

**FILING REQUIREMENTS of FOREIGN OMNIBUS and  
TAXICAB CORPORATIONS MAKING INFREQUENT TRIPS  
INTO NEW YORK STATE**

Chapter 485 of the Laws of 1988 amends Sections 183 and 184 of Article 9 of the Tax Law, to authorize certain omnibus and taxicab corporations to calculate their franchise tax liability on a per trip basis.

The purpose of these amendments is to alleviate the tax burden and simplify the calculation of franchise tax for certain foreign taxicab and omnibus corporations by requiring those companies to annually pay a tax equal to fifteen dollars per trip for eleven or less trips a year into New York State.

The amendment to section 183 provides that a foreign taxicab or omnibus corporation which neither owns nor leases property in this state (other than the vehicle or vehicles used to conduct trips), nor maintains an office in this state, which is doing business in this state by conducting one but fewer than twelve trips into this state during a calendar year, shall be exempt from the tax imposed under section 183.

The amendment to section 184 provides that a foreign taxicab or omnibus corporation, as described in the preceding paragraph, shall annually pay a tax equal to fifteen dollars for each trip conducted into this state.

For purposes of both section 183 and 184 of Article 9 of the Tax Law, a corporation shall be considered to be conducting a trip into New York State when one of its vehicles enters into New York State and transports passengers to, from, or to and from a New York State location. A corporation will not be considered to be conducting a trip into New York State if its vehicle only makes incidental stops at locations in New York State while in transit through the state.

Under the existing law, section 183 provides that if the state tax on motor fuels exceeds two cents per gallon, an omnibus or taxicab corporation will be taxed under the provisions of Article 9-A of the Tax Law rather than section 183 for the privilege of exercising its corporate franchise, doing business, employing capital, owning or leasing property in this state, or maintaining an office in this state. The bases for tax, with respect to doing business, are the same for section 184 as for section 183.

Corporations described herein will be required to calculate their franchise tax liability on Form CT-184R. These corporations will also be subject to the Metropolitan Business Tax Surcharge based on trips conducted to, from, or to and from a location within the Metropolitan Commuter Transportation District. The surcharge will also be calculated of Form CT-184R.

Authorized foreign taxicab or omnibus corporations which conduct one but fewer than twelve trips into the state during a calendar year, and timely file their

tax return, must pay the annual maintenance fee imposed by section 181.2 of Article 9 of the Tax Law. The fee shall be allowed as a credit against the tax computed pursuant to section 184 of the Tax Law.

The amendment further provides that these provisions shall not apply to a corporation which does not file its franchise tax report in a timely manner (determined with regard to extensions of time for filing). Accordingly, such corporations which fail to timely file CT-184 will be subject to the franchise tax imposed under the provisions of Article 9-A of the Tax Law.

These amendments apply to all taxable years commencing on or after January 1, 1988.