

Instructions for the D-40

To complete your D-40 return, you will need to do a series of calculations contained in these instructions and copy many of the line items and totals on your D-40. You may also need to attach DC schedules, forms and worksheets to your D-40 if you complete any of the DC forms. Unless instructed otherwise, if you complete any part of any Schedules H, I, N, S, or U, attach it to your return, in the order defined in General Instructions, page 16.

Schedule H, Homeowners and Renter Property Tax Credit.

This schedule allows eligible residents to claim a property tax credit against their DC income tax liability. The total 2017 federal adjusted gross income (AGI) of your "tax filing unit" cannot exceed \$50,500 (under age 70) or \$61,900 (age 70 or older). **Do not claim this credit for an exempt property owned by a government, a house of worship or a non-profit organization.** See Schedule H in this booklet.

Note: If you are filing a D-40, you must file DC Schedule H with it. If you are not required to file a D-40 (or D-40EZ), the DC Schedule H can be filed by itself.

Schedule I, Additions to and Subtractions from Federal AGI.

This schedule contains two calculations, one for additions and another for subtractions from federal AGI. See Schedule I in this booklet.

If you took the 30% or 50% federal bonus depreciation and/or the additional Internal Revenue Code (IRC) Section 179 expenses on your federal return, enter the total on Schedule I, Calculation A, Line 3.

Schedule N. DC Non-Custodial Parent EITC Claim.

Use this schedule to determine whether a non-custodial parent making court-ordered child support payments may claim the DC EITC. See Schedule N in this booklet.

Schedule S, Supplemental Information and Dependents.

If claiming dependents, use Schedule S to list each dependent's name, taxpayer identification number (TIN), relationship and date of birth (DOB). If filing head of household use Schedule S to report dependents or other qualifying non-dependent person. Do not include an exemption for the qualifying non-dependent person. Calculation G is used to determine the number of exemptions you may claim. Calculation J is used to determine the DC tax amount for married or registered domestic partners filing separately on the same return, or for married or registered domestic partners filing jointly on the same return when seeking injured spouse protection. You may also use Schedule S to claim an exemption for yourself or your spouse/registered domestic partner for being blind and/or over 65.

Schedule U, Additional Miscellaneous Credits and Contributions.

This schedule lists certain additional non-refundable and refundable credits you may be able to claim. It also lists several contributions funds to which you may wish to contribute. See Schedule U in this booklet.

Schedule U includes the amount DC domiciliary taxpayers may claim as a credit for individual income tax paid to other state(s) if the income taxed by that state is derived from that state and that income is of a kind taxed by DC. The tax paid to a state is the total state tax liability shown on the state tax return. (It is not the state withholding shown on your Form W-2.) The credit is limited to the rate of tax charged in the District. If you are a statutory resident, the state in which you are domiciled gives you a credit for the taxes paid to DC.

Complete Calculation K on page 23, to determine your out of state credit. Enter the credit amount on Schedule U, Part 1a, Line 2. If you paid tax to more than one state, enter the respective amounts and other state codes in the spaces provided.

Credit for certain DC Government employees who are DC residents and first-time DC homebuyers.

This \$2,000 credit is available to all DC government employees, employees of a DC public charter school, and any person who has accepted an offer to be a DC police officer, firefighter, emergency medical technician, public school teacher or a teacher at a DC public charter school who enrolled in the **Employer Assisted Housing Program (EAHP)** offered by the DC Department of Housing and Community Development. The credit is available for a 5-year period. This credit is being phased out and shall not apply to a home purchase with a settlement date after March 30, 2015. Enter \$2,000 on Schedule U, Part 1a, Line 5.

No DC credit is allowed for any other tax imposed by a state, including the following:

- Corporate franchise tax;
- License tax;
- Excise tax;
- Unincorporated business franchise tax; and
- Occupation tax.

Non-refundable Credits - There are two non-refundable credits, which took effect in 2014, for alternative fuel vehicle conversion and infrastructure. See D.C. Code Sections 47-1806.12 and 47-1806.13. A credit up to 50% of the costs for purchase and installation of qualified alternative fuel storage and dispensing or charging equipment per qualified alternative fuel vehicle refueling property or private residence. The credit shall not exceed \$1,000 per vehicle charging station for a private residence and \$10,000 per qualified alternative fuel vehicle refueling property or vehicle charging station. The cost of the purchase of the land on which the refueling or charging station will be located or the construction or purchase of any structure is not included in the equipment or labor costs. The unused credit can be carried over for two future years.

