



## UNDERSTANDING THE COLLECTION PROCESS

**OTR's mission is to collect promptly the proper amount of tax from all persons who have not filed tax returns and/or paid tax as required by District of Columbia law; to encourage future compliance with the law; and to provide accurate, timely and courteous customer service.**

You are responsible for filing your tax returns on time and paying the full amount you owe. If the tax is not fully paid, a Notice of DC Tax Due will be mailed to you.

OTR strongly encourages taxpayers to pay their bill as soon as possible to minimize interest charges (18% per year) and the failure to pay penalty (5% monthly limited to 25% of the tax). It is often cheaper to borrow money to pay the tax on time, since lending institutions charge less than the interest and penalty required by D.C. law.

### If You Cannot Pay Your Bill In Full

Our goal is to work with all taxpayers who are seeking to get their tax bill resolved. If you can not pay your bill in full, we will look for other ways, such as an installment agreement, to help you pay your bill. If we do not hear from you, we must still carry out our responsibility to ensure payment of any taxes due.

This may result in enforced collection measures when necessary. If you can not pay your taxes in full, pay as much as possible and immediately call, write, or visit our office to make arrangements to pay the balance. In determining how to resolve the bill, we may:

- Ask you to complete a Collection Information Statement to help determine how you can pay the amount due
- Request that you secure a loan or delay payment of other bills
- Ask that you mortgage or sell property.

Remember that interest and penalties will continue to accumulate until all tax is paid.

### Offer in Compromise

We will consider an offer to settle unpaid taxes for less than the full amount due when the facts indicate doubt as to liability. If you make an offer because of inability to pay, the amount of the offer should reflect your maximum ability to pay. A thorough investigation will be conducted of the value of your property and your future earning potential before deciding whether to accept your offer.

### Making Installment Payments

The law provides that you must pay your tax in full when you file your return. However, if you can not pay in full, you must consider selling assets, delaying other bills or borrowing to pay the taxes. We may allow you to pay in installments. When you are making installment payments, you are expected to pay your current taxes as well. This means you must have the proper amount of withholding taken from your wages or make timely estimated tax payments. It is important that installment payments be made timely and for the agreed amount. If they are not, we may have to collect the taxes due through seizure of your wages or bank accounts.

Note: Normally, we do not accept installment payments from businesses still in operation, unless the business has a short-term plan to pay all delinquent taxes while meeting all current tax obligations.

## What You Can Do To Avoid Overdue Taxes

If you owe taxes because not enough tax was withheld from your wages, file a new withholding Exemption Certificate, Form D-4, with your employer to reduce the number of your withholding allowances. If you are self-employed or have income not covered by withholding, ask us for Form D-40 ES so you can pay estimated taxes quarterly. For incorporated businesses, file Form D-20 ES, Declaration of Estimated Franchise Tax for Corporations; for unincorporated businesses, file Form D-30, Declaration of Estimated Franchise Tax for Unincorporated Businesses.

## Understanding Your Tax Bill

When you file your District tax return, OTR checks it to ensure the math is correct and if the correct amount of tax has been paid. If tax is due, we will bill you for the tax and any interest and penalties on the unpaid balance of tax from the due date of the tax return.

## If You Believe Your Bill is Wrong

If you believe your bill is wrong, please call the telephone number on the bill immediately. You can also write us or visit our office for assistance. Please bring a copy of the bill, copies of your records and/or canceled checks to help us resolve your concern. Your daytime telephone number will also be needed for our records.

Write or Visit Us at:  
Office of Tax and Revenue  
Collection Division  
941 North Capitol Street, NE  
Washington, D.C. 20002  
(202) 727-4TAX (4829)  
Fax: (202) 442-6885



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Mayor Anthony A. Williams

Office of the Chief Financial Officer  
Dr. Natwar M. Gandhi, CFO

Office of Tax and Revenue  
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