



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

2016
FR-900Q

2016 FR-900Q Employer/Payor
Withholding Tax Booklet
Quarterly Returns

Secure - Accurate - Convenient ...

File Electronically Today!

www.taxpayerservicecenter.com



ELECTRONIC TAXPAYER SERVICE CENTER

FR-900Q (REV. 09/2015)

Reminders

- Employers or payors must file Forms W-2 or 1099 electronically if the number of W-2 or 1099 forms is 25 or more. If 24 or fewer, the employer or payor may file electronically (upload or online data entry, or CD), or as paper forms attached to the Transmittal Form W-2/1099T.
- W-2 or 1099 forms must be transmitted to the DC Office of Tax and Revenue (OTR) on or before January 31 of the year following the tax year for which they are issued whether they are filed on paper, on CD or electronically.
- The FR-900B, Annual Reconciliation form will be available only as a fill-in on the DC website, or by using a substitute form.
- The District requires withholding at the highest DC income tax rate (8.95%) for DC residents on lump-sum distributions from retirement accounts or plans.
- If the amount of your payment due for a period exceeds \$5000, you shall pay electronically. If you are paying by e-check or credit card and the amount exceeds \$1M, **you must split the payment.**

General Instructions

Withholding Quarterly Tax Return

Who must file a Form FR-900Q?

Every employer who pays wages to a DC resident or payor of lump-sum distributions who withholds DC income tax must file a DC withholding tax return. This includes individual employers who have household employee(s). Lump-sum distributions do not include:

- (a) any portion of a lump-sum payment that was previously subject to tax;
- (b) an eligible rollover distribution that is effected as a direct trustee to trustee transfer; and
- (c) a rollover from an individual retirement account to a traditional or Roth individual retirement account that is effected as a direct trustee to trustee transfer.

An employer or payor who fails to withhold or pay withholding taxes to DC is personally liable for the tax.

Who must file a Form FR-900B?

Every monthly or quarterly withholding taxpayer must file a Form FR-900B, Employer Withholding Tax Annual Reconciliation and Report. Visit www.taxpayerservicecenter.com for Form FR-900B.

What must be filed?

You must file your FR-900Q returns and the FR-900B even if you withheld no tax or no payment is due.

If your withholding tax liability is less than or equal to \$200 per period, file an annual return, FR-900A. If your withholding tax liability is greater than or equal to \$201 and less than or equal to \$1200 per period, file a quarterly return, FR-900Q. If your withholding tax liability is greater than or equal to \$1201 per period, file a monthly return, FR-900M. If you need to change your filing frequency, contact Customer Service Administration at (202) 727-4TAX (4829).

If the amount of your payment due for a period exceeds \$5000, you shall pay electronically. Visit www.taxpayerservicecenter.com for instructions.

Which other DC form may withholding taxpayers need to file?

Combined Registration Application For Business DC Taxes/Fees/Assessments (FR-500)

Before conducting business in the District of Columbia (“District”) you must file a Combined Registration Application For Business DC Taxes/Fees/Assessments (Form FR-500) with the OTR. There is no charge for registering. You may obtain the FR-500 from our website: www.taxpayerservicecenter.com or you may call 202-442-6546. This form is also available at the OTR Customer Service Administration, 1101 4th Street, SW, 2nd Floor, Washington, DC. You may also complete the registration online.

List on the FR-500 all locations in the District for which you will be making payments requiring withholding.

Wage and Tax Statement (W-2)

The W-2 must be accompanied with the FR-900B. You must include your Federal Employer Identification Number (FEIN) or Social Security Number (SSN) on all W-2 forms issued to employees from whom you withheld DC taxes. If you file electronically, you must file the W-2 forms electronically.

File W-2 forms electronically if filing 25 or more forms. If 24 or fewer forms, you may file electronically via online data entry, or submit as paper forms attached to the transmittal, Form W-2/1099T to the:

Office of Tax and Revenue
1101 4th Street, SW, FL4
Washington, DC 20024

File Forms W-2 by January 31 of each year.

1099 Series

The 1099 must be accompanied with the FR-900B. You must include your Federal Employer Identification Number (FEIN) or Social Security Number (SSN) on all 1099 forms issued to taxpayers from whom you withheld DC taxes. File 1099 format by January 31 of each year. File 1099 forms electronically if filing 25 or more forms. There is no data entry interface for the submission of 1099’s. Acceptable 1099’s include 1099- B, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-R and W-2G. If 24 or fewer forms, you may file electronically via online data entry or submit on a CD in PDF format to:

Office of Tax and Revenue
1101 4th Street, SW, FL4
Washington, DC 20024

Please include the FEIN, 1099 and year on the CD.