Calculation K Out-of-state income tax credit

a	Amount of income tax paid to other state(s), enter from the other state(s) return(s).	a	
b	Income subject to income tax in other states and received while a resident of DC.	b	
c	DC adjusted gross income from D-40, Line 14.	c	
d	Divide Line b by Line c. (Enter the percent.)	d	
e	DC Tax from D-40, Line 21.	e	
f	Maximum out-of-state credit. Multiply Line e by Line d.	f	
g	Enter the lesser of Line a or Line f. Also enter on Schedule U, Part 1a Line 2.	g	

A credit, not to exceed \$19,000 per vehicle, up to the tax liability, for 50% of the cost of equipment and labor per vehicle for vehicle owners who modify their existing petroleum derived gasoline or diesel fuel vehicle into a vehicle capable of operating on one of a list of the listed acceptable operating fuels:

- a. At least 85% Ethanol,
- b. Natural gas,
- c. Compressed natural gas,
- d. Liquefied natural gas,
- e. Liquefied petroleum gas,
- f. Biodiesel (excluding kerosene),
- g. Electricity from a vehicle charging station, or
- h. Hydrogen.

Any unused credit for vehicle conversion cannot be carried forward.

If you are claiming one of these credits, complete the residential form, Alternative Fuel Vehicle Conversion and Infrastructure Credits available online only. Retrieve this form at MyTax.DC.gov, by clicking on 'Forms', 'Alternative Fuel Vehicle Infrastructure and Conversion Residential Form' under Individual Income and Fiduciary Tax Forms and Publications; attach it to the D-40, Schedule U.

If gross income derived from the operation of an alternative fuel dispensing or charging station exceeds \$12,000, you must file a DC Form D-30, Unincorporated Franchise Tax Return.

The non-refundable tax credit for farm to food donations has been repealed effective April 7, 2017. Individuals may only claim this credit for donations made between January 1, 2017 and April 7, 2017. See DC Code §47-1806.14. The credit is limited to 50% of the value of the contribution and cannot exceed \$2,500 per taxpayer per tax year. The amount of the credit exceeding the tax due may be carried forward for 5 tax years. If the taxpayer elects to claim this credit, no deduction under DC Code §47-1803.03(b) shall be allowed on account of the contribution.

Personal Information. Refer to General Instructions page 8.

Filing for a deceased taxpayer. Fill in the oval for a deceased taxpayer at the top of the page of the D-40.

If a taxpayer died in 2017 or 2018 before filing a return, a return must be filed for that person. Complete a D-40 on the correct year's tax return and provide the deceased person's information, not your own. Do not adjust the deceased's income, exemptions or deductions to reflect the date of death, unless a D-41 is being filed for the remainder of the year after the date of death. Tax preparers, other than the surviving spouse/registered domestic partner, such as executors, attorneys, or other personal representatives, must attach letters of administration. If a refund is due, all tax preparers must attach a completed FR-147, Statement of Persons Claiming Refund Due a Deceased Taxpayer, found on MyTax.DC.gov and a copy of the death certificate. Do not use the federal form to request a DC refund. Refunds will be issued by paper check only.

(Note: Calculations A and B are on Schedule I)

