



2018 SCHEDULE SR Small Retailer Property Tax Relief Credit



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Important: Read eligibility requirements before completing. Print in CAPITAL letters using black ink.

OFFICIAL USE ONLY Vendor ID#0000

Taxpayer Identification Number Fill in if FEIN Fill in if filing a D-20 Return Fill in if SSN Fill in if filing a D-30 Return

Enter your business name Sales and Use Tax Account Number

Mailing address (number, street and suite number if applicable)

City State Zip Code +4

Address of Class 2 DC Property (number, street and suite number if applicable) for which you are claiming the credit if different from above

City State Zip Code +4

Certificate of Occupancy Permit Number

If member of a Combined Group, Taxpayer Identification Number of Designated Agent

- Do not claim this credit if your qualified business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or the qualified owned retail location is otherwise exempt from real property tax. The credit equals the total Class 2 real property taxes paid by a qualified corporation or qualified unincorporated business for a qualified retail owned location during the taxable year not to exceed \$5,000; or 10% of the total rent paid by a qualified corporation or qualified unincorporated business for a qualified rental retail location not to exceed \$5,000.

Table with 5 rows for tax amounts and credit limit. Line 4 shows 5000.00.

6 Owner/Landlord's name Owner/Landlord's address (number and street) Telephone number City State Zip Code +4

7 If Owner, enter information from your real property tax bill or assessment. If a section is blank on your property tax bill, leave it blank here. Square number Suffix number Lot number

Instructions for Schedule SR

Small Retailer Property Tax Relief Credit

For taxable years beginning after December 31, 2017, a qualified corporation, or qualified unincorporated business, may claim a credit against corporate or unincorporated business franchise tax as follows:

(1) a tax credit equal to 10% of the total rent paid by the corporation/unincorporated business for a qualified rental retail location during the taxable year not to exceed \$5,000: or

(2) a tax credit equal to the total Class 2 real property taxes paid by the qualified corporation/unincorporated qualified business for a qualified retail owned location during the taxable year not to exceed the lesser of the real property tax paid during the taxable year or \$5,000.

The credit in any one taxable year may exceed the qualified corporation/qualified unincorporated business's franchise tax liability, including any minimum tax due for that taxable year and is refundable to the qualified corporation/qualified unincorporated business claiming the credit.

The credit shall not apply if the qualified corporation/qualified unincorporated business is exempt from or receives any tax credits towards its real property tax or the qualified rental retail location or qualified owned retail location is otherwise exempt from real property tax.

Qualified Corporation/Qualified Unincorporated Business Defined

The term "qualified corporation" or "qualified unincorporated business" means a corporation or unincorporated business that: is engaged in the business of making sales at retail and files a sales tax return reflecting those sales; has less than \$2,500,000 in federal gross receipts or sales; and is current on all District tax filings and payments.

Qualified Retail Rental Location/Qualified Retail Owned Location Defined

The term "qualified retail rental location" or "qualified retail owned location" means a building or part of a building in the District that during the taxable year is: a

retail establishment the premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made; the primary place of the retail business of the qualified corporation/qualified unincorporated business; leased or owned by the qualified corporation/qualified unincorporated business; classified, in whole or in part, as Class 2 Property as defined in DC Code §47-813; and has obtained a Certificate of Occupancy for commercial use.

Line Instructions

Line 1 Enter the total amount of federal gross receipts or sales. If you have federal gross receipts or sales of \$2.5 million or more you are ineligible to claim the credit.

Line 2 If you are a tenant, enter the amount of rent paid on the qualified retail rental location in taxable year 2018.

Line 3 If you are an owner, enter the amount of Class 2 real property taxes paid on the qualified retail owned location in 2018, or, if you are a tenant, enter the amount of 10% of the rent paid on the qualified retail rental location in taxable year 2018.

Line 4 The credit limit is \$5,000.

Line 5 Enter the smaller of Line 3 or Line 4 on Line 5. This is the amount of the credit that may be claimed. Enter the Line 5 amount on Schedule UB, Line 11 if incorporated, or Line 21 if unincorporated.

Line 6 For the qualified retail location, enter the Owner or Landlord's name, address and telephone number.

Line 7 If the property is a qualified retail owned location, enter the Square number, Suffix number and Lot number for the property as it appears on your real property tax bill or assessment.

Note: In addition to other requirements as listed above, all businesses must have a sales and use tax account with the Office of Tax and Revenue and file all required returns in order to qualify for this credit. Unincorporated businesses must file a D-30 Unincorporated Business Franchise Tax return in addition to other requirements in order to claim this credit. A business with multiple locations in the District may claim the credit for only one property owned or leased.