NOTE: The OTR offers an electronic web-based interface for W-2 and W-2C transmissions. This can be used both for 24 or fewer W-2's and for files containing more than 25 W-2's. A data entry interface is provided on the OTR website for online keying of small batches of W-2's (24 or fewer). A file transfer interface is provided for all W-2 or W-2C files, with EFW2 and EFW2C format specified. Visit the OTR website at www.taxpayerservicecenter.com for details.

When are your taxes due?

You must file your quarterly return and pay any withholding due on or before the 20th day of the month following the quarter being reported. For example, the 1st quarter 2016 return is due April 20, 2016. The remaining tax year 2016 quarters due dates are July 2016, October 2016 and January 2017.

You must file your annual reconciliation return and pay any withholding due on or before the 31th day of January following the year being reported.

If the due date falls on a Saturday, Sunday, or legal holiday, the return is due the next business day. You must file a return, even if you did not withhold from wages or other payments. Otherwise, you will receive a delinquency notice.

Filing your return

This booklet has all the forms and instructions you will need. It is mailed to each registered taxpayer except those who file electronically or use a substitute form. It also contains mailing labels. You are responsible for filing and submitting the withheld amounts on time whether or not you receive the printed forms.

- **Substitute forms**

You may file your DC withholding return using a computer-prepared or computer-generated substitute form, provided the form is approved in advance by the OTR. The fact that a software package is available for retail purchase does not mean that the substitute form has been approved for use. Call or check with the software developer to determine if their form is a DC OTR approved form.

- **By mail**

If mailing a return with a payment, make the check or money order payable to the DC Treasurer. Write your Federal Employer Identification Number (FEIN) or Social Security Number (SSN), FR-900Q, and the tax year on the payment.

If mailing a return with or without a payment, send your return to:

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

- **By accessing the DC Electronic Taxpayer Service Center (eTSC)**
Withholding taxpayers may file and pay the FR-900Q or FR-900B 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 the amount of your payment due for a period exceeds \$5000, **you shall pay electronically**. Refer to the Electronic Funds Transfer (EFT) Payment Guide available on

the DC website at www.taxpayerservicecenter.com for instructions on electronic payments. If you are paying by e-check or credit card and the amount exceeds \$1M, you must split the payment. 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 the OTR, but the taxpayer’s bank may charge a fee. The taxpayer directly credits the OTR’s bank account. A taxpayer does not need to be eTSC registered to use this payment type, and does not need access to the website.

Note: When making ACH credit payments through your bank, please use the correct tax type code (00300) for FR900Q and (00310) for FR900B and tax period ending date (YYMMDD).

- ACH Debit. ACH debit is for registered eTSC business taxpayers only. There is no fee. The taxpayer’s bank routing and account numbers are stored

within their online eTSC account. This account can be used to pay any existing liability. The taxpayer gives the 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: International ACH Transaction (IAT). Your payment cannot be drawn on a foreign account. You must pay by money order (US dollars) or credit card instead.

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.taxpayerservicecenter.com.

Special circumstances

Final return

If you are not required to continue filing a return due to the ending of business operations, fill in the “final return” oval on the return. We will then cancel your filing requirement.

If you are not going out of business, do not use this oval to indicate the return is the final for the month, year or quarter.

Change of Name or Address

Do not make a change on the return if you received a personalized return. For any name or address change, fill out the FR-900C, “Change of Name or Address,” form in this booklet and mail it to the Office of Tax and Revenue, PO Box 470, Washington, DC 20044-0470.

NOTE: If you are requesting to change the business name, “Articles of Amendment” must accompany the form FR-900C.

Getting started

To complete the paper Form FR-900Q 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.

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 their tax practitioner or persons that are completing the withholding tax return.**

Taxpayer Identification Number(s) (TIN)

You must have a TIN, whether it is a Social Security Number (SSN) or a Federal Employer Identification Number (FEIN).

- A SSN is a valid number issued by the Social Security Administration (SSA) of the US Government. To apply for a SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or online at www.ssa.gov. You may also get this form by calling 1-800-772-1213;
- 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, or get this form online at www.irs.gov. You may also get this form by calling 1-800-TAX-FORM (1-800-829-3676).

You must wait until you receive either number before you file a DC return. Your return may be rejected if your TIN is missing, incorrect or invalid. The District conforms with Section 405, Title 42, of the US Code in requesting your SSN be provided in the completion of this form. Your SSN will be used to establish your identity for tax purposes only.

Help us identify your forms and attachments

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

Incomplete forms will delay processing

Complete the identification section and then complete all applicable withholding Lines 1 through 6 on the FR-900Q, otherwise processing your return will be delayed.

Filling out the form

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

Using black ink, print in CAPITAL letters.

ROBERTS

Leave a space between words and between numbers and words.

8 ELM

Yes

No

Write 3s with rounded tops, not flat tops.

3 7 ~~3 7~~

Write 7s without middle bars.

