

Schedule H Frequently Asked Questions

1. What is the DC Homeowner and Rental Property Tax Credit (Schedule H)?

The DC's Homeowner and Rental Property Tax Credit (Schedule H) is a property tax credit that is available to both homeowners and renters whose property taxes (or "rent constituting property taxes" in the case of renters) exceed a certain percentage of their household income.

The amount of your credit will vary depending on your total household income and the amount of property taxes owed, and if you are over age 62, blind, or disabled. The D-40 Individual Income tax booklet has tables that you can use to identify your credit amount. Below are the formulas used to determine a tax filer's credit amount:

Schedule H Formula for Residents under Age 62 Who Are Not Blind or Disabled	
If household income is:	Tax credit equals:
\$0-\$2,999	95% of the amount by which property tax exceeds 1.5% of household income
\$3,000-\$4,999	75% of the amount by which property tax exceeds 2.0% of household income
\$5,000-\$6,999	75% of the amount by which property tax exceeds 2.5% of household income
\$7,000-\$9,999	75% of the amount by which property tax exceeds 3.0% of household income
\$10,000-\$14,999	75% of the amount by which property tax exceeds 3.5% of household income
\$15,000-\$20,000	75% of the amount by which property tax exceeds 4.0% of household income
Source: D.C. Code section 47-1806.6	

Schedule H Formula for Elderly (Age 62 and over), Blinded or Disabled Residents	
If household income is:	Tax credit equals:
Under \$4,999	100% of the amount by which property tax exceeds 1.0% of household income
\$5,000-\$9,999	100% of the amount by which property tax exceeds 1.5% of household income
\$10,000-\$14,999	100% of the amount by which property tax exceeds 2.0% of household income
\$15,000-\$20,000	100% amount by which property tax exceeds 2.0% of household income
Source: D.C. Code section 47-1806.6	

2. Who qualifies for Schedule H?

Renters and homeowners who have a total household gross income of \$20,000 or less may be eligible to claim a property tax credit.

You must meet all of the following requirements to claim this credit:

- You were a DC resident for the entire tax year;
- You rented or owned and lived in your home for the entire tax year;
- Your total household gross income for the entire tax year was \$20,000 or less;
- You did not rent from a landlord whose property was either exempt from real property taxes or who paid a percentage of rental income to DC instead of paying a real estate tax;
- If you are under age 65, you are not claimed as a dependent on someone else's federal, state, or DC income tax return;
- Your residence is not part of a public housing dwelling; and
- If you are not blind or disabled, you and your spouse (if married) provide at least 50% of the total household gross income.

Only one member of a household can claim a property tax credit. A property tax credit may not be claimed on behalf of a taxpayer who died before the end of the tax year.

3. What is the definition of "Household"?

Household members are all the people you live with whether or not they are related to you. For example, if you live in a house where you share the kitchen and bathroom with one or more people, they are household members, even if they are not related to you.

If you rent out part of your house and share the kitchen and bath with a tenant, you must report the tenant's income as part of your total household gross income.

4. How do I file Schedule H?

If you are required to file a Form D-40, your completed Schedule H must be attached to your Form D-40 by the April 15 filing deadline, unless an extension is filed. If Schedule H is part of the D-40, it can be submitted by the extended due date.

If you are not required to file a Form D-40, the Schedule H may be mailed by itself on or before April 15th to: The Office of Tax and Revenue, PO Box 209, Washington, D.C., 20044.

5. What documentation do I need?

Only some of the documents listed below are required in order to file for Schedule H. (Required documents are noted below.) The other documentation listed simply may help in filling out the tax form.

- Property tax bill if you are a homeowner.
- Lease or other documentation of the amount of rent paid for the year if you are a renter.
- A completed and signed physician's certificate when claiming a credit for blindness or disability.

(required each year)

- Names and social security numbers of all household members. (required)
- Name and contact information for your landlord. (required)
- Gross Income of all members. See FAQ 6 below. (required)

6. What is included in “Household Income”?

Household income includes all income received by ALL household members in the year, including income that might be exempt from federal adjusted gross income. For example, filers must include both the taxable and nontaxable Social Security income.

Income Sources

Included in Household Income (partial list)	Not Included in Household Income (partial list)
<ul style="list-style-type: none">• Wages, commissions or salary• Interest/Dividends• Military wages or retirement• Pensions or annuities• Alimony• Social Security, SSI or Railroad Retirement benefits• Workers Compensation• Disability and pension benefits• Public assistance benefits (e.g. TANF) received• Tax exempt gain on the sale of your residence• Proceeds from life insurance policies• Rental income from a tenant or border• Business Income	<ul style="list-style-type: none">• Gifts from nongovernmental sources• Schedule H Property Tax credit• Food Stamps and/or surplus foods or other relief in kind supplied by a governmental agency

7. When is my claim due?

Your claim is due on or before April 15th, unless you file for an extension.

8. Can I file a previous year’s claim?

Yes. It is possible to file previous years’ claims. The statute of limitations is the later of three years from the due date of the return or three years from the payment of the tax, to claim a refund.

9. If I am paying two years of property taxes in one tax year, is it possible to determine the current tax year credit on the total amount of taxes paid for both years?

