 proceed to line 6	5) _____
6) Subtract \$20,532 from line 4	6) _____
7) Multiply line 6 by .0848	7) _____
8) Subtract line 7 from line 2 (not less than zero). Part-year residents must prorate. Enter here and on line 27e of Form D-40	8) _____

Part-year residents must apportion the credit based on income received during the times of residency and nonresidency of District of Columbia.

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Non-custodial parent EITC. Taxpayers who meet the following requirements may be eligible for this credit:

- Federal AGI less than \$43,492 (\$49,622 if MFJ) for taxpayers with one qualifying child, \$49,399 (\$55,529 if MFJ) for taxpayers with two qualifying children, or \$53,057 (\$59,187 if MFJ) for taxpayers with three or more qualifying children.
- Resident in DC for at least part of the tax year.
- Between the ages of 18 and 30 on December 31, 2022.
- Parent of a minor child that resides elsewhere.
- Under a court order to make child support payments.
- Effective date of order was before June 30, 2022.
- Child support payments were made through a government-sponsored collection unit.
- All ordered child support for 2022 was paid by December 31, 2022.

Eligible taxpayers should complete Schedule N (Non-Custodial Parent EITC Claim). The amount of EITC is based on the federal EIC table, and then multiplied by 70%. Part-year filers need to pro-rate the credit.

Keep child care affordable tax credit. Taxpayers may claim up to \$1,045 in credit for a child claimed as a dependent who is under age 4 on September 30, 2022, and who is not a recipient of the District's subsidized child care program. The taxpayer's DC AGI may not exceed \$157,200 (\$78,600 MFS). If the child was under age 3 on September 30, 2022, include all qualified expenses made during the year. Otherwise, include qualified expenses made through August 31, 2022. Complete Schedule ELC (Keep Child Care Affordable Tax Credit).

ASSEMBLING RETURN

Forms W-2 and 1099. Staple Forms W-2 and 1099 to the front center left-hand side of Form D-40.

Payment. Attach payment to the Form D-40P (Payment Voucher). Do not staple the voucher to Form D-40. Form D-40P is with but not attached to Form D-40.

Requested documents. Staple on the upper left corner any requested documents to Form D-40 in order using the "file order number" shown in the lower right corner of the schedule or form.

Supporting forms and documents. Staple any other supporting forms and documents to the upper left corner in the following order.

- 1) Schedule S.
- 2) Schedule H.
- 3) Schedule U.
- 4) D-8609.
- 5) Schedule I.
- 6) Schedule N.
- 7) Schedule ELC.
- 8) Schedule HSR.
- 9) Form DC-8379.
- 10) Form D-2210.
- 11) Form D-40P.
- 12) Form FR-127.
- 13) Form FR-147, letters of administration and copy of death certificate.
- 14) Form D-2440.
- 15) Form D-2441.
- 16) DC Residential Form, Alternative Fuel Vehicle Conversion and Infrastructure Credits.

RETURN DUE DATE

District of Columbia tax returns are due April 18, 2023.

RETURN MAILING ADDRESS

Refund or No tax due	Office of Tax and Revenue P.O. Box 96145 Washington DC 20090-6145
Tax due returns	Office of Tax and Revenue P.O. Box 96169 Washington DC 20090-6169
Make check payable to	DC Treasurer

EXTENSIONS

Form FR-127

Allowable extension. File Form FR-127 to request a six-month extension.

Extension mailing address	Office of Tax and Revenue P.O. Box 96018 Washington DC 20090-6018
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Taxpayers outside the U.S. may apply for an additional six-month extension. If no District of Columbia balance is due, the federal extension will be accepted.

ESTIMATED TAX

Form D-40ES

Filing requirements. A taxpayer must file if he is required to file a District of Columbia return and expects to owe \$100 or more after subtracting withholding and credits. The required annual amount to be paid is the lesser of:

- 90% of the actual District of Columbia tax liability or
- 110% of previous-year District of Columbia tax liability.

Electronic payment is required if the amount due for the period exceeds \$5,000.

Payment due dates. The District of Columbia follows federal rules.

Estimate mailing address	DC Office of Tax and Revenue Estimated Individual Income Tax P.O. Box 96018 Washington DC 20090-6018
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ELECTRONIC PAYMENTS

Payments of tax may be made by e-check, Visa, Discover, American Express or Mastercard by:

- Internet: <https://mytax.dc.gov>

Online payments may include a service fee. Electronic filers may have their tax due or estimated payments directly debited from a bank account.

UNINCORPORATED BUSINESS FRANCHISE TAX RETURN

Form D-30

Draft state information. The material in this section is based on 2022 draft information, as the state had not released final information at the time this publication was completed. Check the Updates section of [Quickfinder.com](https://www.quickfinder.com) for any changes due to final forms and instructions.

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Filing requirements. Generally, an unincorporated business, with gross receipts over \$12,000, must file Form D-30 (whether or not it has net income). This includes any business carrying on or engaging in any trade, business or commercial activity in District of Columbia or receiving income from District of Columbia sources.