Enter cents in the appropriate boxes.

\$ 57204.99

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.

Signature and verification

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

Preparer Tax Identification Number (PTIN)

IRS rules have changed. If you are a paid preparer of federal returns, you are required to have a PTIN issued by the IRS. A PTIN is a number issued and authorized by the IRS to file a return on the taxpayers' behalf. Please include your PTIN.

Specific Line Instructions for the FR-900Q

Line 1 Enter total DC income tax withheld per W-2 this quarter. If you were not required to withhold, leave this line blank.

Line 2 Enter total DC income tax withheld per 1099 this quarter. If you were not required to withhold, leave this line blank.

Line 3 Enter the adjustment from the previous quarter (W-2/1099) only. If minus, fill in the oval. See examples on the following pages of how to report an:

- (1) Underpayment from a previous quarter only
- (2) Overpayment from a previous quarter only

NOTE: Do not handwrite or type "AMENDMENT" on any of the quarterly returns. Any other adjustments after the previous quarter only from any other quarter during the year must be reflected on the Form FR-900B.

Line 4 Penalty: Enter any penalty amount due.

Line 5 Interest: Enter any interest amount due.

Line 6 Total amount due: Add Lines 1-5.

EXAMPLE #1: How to report an "UNDERPAYMENT"

Underpayment Instructions

Withholding returns do not have an **amended return** option if you make an error when filing. Therefore, if an underpayment error is made, **an adjustment will need to be made on the next quarter's return,**

ONLY. Here is an example of a 1st quarter (January - March) return.

Line 1 for W-2 wages withheld is reported as \$1500
(but should have been \$1700)

Line 2 for non- wage payments withheld is reported as 300

Line 6 will be reported as Total Amount Due \$1800

Since you cannot amend this 1st quarter return for the wages that you did not report (\$200), you must report the underpayment as an adjustment on the next quarter's return ONLY, which in this case is the 2nd quarter (April - June) return.

See EXAMPLE #2: How to report an Underpayment

Please report actual figures on the FR-900B Annual Reconciliation return. If you want to make an adjustment to a period that is not the previous month, you will need to make that adjustment on the FR-900B ONLY at the beginning of the following year.

2016 FR-900Q Employer/Payor Withholding Tax – Quarterly Return



| | | |
|---|---|-------------------|
| Tax Period Ending (MMYY) | Due Date | OFFICIAL USE ONLY |
| 0316 | 04202016 | Vendor ID# 0000 |
| | Fill in <input type="radio"/> if final return | |
| 1. DC income tax withheld this quarter on wages (W-2) | \$ | 1500.00 |
| 2. DC income tax withheld this quarter on non-wage payments (1099) | \$ | 300.00 |
| 3. Adjustment from the previous quarter only Fill in circle if a minus | \$ | |
| 4. Penalty-5% per quarter with a maximum of 25% | \$ | |
| 5. Interest - 10% per year | \$ | |
| 6. Total Amount Due | \$ | 1800.00 |
| Preparer's PTIN | | |
| | Preparer's Signature | Date |

EXAMPLE #2: How to report an "UNDERPAYMENT"

2016 FR-900Q Employer/Payor
Withholding Tax – Quarterly Return



Underpayment Instructions Con't

Since you can not amend the previous 1st quarter (January - March) return, the \$200 underpayment must be reported as an adjustment on the next quarter return ONLY (in this case, the 2nd quarter (April - June).

Line 1 will be reported as wages withheld for the **2nd quarter only** \$1700

Line 2 will be reported as non-wage payments for **2nd quarter only** 300

Line 3 will be reported as adjustment from the previous quarter only (1st quarter) Enter the amount that was unpaid from the previous quarter ONLY 200

Line 6 will be reported as Total Amount Due \$2200
(\$2000 for this current quarter plus \$200 for the 1st quarter which was previously underpaid.)

Please report actual figures on the FR-900B Annual Reconciliation return.

If you want to make an adjustment to a period that is not the previous month, you will need to make that adjustment on the FR-900B ONLY at the beginning of the following year.

Tax Period Ending (MMYY) Due Date

0616

07202016

Fill in if final return

OFFICIAL USE ONLY
Vendor ID# 0000

- | | | |
|---|----|---------|
| 1. DC income tax withheld this quarter on wages (W-2) | \$ | 1700.00 |
| 2. DC income tax withheld this quarter on non-wage payments (1099) | \$ | 300.00 |
| 3. Adjustment from the previous quarter only Fill in circle if a minus | \$ | 200.00 |
| 4. Penalty-5% per quarter with a maximum of 25% | \$ | |
| 5. Interest - 10% per year | \$ | |
| 6. Total Amount Due | \$ | 2200.00 |

Preparer's PTIN

Preparer's Signature

Date

EXAMPLE #1: How to report an "OVERPAYMENT"

2016 FR-900Q Employer/Payor Withholding Tax – Quarterly Return



1 6 9 0 0 0 7 1 0 0 0 0

Overpayment Instructions

This example represents the quarter that an overpayment was made in error.