No. You can only seek the Schedule H credit for the individual year in which the property taxes were paid.

10. What is the definition of "rent paid"?

The term "rent paid" is that amount paid by the tenant to a landlord to occupy a residence. Utility charges may be included in the amount of rent paid if they are part of the monthly rent paid to the landlord to reside in the rental unit. The term "rent paid" does not include:

- Rental supplements, e.g. Section 8 vouchers;
- Advance rental payments for another period;
- Rental deposits, whether or not expressly set out in the rental agreement;
- Any charges for medical services or food provided by the landlord; or
- Payments made to a landlord to occupy a property which is exempt from District real property taxes.

11. Special Situations

a. What if I moved during the year?

When a claimant owns or rents two or more different homes in the District in the same calendar year, the amount of property taxes owed should be determined based on the claimant's status as an owner or renter on December 31st of such calendar year. (See [DC ST § 47-1806.06](#))

For example, if Mr. Jones owned his home for the first part of the tax year, but then sold his home and moved into a rental unit for the second half of the tax year, then the total amount of property taxes owed by Mr. Jones should be calculated based on the amount of Mr. Jones' monthly rent.

So if Mr. Jones was a renter on December 31, and paid \$1,000 a month for the last six months, the total amount of property taxes owed for the purposes of filing for Schedule H should be equal to \$1,800 [Monthly rent (\$1,000) multiplied by 12, and then multiplied by .15].

If you rented two or more homes in DC in the same calendar year, the amount of rent paid for the tax year should be determined by dividing the amount of rent paid on the last rental agreement in force during that calendar year by the number of months during the calendar year for which this rent was paid and by multiplying the result by 12. (See [DC ST § 47-1806.06](#))

For example, Ms. Smith lived in a rental apartment from January 2008 to June 2008, and then moved to another rental apartment for the remainder of the tax year (July 2008 – December 2008) in which she paid \$800 a month. The amount of rent owed for the tax year would be based on her last rental agreement in which she was paying \$800 a month. Therefore the amount of rent paid for the year would be \$800 multiplied by 12 which equals \$9,600.

b. What if I live in public housing? You are not eligible for the credit.

c. What if I receive a Section 8 voucher or other housing assistance voucher?

You may still be eligible for Schedule H. To calculate the amount of rent paid during the tax year, subtract the amount of housing assistance received from any District agency or other governmental agency from the amount of rent owed.

d. What if I share housing?

If you share housing with other adults but have your own bathroom and kitchen, then you are the sole member of the household and do not have to include the other tenants' income as part of your household income.

However if you share a bathroom and kitchen, you must include the income of your housemates as part of your household income. And only one member of your household is eligible to claim the credit.

e. What if I lived alone part of the year, but then lived with others part of the year?

If you lived alone for part of the year, and then with roommates for part of the year, include the income of your roommate(s) for only the length of time that they lived with you.

f. What if I sublet?

If you sublet part of your home to one or more persons, then the amount of rent owed for the tax year is the amount you paid minus the amount of rent you received from your subleters.

g. How do I find out if my landlord's property taxes are exempt?

If you are not able to obtain this information from your landlord, then OTR will determine the tax status of your landlord using their name and contact information you have provided on your tax form.

h. What if I am preparing a tax return for someone who died during the tax year? The person rented an apartment in DC and lived there the entire time they were alive during the year. May I include a Schedule H with this person's tax return?

No. A taxpayer must be alive for the entire tax year to qualify for the credit.

i. If I rolled over my retirement savings from one qualified retirement plan (401(k), 403(b), IRA, other) to another within 60 days, would this be included as part of my household income?

No, the amount of savings that is rolled over from one qualified retirement plan to another should not be included as part of your total household income. However, if an individual withdraws savings from a retirement plan and doesn't roll it over into another qualified retirement vehicle, that amount must be included as income.

12. Common Filing Errors (*Found at <http://otr.cfo.dc.gov/otr/cwp/view,a,1330,q,593729.asp#homeowner>*)

If you file a DC Schedule H - Homeowner and Renter Property Tax Credit Return - to claim a property tax credit:

- Include the square, suffix and lot numbers if you own the real property for which you are claiming the credit;
- Include your landlord's name, address and telephone number and the dollar amount of your rent for the year if claiming the credit based on rent paid;
- Report income earned by all those living in your household, and include their names and Social Security numbers; and
- Include a completed and signed physician's certificate when claiming a credit for blindness or disability. It is required each year.

Do not file a DC Schedule H to claim the property tax credit if you lived in public or subsidized housing during the year.

For more information on Schedule H, [click here](#) to view the DC Code.

Calculation of Household Gross Income

13. Item o, fellowship and scholarship awards and grants: Does this include non-taxable scholarships (i.e., scholarships covering tuition)?

Yes.

14. Item m, disability exclusion: Line 10 of Form D-2440 has the exclusion amount of up to \$5,200; this is an exclusion of disability pay, which is wages. If a person received \$15,000 in disability pay, it shows up on the wages line. Would a filer then enter \$5,200 on line m, bringing the total income over \$20,000?

If the disability income has been included as wages in the calculation of household income on line (a), page 2 of the Schedule H form, then the disability income exclusion amount need not be included on line (m) of the form as well.