



# Instructions for Form CT-13

## Unrelated Business Income Tax Return

<b>CT-13-I</b> (6/93)
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### Who Must File Form CT-13

An organization or trust as described in section 511(a)(2) or (b)(2) of the Internal Revenue Code, that is carrying on an unrelated trade or business in New York State must file this return and pay the tax due regardless of the amount of federal gross income from an unrelated trade or business. An unrelated trade or business is one not related to the purposes that exempt an organization from tax under section 501 of the Internal Revenue Code. However, the following organizations are not subject to tax under Article 13 and are not required to file CT-13:

1. Corporations liable for tax under Article 9-A of the Tax Law.
2. Organizations whose sole unrelated trade or business in New York consists of providing commercial type insurance (section 501(m)(2)(A) of the IRC).

### Tax Surcharge Rate

For calendar year 1992 and fiscal years ending in 1993 the tax surcharge rate is 15%.

### When to File

File this form within 4½ months after the end of the reporting period. If you need more time to file, you may request an extension of the filing date by completing and filing Form CT-5 and paying the tax and tax surcharge due on or before the due date of this return. **Exception:** Employee trusts, as described in the IRC, section 401(a), are required to file within 3½ months after the end of the reporting period.

### Change of Business Information

If there have been any changes in your business name, ID number, mailing address, business address, telephone number or owner/officer information, complete the enclosed Form DTF-95, *Change of Business Information*. If there are no changes to your business information, keep this Form DTF-95 in your files. If a change occurs,

complete the form and send it to the Tax Department as soon as possible. If you need a form, call 1 800 462-8100 (from out of state (518) 438-1073) to request one.

Mail your completed Form DTF-95 to: NYS Tax Department, Registration Section, Building 8 Room 409, W A Harriman Campus, Albany NY 12227.

### Principal Unrelated Business Activity

In the box labeled *Principal Unrelated Business Activity*, give the one unrelated business activity that accounts for the largest percentage of total receipts. *Total receipts* are gross receipts and all other income. State the broad field of unrelated business activity as well as the specific product or services (e.g., investments, providing services to or selling products to nonmembers, rental income, etc.).

### Line A

After completing your return, enter the amount of your payment. Your payment should be the full amount shown on line 18.

**Line 4** — Enter income derived from the conduct of games of chance or from the rental of premises for the conduct of games of chance permitted by a license granted under Article 9-A of the General Municipal Law. Games of chance **do not** include bingo or lotto. Also enter income included in federal unrelated business taxable income that is included only because of section 501(m)(2)(A) of the IRC.

**Line 6** — The net operating loss deduction is limited to the lower of either the federal or New York State net operating loss. Your net operating loss may not exceed the deduction allowable for federal tax. A net operating loss deduction cannot be claimed for periods that the taxpayer was not subject to tax under Article 13 of the Tax Law.

### Computation of Tax Surcharge

**Line 12** — Enter 15% (tax surcharge rate) in the box on line 12 and multiply line 11 by that rate.

**Line 14** — If you do not pay the tax and tax surcharge on or before the due date (determined without regard to any extension), you must pay interest on the amount of the underpayment from the due date to the date paid. You may call the Taxpayer Assistance Bureau for the current rate or to have the interest computed for you; from within New York State, call toll free 1 800 CALL TAX (1 800 225-5829); from areas outside New York State, call (518) 438-8581.

**Line 15** — Late filing and late payment penalties.

Additional charges for late filing and late payment are computed on the amount of tax and tax surcharge less any payment made on or before the due date.

- a. If you do not file a return when due or if the application for extension is invalid, add to the tax 5% per month up to 25% (section 1085(a)(1)(A)).
- b. If you do not file a return within 60 days of the due date, the addition to tax cannot be less than the smaller of \$100 or 100% of the amount required to be shown as tax (section 1085(a)(1)(B)).
- c. If you fail to pay the tax shown on a return, add to the balance due, ½% per month up to 25% (section 1085(a)(2)).
- d. The total of the additional charges in **a** and **c** may not exceed 5% for any one month except as provided for in **b** above (section 1085(a)).

If you think you are not liable for these additional charges, attach a statement to your return explaining the delay in filing and/or payment (section 1085).

## Schedule A

**Lines 22 through 35** — Enter the New York State amount in column A and the entire amount in column B.

**Line 22** — The fair market value of any asset is the price (without any encumbrance, whether or not the taxpayer is liable) at which a willing seller will sell and a willing purchaser will buy. Average fair market value is generally computed on a quarterly basis. If your usual accounting practice does not permit computing average fair market value quarterly or more frequently, you may use a semiannual or annual basis if no distortion of average fair market value results.

**Line 23** — Gross rent includes any amount payable as rent or instead of rent, such as taxes and repairs, and the amount of annual amortization of any costs of leasehold improvements made by or on the behalf of the taxpayer. Multiply gross rents, paid or payable during the year covered by the return, by eight to arrive at the amount of gross rents to be included on line 23.

**Lines 24 and 25** — *Tangible personal property* is corporeal personal property, such as machinery, tools, implements, goods, wares, and merchandise. **Do not include** cash, shares of stock, bonds, notes, credits, or evidence of an interest in property and evidence of debt.

**Line 35** — Include only the personal service compensation of employees (other than general executive officers) of the unrelated trade or business.

General executive officers include the chairman, president, vice president, secretary, assistant secretary, treasurer, comptroller, and any other officer charged with the general executive affairs of the corporation. An executive officer whose duties are restricted to territory either in or outside New York State is not a general executive officer.

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