Calculation C Standard deduction for part-year DC residents	
a Your standard deduction. <i>See instructions, page 10.</i>	a <input type="text"/>
b Number of days you lived in DC <i>from D-40, Line 2.</i>	b <input type="text"/>
c <i>Divide Line a by the number 365 (366 if leap year).</i>	c <input type="text"/>
d Part-year DC standard deduction. <i>Multiply Line c by Line b, enter here and on D-40, Line 16.</i>	d <input type="text"/>
Calculation D DC Itemized deductions for part-year DC residents.	
a Total Itemized Deductions from Schedule A, Forms 1040 or 1040NR.	a <input type="text"/>
b Portion of Line a that applies to the time you were a DC resident.	b <input type="text"/>
c Portion of your state and local tax or state and local sales tax deduction from Schedule A, Line 5; or 1040NR, Schedule A, Line 1, that was paid to DC.	c <input type="text"/>
d DC itemized deductions <i>Subtract Line c from Line b. If your District AGI is equal to or less than \$200,000 (\$100,000 if Married filing separately) stop here and enter this amount on Line 16 of the D-40.</i>	d <input type="text"/>
Note: <i>If your District AGI is greater than \$200,000 (\$100,000 if Married filing separately) continue below to determine the allowable itemized deductions</i>	
e Enter the sum of Form 1040 Schedule A Lines 4, 14 & 20 allocable to the time you were a DC resident.	e <input type="text"/>
f Subtract amount on Line e from the amount on Line d.	f <input type="text"/>
g Enter the amount of DC AGI.	g <input type="text"/>
h Enter \$200,000 (or \$100,000 if MFS).	h <input type="text"/>
i Subtract Line h entry from Line g entry.	i <input type="text"/>
j Multiply Line i entry by 5%.	j <input type="text"/>
k Subtract amount on Line j from amount on Line f (<i>If < 0, enter 0</i>).	k <input type="text"/>
l Add the amounts on Lines e and k (<i>enter this on Line 16 of the D-40</i>).	l <input type="text"/>

Filing Status

Refer to General Instructions, page 8.

Part-Year Residents

NOTE: A temporary absence (even a lengthy one) from your permanent home does not make you a part-year resident. If filing as a part-year resident, you will be given guidance for completing your D-40 throughout these instructions.

You are a part-year DC resident if, during the year, you moved out of DC with the intent to permanently leave or moved into DC with the intent to permanently stay.

A DC taxpayer present in DC for 183 days or more and not domiciled in DC during the tax year is a part-year resident for the period present in DC.

A DC taxpayer domiciled in DC during the tax year, is a full-time DC resident unless he or she changes domicile during the tax year. In such case, he or she will be a part-year resident for the period not domiciled in DC.

"Domicile" is where a person has his or her permanent home. To change domicile, you have to abandon the previous domicile and establish a new one in another state with the intent to remain.

If DC was your home or permanent residence for less than a year, fill in the oval on Line 2 of the D-40, complete the applicable month and day in the "from" and "to" boxes. Divide the number of days lived in DC by 365 (366 if leap year). Use that number (standard rounding to four decimal places) and multiply by your exemption, credit, additions or subtractions amount not previously prorated. Complete Calculation C for standard deduction and Calculation D for DC itemized deductions showing the type and amount of income received:

- During the time you resided in DC;
- During the time you were a non-resident; and
- The total income reported on your federal return.

Before completing the D-40, calculate the following:

- Income received when you were a resident of DC, and when you resided outside of DC; and
- Deductible expenses paid when you resided in DC and when you resided outside of DC. The same allocation is required for exemptions, credits, and other deductions.

If you received a state income tax refund while not a resident of DC; do not include it in DC income.

If you claimed itemized deductions on your federal income tax return, include, for DC purposes, only those relating to the time you were a DC resident. Your federal worksheet will assist you in completing Schedule I (Calculations A and B) and Calculation D (if applicable). Keep a copy of your worksheet, a copy of your tax return and all calculations.

If you resided in DC for only part of 2017, allocate your DC income and deductions attributable to the time of your DC residency. Also prorate your exemptions and credits by dividing the number of days you were a resident of DC by 365 (366 if leap year) and multiplying the result times the exemption/credit amount.

Example: *72 days of residency in DC divided by 365 (366 for leap year) equals 0.1973. As a joint taxpayer, your exemption amount is \$3,550. Multiply \$3,550 by 0.1973 and the result, \$700 is the prorated amount for exemption.

January	February	March			
31	+ 29	+ 12	=	72	Days*

NOTE: We count all 29 days of February since it is a leap year. We divide the number of days by 366.

Standard deduction for part-year DC residents. Adjust your standard deduction to reflect the number of months you were a DC resident. Complete Calculation C on page 24.

Itemized deductions for part-year DC residents. Effective January 1, 2011, DC Official Code §47-1803.03 (b-4) provides that certain DC itemized deductions of DC taxpayers with over \$200,000 of DC AGI (\$100,000 for a separate return filed by a married individual) will be limited. Reduce the DC itemized deduction amount by 5% of DC 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 of investment interest and casualty or theft loss deduction.

