

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-78 (4)C  
Corporation Tax  
Instructions and Interpretation Section  
April 28, 1978

Subject: Governor's Corporation Tax package which pertains to:

1. Omnibus corporations
2. Business allocation percentage
3. Investment tax credit

On April 14, 1978, Chapter 69 of the Laws of 1978 was signed by the Governor. It amends Article 9-A of the Business Corporation Tax Law as follows:

1. Section 210.1-a was amended to rescind the additional tax (5 3/4%) on allocated business income of corporations which had gross receipts of \$500,000 or more from transportation within New York State by omnibuses for taxable periods beginning on or after January 1, 1978.
2. Section 210.3(a)(4) was amended to allow a business corporation the right to allocate business income and business capital by the business allocation percentage without requiring the corporation to have a regular place of business outside New York State for taxable periods beginning on or after January 1, 1978.
3. Section 210.12(a) was amended to increase the investment tax credit to 3% on property acquired, constructed, reconstructed or erected in 1978 and to 4% on property acquired, constructed, reconstructed or erected after December 31, 1978. It further provides that credits under Section 210.15 and Section 210.16 shall be allowed after the credit allowed under Section 210.11 (Eligible Business Facility Credit) and before the credit allowed under Section 210.12 (Investment Tax Credit). Section 210.15 and Section 210.16 allows credit against tax for sales tax paid upon the purchase of certain qualified property.