

Instructions for Form FR-329

Who should file Form FR-329?

File Form FR-329 if during tax year 2007 you paid a total of more than \$400 for merchandise, services, or rentals on which you did not pay sales tax. Typically, you do not pay sales tax on:

- Merchandise you ordered through catalogs;
- Merchandise shipped to DC that you bought or rented outside DC; and
- Merchandise taxed in DC but not taxed in the state where purchased.

Do not file Form FR-329 for a business. Businesses should file a Form FR-800M (monthly return) or a Form FR-800A (annual return) to report sales tax (in the "use tax" section) on such purchases and rentals.

When is Form FR-329 due?

You must submit your return by April 15, 2008. There is no extension of time to file this form.

How can you avoid penalties and interest?

File and pay your liability on time.

You will be charged interest of 10% per year, compounded daily, on any tax not paid on time. Interest is calculated from the due date of the return to the date the tax is paid.

You will be charged a 5% per-month penalty for failure to file a return or pay any tax due on time. The penalty is calculated on the unpaid tax for each month or part of a month that the return is not filed or the tax is not paid. The maximum penalty is an additional amount due, equal to 25% of the tax due.

Make sure your check will clear.

You will be charged a \$65 fee if your check is returned to us.

Sales tax you owe

Include shipping and handling charges in the sales price when they are listed as a line item on the bill.

Line 1 Merchandise, services and rentals

Enter the total sales price of all your purchases of merchandise, services and rentals on which you did not pay any DC or state sales tax. Multiply the amount by .0575 and enter the result in the tax column.

Taxable merchandise includes, but is not limited to, furniture, clothing, shoes, jewelry, perfume, cosmetics, computer hardware and software, appliances, electronic equipment, cameras, antiques, art, office supplies, sporting goods and rare coins.

Taxable services include data processing, real property maintenance, information services, dry cleaning, landscaping, photographic services and film processing.

Taxable rentals include rental of furniture, televisions, stereos, computer hardware and software and lawn equipment.

Line 2 Alcoholic beverages

Enter the total sales price of all your purchases of alcoholic beverages on which you did not pay any DC or state sales tax. Multiply the amount by .09 and enter the result in the tax column.

Line 3 Purchases of catered food or drink or rentals of non-commercial vehicles

Enter the total sales price of all your purchases and rentals on which you did not pay any DC or state sales tax. Multiply the amount by .10 and enter the result in the tax column.

Line 4 Purchases of certain other tobacco products

Enter the total sales price of all your purchases of any product made primarily from tobacco that is intended for consumption by smoking, by chewing or as snuff on which you did not pay any DC or state sales tax. This tax rate does not apply to cigarettes, premium cigars or pipe tobacco. A premium cigar is any individual cigar with a retail cost of \$2 or more or a packaged unit of cigars that has an average cost of \$2 or more per cigar. Multiply the amount by .12 and enter the result in the tax column.