If your DC deductions are limited and you were a part-year DC resident, complete Calculation D on page 24.

Number of exemptions for part-year DC residents. Reduce the full exemption amount to reflect the number of days you were a DC resident.

NOTE: Calculation G - Number of exemptions is on Schedule S - Supplemental Information and Dependents.

Credit for child and dependent care expenses for part-year DC residents. Complete the DC Form D-2441 and enter the amount from Line 5 on Line 22 of the D-40. Attach a copy of your DC Form D-2441.

Do not include income tax withheld for other states in the DC tax withheld, Line 30, D-40.

Income Information Section

- Copy Line a through d from the appropriate lines on the federal return. Do not recalculate any amounts or totals.
- Not all items will apply to you. Fill in only those that do. If the amount is zero, leave the line blank.
- If you had a loss for Lines b, c, d, 3, 6, 14 or 20, fill in the "Fill in if loss" oval to indicate that the figure entered is a negative one. Do not enter a minus sign or brackets in the boxes.

Line a Wages, salaries, unemployment compensation, and/or tips

Enter the amount from your federal 1040, 1040a, 1040EZ, 1040NR, or 1040NREZ, plus any unemployment compensation received.

All unemployment compensation received in 2017 is taxable.

Line b Business income or loss

Enter the amount from your 1040 or 1040NR. If you had gross income from DC sources, of more than \$12,000 from a unincorporated business or business activity, do not include on the D-40. You are required to file a D-30 return.

Line c Capital gains or loss

Enter the amount from your 1040 or 1040NR. The maximum allowable annual capital loss claim is \$3000 (\$1500 if married or registered domestic partner filing separately).

If you had farm income or loss, enter on Line c the amount on Line 18 of your 1040 or Line 19 of your 1040NR in the amount entered on Line c. If a loss, fill in the oval.

For DC tax purposes, upon disposing of an asset not fully depreciated, compute the capital gain/loss reported on your federal return for the year of disposition excluding any bonus depreciation.

Line d Rental real estate, royalties, S corporations, trusts, etc

Enter the amount from your 1040 or 1040NR.

Calculation F DC Itemized deductions for full-year DC residents

a	Total itemized deductions from Form 1040, 1040NR, 1040NR-EZ.	a	<input type="text"/>
b	State and local income tax <u>or</u> state and local general sales tax deduction from 1040, or 1040NR.	b	<input type="text"/>
c	DC itemized deductions. Subtract Line b from Line a, If your District AGI is equal to or less than \$200,000 (\$100,000 if Married filing separately), stop here and enter this amount on Line 16 of the D-40.	c	<input type="text"/>

Note: If your District AGI is greater than \$200,000 (\$100,000 if Married filing separately) continue below to determine the allowable itemized deductions

d	Enter the sum of Form 1040 Schedule A Lines 4, 14 & 20.	d	<input type="text"/>
e	Subtract amount on Line d from the amount on Line c.	e	<input type="text"/>
f	Enter the amount of DC AGI.	f	<input type="text"/>
g	Enter \$200,000 (or \$100,000 if MFS).	g	<input type="text"/>
h	Subtract Line g entry from Line f entry.	h	<input type="text"/>
i	Multiply Line h entry by 5%.	i	<input type="text"/>
j	Subtract amount on Line i from amount on Line e (if < 0, enter 0).	j	<input type="text"/>
k	Add the amounts on Lines d and j (enter this on Line 16 of the D-40).	k	<input type="text"/>

Note: Calculation G – Number of exemptions is on Schedule S – Supplemental Information and Dependents.

If you had gross income, from DC sources, of more than \$12,000 from a unincorporated business or business activity, including rents and royalties, do not include on D-40. You are required to file a D-30 return. File a DC Form D-30, Unincorporated Franchise Tax Return if capital is a material income producing factor. An S Corporation must file a D-20, Corporate Franchise Tax Return.

Computation of DC Gross and Adjusted Gross Income

Line 3 Federal adjusted gross income

Enter the amount from 1040, 1040A, 1040EZ, 1040NR, or 1040NR. Include your taxable portion of pension/annuity in your federal adjusted gross income.