Line 1 for W-2 wages withheld in the

1st quarter (January - March) is reported as \$1800
(but should have been \$1700, overpaid by \$100)

Line 2 for non-wage payments withheld in the 1st quarter 400
(but should have been \$300, overpaid by \$100)

Line 6 will be reported as Total Amount Due \$2200

The overpayment of \$200 (\$100 wages plus \$100 non-wage payments) can not be amended on this return.

Withholding returns do not have an amended return option, therefore, **an adjustment will need to be made on the next quarter's return ONLY, which will be the 2nd quarter (April - June) return.**

See EXAMPLE #2: How to report an Overpayment

Please report actual figures on the FR-900B Annual Reconciliation return. If you want to make an adjustment to a period that is not the previous month, you will need to make that adjustment on the FR-900B ONLY at the beginning of the following year.

Tax Period Ending (MMYY) Due Date

0316

04202016

Fill in if final return

OFFICIAL USE ONLY
Vendor ID# 0000

- | | |
|---|------------|
| 1. DC income tax withheld this quarter on wages (W-2) | \$ 1800.00 |
| 2. DC income tax withheld this quarter on non-wage payments (1099) | \$ 400.00 |
| 3. Adjustment from the previous quarter only Fill in circle if a minus <input type="radio"/> | |
| 4. Penalty-5% per quarter with a maximum of 25% | |
| 5. Interest - 10% per year | |
| 6. Total Amount Due | \$ 2200.00 |

Preparer's PTIN

Date

2016 FR-900Q

Preparer's Signature

Date

EXAMPLE #2: How to report an "OVERPAYMENT"

Overpayment Instructions Con't

This example represents the next quarter's return, in this case, the 2nd quarter (April - June)

Since the overpayment error was made on the previous quarter (1st quarter, January - March), an adjustment will need to be made on the next quarter's return ONLY (April - June, 2nd quarter).

Line 1 will be reported as wages withheld this quarter (2nd quarter) \$1700

Line 2 will be reported as non-wage payments withheld " " 300

Line 3 will be reported as an adjustment from the previous quarter (1st quarter January - March). Enter the amount that was overpaid from the previous quarter on Line 3 **and fill in the circle for a minus.** 200

Line 6 will be reported as Total Amount Due \$1800

Note: The overpayment of \$100 will be deducted from Line 1 plus \$100 from Line 2, therefore decreasing your overall liability of \$200 from the Total Amount Due on this current return.

Please report actual figures on the FR-900B Annual Reconciliation return. If you want to make an adjustment to a period that is not the previous month, you will need to make that adjustment on the FR-900B ONLY at the beginning of the following year.

2016 FR-900Q Employer/Payor Withholding Tax – Quarterly Return



Tax Period Ending (MMYY) Due Date
0616 07202016 Fill in if final return OFFICIAL USE ONLY
Vendor ID# 0000

| | | |
|---|----|---------|
| 1. DC income tax withheld this quarter on wages (W-2) | \$ | 1700.00 |
| 2. DC income tax withheld this quarter on non-wage payments (1099) | \$ | 300.00 |
| 3. Adjustment from the previous quarter only Fill in circle if a minus | \$ | 200.00 |
| 4. Penalty-5% per quarter with a maximum of 25% | \$ | |
| 5. Interest - 10% per year | \$ | |
| 6. Total Amount Due | \$ | 1800.00 |

Preparer's PTIN

Date

2016 FR-900Q

Preparer's Signature

Date

Key website resources

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









New taxpayer identification number

Fill in

if FEIN

if SSN

New business name ("Articles of Amendment" must be submitted with this form when requesting a name change.)

New business address

New mailing address

City

State

Zip Code + 4

Contact person

Contact telephone number

For all other changes, call the Customer Service Administration at (202) 727-4(TAX) 4829.

FR-900C P2

OFFICE OF TAX AND REVENUE
PO BOX 96385
WASHINGTON DC 20090-6385

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PO BOX 96385
WASHINGTON DC 20090-6385

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PO BOX 96385
WASHINGTON DC 20090-6385



**EMPLOYER'S
QUARTERLY WITHHOLDING RECORD**

| QUARTER | DC INCOME TAX WITHHELD | DATE PAID |
|----------------|---------------------------------|--|
| APR | | |
| JULY | | |
| OCT | | |
| JAN | | |
| RECONCILIATION | | |
| Annual Payroll | (a) Payroll Tax Paid | Difference (Block a minus Block b) |
| | (b) Tax per W-2's/ 1099's | |
| | | |

