

TAX TIPSHEET DC AARP TAX-AIDE	DC Property Tax Credit – Schedule H - Property Owner			
	Tax Yr. 2023	By: Marilyn Holland & Linda Auwers	01/29/2024	1 of 4

PURPOSE

The District provides income eligible homeowners a refundable tax credit, often called the *Schedule H Credit*. The credit is based on the amount of the property tax above the household's *Lower AGI Threshold*, which is based on the household's AGI. See the table.

A taxpayer whose property tax liability is low, perhaps because of other credits (ex.: Homestead, Senior Citizen, Disabled), may not receive a *Schedule H Credit* because the property tax billed is below the *Lower AGI Threshold*.

The credit is computed by TaxSlayer based on the information the taxpayer provides.

Tax Year 2023				
Age	AGI	Lower AGI Threshold	Upper AGI Limit	Max Credit
Under 70	\$0 - \$24,999	3% of AGI	\$61,300	\$1,325
	\$25,000 - \$51,999	4% of AGI		
	\$52,000 - \$61,300	5% of AGI		
Over 69	\$0 - \$83,700	3% of AGI	\$83,700	

FEDERAL RETURN

If the taxpayer is not required to file a federal return, create a federal return per the instructions on the TipSheet titled *Preparing a Federal Return when the Taxpayer has No Federal Filing Requirement*.

Then create a DC return and proceed as follows.

WHAT TO DO

- First, determine if the taxpayer is income eligible for the credit. Confirm that the TP is on the title and resides in the home. **Only owners are eligible for the property tax credit.** If an adult child lives with elderly parents and pays the taxes on their home, the child is NOT eligible for the credit. If the adult child gives his parents the money to pay the taxes and they make the payment, they (not the child) are eligible.
- Confirm that the income is not too high. The limits, which are based on age, are shown in the table above. The Adjusted Gross Income (AGI) must include the individual or married couple (or registered domestic partners) residing in the same household whether filing jointly or separately. Dependent income is not included in the federal adjusted gross income of the tax filing unit. (See *D.C. Official Code § 47-1806.06.*)
- If the owner is eligible:
 - Create a DC return then open *Dist of Columbia > Credits > Homeowner and Renter Property Tax Credit – Schedule H*
 - Select answers for the two drop down boxes at the top-
 - Click on the box under *Claim Based on Real Property Tax Paid*

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- Fill in the amount of property tax **assessed**¹ in 2023 and click *Save*.
Make sure that you fill in the 2023 property taxes **assessed**, which may or may not be the amounts paid in 2023. Do not include the amounts of any penalties or late fees,
- If the taxpayer has brought their property tax bill, it will indicate the assessed amount of the tax.
If they have not, the property tax amount paid may be on their mortgage statement. You can assume that mortgage company payments reflect the amount assessed. Do not assume that the amount the taxpayer paid directly is the amount paid since their payment may include back taxes, penalties, or late fees. Only the amount assessed for the tax year is eligible for calculation of the credit.
- If the taxpayer did not bring these statements, then look up the information at the website for the DC Office of Tax and Revenue:
<https://mytax.dc.gov/>
Search by the address from the link in the lower right corner. There are some flaws in the data base search--if the taxpayer's home does not show up, try dropping the quadrant and/or the thoroughfare information.
- Click on the square and lot information in the lower right corner. Then on Tax Information and Tax History.
Penalties and interest are not eligible for the Credit—only the amount of the tax **assessed** for the tax year.
- Then fill out the square and lot information – it's on the tax bill. If the taxpayer has not provided the tax bill then you can look up the square and lot number at
<https://mytax.dc.gov/>

TaxSlayer will calculate the amount of the credit based on the income and property tax amounts and will prepare Schedule H which will be attached to the D-40. The credit amount also shows on line 24 of the D-40. The maximum credit allowed in 2023 is shown in the table above.

TaxSlayer “oops”...

The *Claim Based On Real Property Tax Paid* screen in TaxSlayer has incorrect wording for this entry:

“DC real property tax paid by you on this property in 2023”

¹ Do not confuse the amount of the property tax *assessed*, generally referred to as the amount of the tax billed, that is used for the Property Tax Credit, with the property *assessment*, which is the assessed value of the property as determined by the District of Columbia Assessor's Office and is used to determine the amount of the property tax billed.

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To confirm... the amount that should be entered in this field is the *amount billed* or (*assessed*), not the *amount paid*. If the amount paid is greater than the amount assessed, then check the taxpayer’s prior year’s tax return to confirm that they applied for Schedule H. If they did not, see “Prior Years” below.

CONDOS and COOPS

Condominium units are taxed as separate homes. Proceed as described above.

Taxpayers who own co-op units must obtain the amount of their share of property taxes assessed from the Co-op Board or management agent since they will not receive individual property tax bills for their units. Use the information provided to the taxpayer by the co-op.

ADDITIONAL CONSIDERATIONS

- Taxpayers must have lived all year in the residence for which they are claiming to be eligible for the credit. Only one credit is allowed per household so if taxpayers are co-owners residing in the same household who file separately, they will have to decide which taxpayer will take the credit.
- Before sending the Schedule H credit to the TP, the District will apply the funds to any outstanding obligations that TP has to the District – ranging from parking and speeding tickets to unpaid real property taxes. TPs should not expect to receive the money if they have outstanding debts to the District.

PRIOR YEARS

- Eligible taxpayers who did not file for Schedule H in prior years can do so for the three preceding years.
- In the 2024 tax filing season this means tax year 2020, 2021, and 2022. The eligible income limits for those years are shown in this table:

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Tax Year	AGI	Up to age 70	Age 70 and older
2022	Tax filing unit	\$57,600	\$78,600
2021	Tax filing unit	\$56,200	\$76,700
2020	Tax filing unit	\$55,700	\$75,900

If your site has the personnel and time to assist taxpayers with prior year filings, then TCs who are qualified for the applicable years can assist the taxpayer in obtaining the Schedule H credit.

- The first step is to determine AGI for the household to determine eligibility.
- If TP was not required to file a tax return in the applicable years and did not do so, then Schedule H may be filed alone on paper. If TP is over 60 and meets certain income guidelines then the TP can obtain assistance in filing prior year Schedule H’s at *Legal*

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Counsel for the Elderly (202-434-2120). *Legal Counsel for the Elderly's* assistance is limited to stand alone Schedule H's.

- To prepare a standalone Schedule H for prior years, print the Schedule H form using the links below. Note that these links open in the same browser tab – use the browser back arrow to return to this TipSheet.

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2022	https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/2022_Sch_H.pdf
2021	https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/2021_SCHEDULE%20H_Fill_in_0.pdf
2020	https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/2020_Schedule_H_0.pdf

Then fill out the applicable blanks. A fillable pdf is also available at the OTR website.

- If TP filed a DC tax return for the applicable year then Schedule H must be filed by amending the DC tax return. Reference the TipSheet on *Amending a Return*.
- If TP did not file a tax return but was required to do so, then TP must file late returns for the federal and state.