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D.C. Proposes to Extend Deadline for Combined Reports

In the latest step to fine-tune the implementation of the District of Columbia's mandatory unitary combined reporting statute, the Office of Tax and Revenue (OTR) has issued a taxpayer-friendly [proposed regulation](#) that would provide an automatic seven-month extension for calendar and fiscal year combined reporting filers. Prop. D.C. Mun. Regs. 9 § 176.1 (June 14, 2013). The automatic seven-month extension applies to tax years beginning after December 31, 2010, and applies to all final zero returns. *Id.* Combined reporting filers must request the automatic seven-month extension on or before the due date of the return and must pay any tax due by the original due date. Prop. D.C. Mun. Regs. 9 § 176.2 (June 14, 2013). Unlike prior extensions, the new extension applies equally to calendar and fiscal year taxpayers (see [OTR Notice 2012-07](#) (Sept. 7, 2012), which gave calendar-year taxpayers an extension for only the first year of combined reporting).

This latest extension for combined reporting filers is meant to give taxpayers 30 days after the due date of their federal return to file a District return. The transition from separate reporting to mandatory unitary combined reporting – which took effect for tax years beginning on or after December 31, 2010 – resulted in more complex filings for taxpayers. OTR and taxpayers alike have struggled with the District's new reporting regime, particularly with the treatment of taxpayers that are subject to the unincorporated business tax and also members of a unitary business group. The automatic extension should provide the District with more accurate returns, which will not be due until 30 days after the filing of a federal return.



If you have any questions about this Legal Alert, please feel free to contact any of the attorneys listed below or the Sutherland attorney with whom you regularly work.

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