

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



OTR TAX NOTICE 2008-01

February 22, 2008

**NOTICE OF IMPOSITION OF AN ADDITIONAL 4.25% SALES TAX RATE ON
VERIZON CENTER VENDORS AND REQUIREMENT TO FILE AND MAKE
SALES TAX PAYMENTS ELECTRONICALLY**

The Verizon Center Sales Tax Revenue Bond Approval Act of 2007, D.C. Act 17-0041 (“Act”) imposes a new additional sales tax of 4.25% on the gross receipts from any sale by a vendor on or after March 1, 2008, at the Verizon Center of (a) tangible personal property and services otherwise taxable, and (b) tickets to non-exempt public events. See D.C. Code §§ 47-2001(n)(1)(H), 2002.06. Thus, the total sales tax that will be due on these sales is 10% (the 4.25% additional sales tax, plus the general sales tax rate of 5.75% already imposed on such sales). *The form used to report the sales tax collected pursuant to this statute is Form FR-800SM, the Specialized Sales Tax return.*

However, the following sales of tangible personal property and services are not subject to this new additional 4.25% sales tax: sales of food and beverages, spirituous or malt liquors, beers, and wine that are all made for consumption at the Verizon Center, as well as charges for parking.

The Office of Tax and Revenue (OTR) is requiring all Verizon Center vendors (whether based in the District or outside the District and who are subject to this new additional sales tax) to file and pay their total sales tax liability (4.25% additional sales tax, plus the 5.75% general sales tax) electronically for Verizon Center sales.

Verizon Center vendors that do not timely file and pay electronically the above liability, will be subject to statutory interest and possibly penalties established under Title 47 of the D.C. Code.

The first return due under this new tax requirement is April 20, 2008 for those gross receipts from the sale of tangible personal property and services at the Verizon Center collected for the period March 1 through March 31, 2008.

In order to file and pay electronically, a taxpayer must:

- 1) Have a valid federal tax identification number;
- 2) Have filed a completely executed FR-500 Combined Business Tax Registration Form, which is available in PDF format on OTR's Web site at www.otr.cfo.dc.gov (Note: If you have previously executed the FR-500, you do not need to file this form a second time.); and
- 3) Completed an Electronic Taxpayer Service Center (eTSC) registration form, which is available at <https://www.taxpayerservicecenter.com/GetStarted.jsp>.

Duly-registered taxpayers are required to file and pay the Verizon Center Sales Tax by either ACH credit, ACH debit, Credit Card, or E-Check.

eTSC Login and Payment Instructions

The eTSC provides taxpayers 24-hour online access to view their accounts, file monthly Specialized Sales Tax returns (i.e., the Verizon Center Sales Tax), and make online ACH debit, Credit Card, and E-Check payments.

1. After OTR completes your eTSC registration, OTR will send a user ID and password via e-mail to each of your authorized users. Use your user ID and password to log in to the eTSC site at <https://www.taxpayerservicecenter.com/Logon.jsp>. From the account summary page, click on "File Specialized Sales" in the eTSC services window on the left-hand side of the page to file your return. To view your account summary, click on the gray "Specialized Sales" tab in the Account Summary window.
2. Follow the online filing process. Simply enter your data on **line number 5** for the Verizon Center Sales, and the eTSC will perform the calculations.
3. Once you have completed your return, you will receive a confirmation number. Please keep this number for your records.
4. You will see ACH debit, E-Check, Credit Card and ACH Credit payment options at the bottom of the confirmation screen.
5. If you choose to pay by ACH debit, E-Check, or Credit Card, follow the steps to authorize the payment. You will receive a separate confirmation number for your payment.
6. To pay by ACH credit, transmit your payment in accordance with specifications contained in the "ACH Credit Guide" available at <https://www.taxpayerservicecenter.com/GetStarted.jsp>.

For legal questions regarding this filing requirement, please contact William Bowie, OTR Assistant General Counsel, at (202) 442-6512. For electronic filing questions pertaining to this filing requirement, please contact Sonja Peterson, Program Analyst, E-Commerce, at (202) 442-6392 or George Conly, Senior Program Analyst, at (202) 442-6313.