An unincorporated business with gross receipts of \$12,000 or less does not need to file Form D-30 or pay the minimum franchise tax. **Instead, they should file Form D-30N (Affidavit of Gross Income In Lieu of D-30 Unincorporated Business Franchise Tax Return).**

An unincorporated business with gross receipts in District of Columbia of over \$12,000 from any of the following activities, must **also** file an unincorporated business franchise tax return:

- Rental of real or tangible personal property.
- Leasing of real or tangible personal property.
- Any other similar arrangement.

Exceptions: The following are not required to file Form D-30:

- An organization recognized as exempt from District of Columbia taxes.
- The trade or business is by law, custom or ethics, unable to incorporate.
- It is a trade or business licensed by District of Columbia to a blind person, for operating a stand in a federal building.
- The taxpayer is a professional corporation, incorporated under the District of Columbia Professional Corporation Act and therefore files a Form D-20.
- A Qualified High Technology Company (QHTC) business that is not incorporated and files a Form D-65 or D-40.
- It is a trade, business or professional organization where:
 - 1) 80% of its gross income comes from personal services actually rendered by owners or members of the business and
 - 2) Capital is not a material income-producing factor.

Multiple businesses. If an individual or group of individuals carries on two or more distinct unincorporated businesses in District of Columbia (none of which are exempt), they must be reported on one return.

Taxicab and limo drivers. Nonresident taxicab and limo drivers must file Form D-30. It is a requirement for operating or continuing to operate a motor vehicle for hire.

Calculating tax. The tax is 8.25% (0.825) multiplied by the taxpayer's total taxable income on line 36 of Form D-30 reduced by any available credits reported on Schedule UB. The minimum tax is \$250 for businesses with District of Columbia gross receipts of \$1 million or less and \$1,000 for businesses with District of Columbia gross receipts greater than \$1 million. However, no minimum tax is due for filers with income of less than \$12,000 who are filing solely to obtain a Certificate of Clean Hands.

Return due date. A calendar year return must be filed by April 18, 2023. Fiscal year returns must be filed by the fifteenth day of the fourth month after the tax year closes. A six-month extension (seven-months if a Combined Reporting filer) may be requested using Form FR-130.

RETURN MAILING ADDRESSES

Resident and nonresident returns:

Refund or no balance due	Office of Tax and Revenue P.O. Box 96193, Washington DC 20090-6193
Tax due returns (Attach Form D-30P)	Office of Tax and Revenue P.O. Box 96165, Washington DC 20090-6165
Extension	Office of Tax and Revenue P.O. Box 96020, Washington DC 20090-6020
Make check payable to	DC Treasurer

Note: Any tax liability of \$5,000 or more must be paid electronically. See *Electronic Payments* on Page DC-6.

LOWER INCOME LONG-TERM HOMEOWNER CREDIT

Schedule L

Caution: ~~DC had not released Schedule L at the time this publication was completed. Check the Updates section of Quickfinder.com for any changes due to final forms and instructions.~~



This credit is available to certain taxpayers that have maintained a principal residence in the District of Columbia on a long-term basis and have had their real property tax raised by more than 5% from 2021 to 2022. To qualify for this credit, taxpayers must have paid real property taxes on a property or a unit in a cooperative housing association receiving the homestead deduction that was used as their District of Columbia principal residence for at least seven consecutive years. Use the following worksheet to calculate the credit.

Lower Income Long-Term Homeowner Credit Worksheet

1) Number of household members	1) _____
2) Household income limit from the following table	2) _____
3) Total household federal AGI	3) _____
If line 3 is greater than line 2, STOP HERE; the credit can not be claimed. If line 3 is equal to or less than line 2, continue to line 4.	
4) District of Columbia real property tax for 2022	4) _____
5) District of Columbia real property tax for 2021	5) _____
6) Multiply line 5 by 1.05	6) _____
7) Allowable credit. Line 4 minus line 6	7) _____

2022 Household (HH) Income Limit Table

# of HH Members	HH Income Limit	# of HH Members	HH Income Limit
1	\$49,805	5	\$78,265
2	\$56,920	6	\$85,380
3	\$64,035	7	\$92,495
4	\$71,150	8 or more	\$99,610

Caution: ~~the 2022 Schedule L was not yet available at time of publication. Please check the state website for the income limits.~~

Return due date. Schedule L must be filed by December 31, 2023, with the Office of Tax and Revenue, 1101 4th Street SW FL4, Washington, DC 20024.

USE TAX

Form FR-329

Use tax is a complement to sales tax that is due if during the tax year, a total of more than \$400 was spent on merchandise, services or rentals on which sales tax was not paid. The use tax rate equals 6% for most purchases. Higher rates may apply to alcoholic beverages consumed off-premises, for catered alcohol and food purchases, and for rental vehicles.

Use tax is reported on Form FR-329 (Consumer Use Tax on Purchases and Rentals) and is filed electronically via the DC web portal. Visit <http://myTax.DC.gov> for more information.