NOTE: Any grants and stipends received by certain DC public or charter school teachers under the Housing Support for Teachers Act of 2007 are subject to both federal and DC income tax.

Additions to DC Income

Line 4 Franchise Tax

Enter any franchise tax deducted on a federal business tax return, from federal Forms 1065 or 1120S.

Line 5 Other additions from DC Schedule I

Enter the amount from Line 8 of Calculation A, Schedule I.

Line 6 Add Lines 3, 4 and 5

Add federal adjusted gross income, franchise tax deducted and additions to DC income. Fill in oval if loss.

Subtractions from DC Income

Line 7 Income received during period of non-residence

For each type of income reported on your federal 1040, determine the amount you received when you resided in DC. Subtract that amount from your total income and enter the results on Line 7.

Line 8 Taxable refunds, credits or offset of state and local income tax

Enter the amount from your 1040 or 1040NR.

Line 9 Taxable amount of social security and tier 1 railroad retirement

Enter the amount from 1040 or 1040A.

Line 10 Income reported and taxed this year on a DC franchise or fiduciary return (D-20, D-30 or D-41)

If the income reported on your 1040 included income reported and taxed on a DC franchise or DC fiduciary return, enter that amount here. Provide the taxpayer identification number (TIN) and your share of the income reported. Refer to General Instructions, page 8 regarding TINs. Include the TIN on page 2 of the Schedule S.

Line 11 DC and federal government survivor benefits

If you are an annuitant's survivor and 62 years of age or older as of December 31, 2017, enter the total survivor benefits (do not include Social Security survivor benefits).

Line 12 Other subtractions from DC Schedule I

Line 13 Total subtractions from DC Income

Add Lines 7-12

Calculation I/Tax Rate Schedule

If your taxable income from D-40, Line 20 is:

Not over \$10,000	4% of the taxable income
Over \$10,000 but not over \$40,000	\$400, plus 6% of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5% of the excess over \$40,000
Over \$60,000 but not over \$350,000	\$3,500, plus 8.5% of the excess over \$60,000
Over \$350,000 but not over \$1,000,000	\$28,150, plus 8.75% of the excess above \$350,000
Over \$1,000,000	\$85,025, plus 8.95% of the excess above \$1,000,000

DC Adjusted Gross Income

Line 14 DC adjusted gross income

Line 6 minus Line 13.

DC Taxable Income

Line 15 Deduction type

Indicate which type of deduction (itemized or standard) you are taking by filling in the appropriate oval. You must take the same type of deduction on your DC return as you took on your federal return.

Line 16 DC deduction amount

Do not copy the amount from your federal return. DC amounts are different from those allowed on your federal return.

Standard deduction. Reference page 10 of the General Instructions. Part-year DC residents, reference page 25.

Itemized deductions. Do not copy the amount from your federal return. DC amounts are different from those allowed on your federal return.

Clarification: To the extent that a taxpayer's itemized deductions are limited at the federal level because IRS Form 1040 Line 38 is greater

than \$150,000, only the pro rata amount of the state and local tax deduction that was actually allowed after the limitation, should be subtracted from the federal Schedule A Line 29 amount. The only time 100% of the state and local taxes should be subtracted from the federal itemized deductions allowed is when the amount on Line 38 of the Form 1040 is equal to or less than \$150,000.

If your DC AGI is \$200,000 or less, complete Calculation F on page 26. DC income taxes paid are not deductible on your DC return. Therefore, reduce your federal itemized deductions amount by those taxes before entering the total on your DC return.

Effective January 1, 2011, DC Official Code §47-1803.03 (b-4) provides that certain DC itemized deductions of DC taxpayers with over \$200,000 of DC AGI (\$100,000 for a separate return filed by a married individual) will be limited. Reduce the DC itemized deduction amount by 5% of DC 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 of investment interest and casualty or theft loss deduction.

If your DC deductions are limited, complete Calculation F on page 26.

Line 17 Number of exemptions

Reference page 10 of the General Instructions.

Line 18 Exemption amount

Reference page 10 of the General Instructions. The amount of the personal exemption otherwise allowable for the taxable year in the case of an individual whose federal adjusted gross income exceeds \$150,000 shall be reduced by 2% for every \$2,500 (or fraction thereof) by which the taxpayer's federal adjusted gross income for the taxable year exceeds \$150,000. No amount of the personal exemption shall be available for the federal adjusted gross income in excess of \$275,000.

