



Instructions for Form CT-13

Unrelated Business Income Tax Return

CT-13-I

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 (IRC), 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 IRC. However, the following organizations are not subject to tax under Article 13 and are not required to file Form 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 State consists of providing commercial type insurance (section 501(m)(2)(A) of the IRC).

Check the box on the front of Form CT-13 if you ceased operating the unrelated business during the tax year covered by this return. If you become liable for the unrelated business income tax during any subsequent tax year, you must resume filing Form CT-13.

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 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. If you are an employee trust, check the box above line A on Form CT-13.

Change of Business Information

If there have been any changes in your business name, identification number, mailing address, business address, telephone number or owner/officer information and you have not previously notified us, complete Form DTF-95, *Change of Business Information*. If you don't have a form, call toll free (from New York State only) 1 800 462-8100. From areas outside the U.S. and Canada, call (518) 485-6800.

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.).

Reporting Period

If you are a calendar year filer, check the box in the upper right corner on the front of the form.

If you are a fiscal year filer, complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

Amended Return

If you are filing an amended return, please write **Amended Return** across the top.

Specific Line Instructions

Whole Dollar Amounts — You may elect to show amounts in whole dollars rather than dollars and cents. Round an amount from 50 cents through 99 cents to the next higher dollar, and round any amount less than 50 cents to the next lower dollar.

Percentages — When computing allocation percentages, convert decimals into percentages by moving the decimal point two spaces to the right. Percentages should be carried out to four decimal places. For example: $5,000/7,500 = .6666666 = 66.6667\%$.

Negative amounts, if any, should be shown in parentheses.

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.

Line 12 — Complete the payment reconciliation on the back of the form and enter the total prepayments of estimated tax from line 40. Include overpayment carryover from the preceding period and any payment made with Form CT-5.

Line 14 — If you do not pay the tax on or before the original due date, not the extended due date, you must pay interest on the amount of the underpayment from the original due date to the date paid.

Line 15 — Late filing and late payment penalties.

Additional charges for late filing and late payment are computed on the amount of tax less any payment made on or before the due date, determined with regard to any extension of time for filing.

- A. If you do not file a return when due or if the application for extension is invalid, add to the tax 5% (.05) per month up to 25% (.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 in item A above 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% (.005) per month up to 25% (.25) (section 1085(a)(2)).
- D. The total of the additional charges in items A and C may not exceed 5% (.05) for any one month except as provided for in item B above (section 1085(a)).

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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).

Note: You may have the interest (line 14) and/or penalty (line 15) computed for you by calling the Business Tax Information Center at the number listed on the bottom of this page.

Line 18 and 19 — Collection of debts from your refund —

We will keep all or part of your refund if you owe a past-due legally enforceable debt to the Internal Revenue Service or a New York State agency. This includes any state department, board, bureau, division, commission, committee, public authority, public benefit corporation, council, office, or other entity performing a governmental or proprietary function for the state or a social services district. Any amount over your debt will be refunded.

If you have any questions about whether you owe a past-due legally enforceable debt to the Internal Revenue Service or a state agency, contact the IRS or that particular state agency.

For New York State tax liabilities **only** call 1 800 835-3554 (outside the U.S. and Canada call (518) 485-6800) or write to NYS TAX DEPARTMENT, TAX COMPLIANCE DIVISION, W A HARRIMAN CAMPUS, ALBANY NY 12227.

Schedule A

Lines 20 through 33 — Enter the New York State amount in column A and the entire amount in column B.

Line 20 — 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 21 — 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 21.

Line 23 — *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 33 — 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 within or outside New York State is not a general executive officer.

Privacy Notification

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions and forms, is found in Articles 8, 9, 9-A, 13, 19, 27, 32, 33 and 33-A of the Tax Law and 42 USC 405(c)(2)(C)(i).

The Tax Department will use this information primarily to determine and administer corporate tax liabilities under the Tax Law, for certain tax refund offsets, and for any other purpose authorized by law.

Failure to provide the required information may result in civil or criminal penalties, or both, under the Tax Law.

This information will be maintained by the Director of the Registration and Data Services Bureau, NYS Tax Department, Building 8 Room 905, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the U.S. and Canada, call (518) 485-6800.

Need Help?

Telephone Assistance is available from 8:30 a.m. to 4:25 p.m., Monday through Friday. **For business tax information and forms**, call the Business Tax Information Center at 1 800 972-1233. **For general information**, call toll free 1 800 225-5829. **To order forms and publications**, call toll free 1 800 462-8100. **From areas outside the U.S. and Canada**, call (518) 485-6800.

Fax-on-Demand Forms Ordering System - Most forms are available by fax 24 hours a day, 7 days a week. Call toll free from the U.S. and Canada 1 800 748-3676. You must use a Touch Tone phone to order by fax. A fax code is used to identify each form.

Internet Access - <http://www.tax.state.ny.us> Access our website for forms, publications, and information.

Hotline for the Hearing and Speech Impaired - If you have access to a telecommunications device for the deaf (TDD), you can get answers to your New York State tax questions by calling toll free from the U.S. and Canada 1 800 634-2110. Assistance is available from 8:30 a.m. to 4:15 p.m., Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

Persons with Disabilities - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the information numbers listed above.

Mailing Address - If you need to write, address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.