

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



September 3, 2020

OTR TAX NOTICE 2020 - 07

COVID-19 FRANCHISE TAX NEXUS

On March 11, 2020, the Mayor of the District of Columbia declared a public emergency and a public health emergency caused by the coronavirus (COVID-19). *See* Mayor's Order 2020-045 dated March 11, 2020, and Mayor's Order 2020-46 dated March 11, 2020. The Mayor subsequently extended the declaration of a public emergency and a public health emergency through October 9, 2020. *See* Mayor's Orders 2020-050 dated March 20, 2020 and 2020-079 dated July 22, 2020.

The Office of Tax and Revenue will not seek to impose corporation franchise tax or unincorporated business franchise tax nexus solely on the basis of employees or property used to allow employees to work from home (*e.g.*, computers, computer equipment, or similar property) temporarily located in the District during the period of the declared public emergency and public health emergency, including any further extensions by the Mayor and for 90 days after the Mayor declares an end to the public emergency. Furthermore, the presence of employees under these conditions will not cause a business to lose the protections of Public Law 86-272.

For additional information, please contact OTR's e-Services Unit at e-services.otr@dc.gov or (202) 759-1946.