Line 19

Add Lines 16 and 18.

Line 20 DC taxable income

Subtract Line 19 from Line 14. Enter the result, if it is a minus, fill in the oval.

Calculation L - Comparison of DC Low Income Credit and the DC Earned Income Tax Credit. DO NOT TAKE BOTH

a Child and dependent care credit from D-40, Line 22.	a	
b DC Schedule U, Line 8 (nonrefundable credits).	b	
c Add Line a and Line b.	c	
d Tax from D-40, Line 21.	d	
e Subtract Line c amount from Line d amount.	e	
f DC Low Income Credit from table on page 17.	f	
g Enter the lesser of Line e or Line f amounts.	g	
h Federal Earned Income Credit from Federal Form 1040, 1040A, or 1040EZ.	h	
i DC Earned Income Tax Credit for filers with qualifying children. Multiply Line H x .40	i	
j DC Earned Income Tax Credit for filers without qualifying children. From DC Earned Income Tax Credit Worksheet for Filers Without a Qualifying Child.	j	

The Line f Low Income Credit and the Line i and Line j Earned Income Tax Credit have to be prorated to the time of residency for part-year residents.

If Line g amount exceeds Line i or Line j amount, enter it on D-40, Line 24.

If Line i or Line j amount exceeds Line g amount, enter it on D-40, Line 27d or Line 27e.

Line 21 Tax

If Line 20 is \$100,000 or less, use the tax tables on pages 59-68 to determine your tax. If Line 20 is more than \$100,000, use Calculation I on page 27 to determine your tax.

Married or registered domestic partners filing separately on the same return

Before completing Calculation J, the tax computation, on Schedule S, you must determine each person's separate federal AGI, additions to income, subtractions from income, deductions, number of exemptions and exemption amount. You must combine the separate amounts for each person before making entries on Lines 22-33 of the D-40.

DC tax, credits, and payments

The credits claimed on Lines 22, 23 and 24 are non-refundable, which means they can reduce the taxes you owe, but they will not result in a tax refund. The credits you claim on Lines 27d or 27e, 28 and 29 are refundable credits, which means if these credits plus any tax payments are greater than your total tax due, you may receive a refund.

Line 22 Credit for child and dependent care expenses

Do not claim this credit if your filing status is married filing separately. If your status is married or registered domestic partner filing separately on the same return, you may claim the credit and divide it between spouses/registered domestic partners any way you wish.

If you were a full-year DC resident, to figure your DC credit, multiply by .32, the amount from federal Form 2441, Line 9. Enter the result on Line 22 of the D-40. (Do not use the DC Form D-2441.)

If you were eligible for the Child and Dependent Care Credit but did not claim it for federal purposes, complete the federal Form 2441, multiply the result by .32 and claim the DC credit for child and dependent care expenses.

Line 23 Non-refundable credits from DC Schedule U

This entry is the total of non-refundable amounts from DC Schedule U, Part 1a, Line 8.

Line 24 DC Low Income Credit

Refer to General Instructions, page 11.

Line 24a

Enter the number of exemptions claimed on your federal return if claiming LIC.

Line 25 Total non-refundable credits

Add Lines 22, 23 and 24.

Line 26 Total tax

Subtract Line 25 from Line 21. If Line 21 is less than Line 25, leave Line 26 blank.

Line 27 DC EITC

Refer to General Instructions, page 11.

Line 27a Qualified EITC children

Refer to General Instructions, page 11.

Line 27b Enter your earned income amount.

Line 27c Enter your federal earned income credit (for taxpayers with qualifying children only).

Line 27d Multiply federal EIC x.40 and enter result (for taxpayers with qualifying children only).

Line 27e For filers without qualifying children, use the DC Earned Income Tax Credit Worksheet For Filer Without a Qualifying Child to determine your DC EITC and enter result.

Line 28 Property tax credit

If you filed a DC Schedule H, Homeowner and Renter Property Tax Credit, enter the amount from the appropriate Line (6 or 10). See the instructions in this booklet for assistance in completing Schedule H. If you are filing a D-40 and Schedule H, attach Schedule H to your D-40.

Line 29 Refundable credits from DC Schedule U

Complete Schedule U, Part 1b. Attach Schedule U to your D-40. See Schedule N, DC Non-Custodial Parent EITC Claim, to determine if you are eligible to claim this credit. If you complete a Schedule N, attach it to your D-40.

Line 30 DC income tax withheld

Add the amount of DC income tax withheld as shown on your 2017 federal Forms W-2 and applicable 1099 that show DC tax withheld.

Line 31 2017 Estimated income tax payments and amount applied from 2016 return

Enter the total of your 2017 DC estimated income tax payments and any amount applied from your 2016 return as a carry forward. If you are filing separate returns and paid estimated income tax payments, you and your spouse/registered domestic partner must divide the payments according to which spouse/registered domestic partner paid them. You cannot arbitrarily allocate the estimated payments between you.

Line 32 Tax paid with extension of time to file

If you filed Form FR-127, Extension of Time to file a DC Income Tax Return, enter the amount you paid with the FR-127.

Line 33 Tax paid with original return if this is an amended return**Line 34 Total payments and refundable credits**

Add Lines 27d or 27e, and Lines 28-33.

Line 35 Tax due

Subtract Line 34 from Line 26.

Line 36 Amount overpaid

Subtract Line 26 from Line 34.

Line 37 Amount applied to your 2018 estimated tax**Line 38 Underpayment interest**

Fill in the oval if Form D-2210 is attached.

D-2210: Underpayment of Estimated Income Tax By Individuals

You may use this form to calculate your underpayment interest when submitting your D-40 form. If you do, fill in the oval, attach it to your tax return and enter the interest amount on Line 38 of the D-40. If you do not wish to calculate the interest, the Office of Tax and Revenue (OTR) will do it when your return is processed and will notify you of the amount due. You may also complete this form if you believe the interest assessed by OTR for underpayment of estimated income tax is incorrect.

Line 39 Contribution amount from Schedule U, Part II, Line 5 or 6. (Cannot exceed refund amount on Line 41.) Reference General Instructions, page 15.

Line 40 Total amount due

Add Lines 35, 38 and 39.

You must pay this amount in full with your return. See page 6 for payment options under General Instructions.

If you wish to contribute and you are not due a refund or do not owe additional tax, please enter the total contribution amount on Line 39. Make your payment payable to the DC Treasurer and include it with your return.

Line 41 Net Refund

Subtract total of Lines 37, 38 and 39 from Line 36.

Be sure to use the PO Box 96145 mail label from the back flap of the return envelope when mailing your return, requesting a refund.

If you answer yes to the question, "Will this refund go to an account outside of the U.S.", you will be issued a paper check in lieu of direct deposit. See page 15 of the General Instructions.

Line 42 Injured spouse protection

Fill in the oval if either spouse is claiming injured spouse protection. Complete Calculation J on Schedule S even if married filing jointly and attach IRS Form 8379 (Injured Spouse Allocation).

Key website resources

DC Official Code

www.lexisnexis.com/hottopics/dccode/

DC Regulations

www.dcregs.dc.gov/

DC Tax Forms/Publications

MyTax.DC.gov

Mailing Address for Returns

MyTax.DC.gov

Electronic Funds Transfer (EFT) Guide

MyTax.DC.gov

NACHA Guidelines

www.nacha.org/

Social Security Administration

www.ssa.gov/

Internal Revenue Service

www.irs.gov



Important: Print in CAPITAL letters using black ink.

Personal information section including fields for telephone number, TIN, Date of Birth, Spouse's TIN, Date of Birth, first and last names, M.I., home address, city, state, and zip code.

Filing status section with radio button options for Single, Married filing jointly, Married filing separately, Dependent claimed by someone else, etc.

Complete your federal return first - Enter your dependents' information on DC Schedule S

Income Information section with lines a, b, c, d for Wages, Business income, Capital gain, and Rental real estate.

Computation of DC Gross and Adjusted Gross Income section with line 3 for Federal adjusted gross income.

Additions to DC Income section with lines 4, 5, 6 for Franchise tax, other additions, and total additions.

Subtractions from DC Income section with lines 7-14 for Part year residents, taxable refunds, social security, etc.

