



Instructions for Form CT-3M/4M

General Business Corporation MTA Surcharge Return

CT-3M/4M-I

General Information

Who Must File This Form and Pay This Surcharge

A taxpayer filing Form CT-3, CT-3-A or CT-4 under Article 9-A, that does business, employs capital, owns or leases property or maintains an office in the Metropolitan Commuter Transportation District (MCTD) must also file Form CT-3M/4M and pay a metropolitan transportation business tax surcharge on business done in the Metropolitan Transportation Authority region (MTA surcharge). The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

A corporation is not subject to the MTA surcharge if (1) its activities are limited to solicitation of orders, by the corporation's representatives or independent contractors, for sales of tangible personal property, (2) the orders are sent outside the district for approval or rejection, and, (3) the orders, if approved, are filled by shipment or delivery from a point outside the district.

Estimated MTA Surcharge

Any corporation doing business in the MCTD that is required to make a declaration of estimated franchise tax must also make a declaration of estimated MTA surcharge and make quarterly installment payments on Form CT-400, *Estimated Tax for Corporations*. For additional information see the instructions for line 5b and Form CT-400-I.

MTA Surcharge Rate

The MTA surcharge rate is 17% for calendar year 1998 or fiscal years beginning on or after January 1, 1998 and ending before December 31, 1999.

When and Where to File

File this return and pay the amount of MTA surcharge due within 2½ months after the end of your reporting period. If your filing date falls on a Saturday, Sunday, or legal holiday, then you must file your return on or before the next business day.

If you cannot meet the filing deadline, ask for a six-month extension of time by filing Form CT-5 or CT-5.3. Mail your return to: NYS Corporation Tax, Processing Unit, PO Box 1909, Albany, NY 12201-1909.

Private Delivery Services

The date recorded or marked by certain private delivery services, as designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance, will be treated as a postmark, and that date will be considered to be the date of delivery in determining whether your return was filed on time. The private delivery service can tell you how to get written proof of this date. If you use **any** private delivery service, address your return to: **State Processing Center, 431C Broadway, Menands NY 12204.**

The current designated delivery services are:

1. Airborne Express (Airborne):
Overnight Air Express Service
Next Afternoon Service
Second Day Service

2. DHL Worldwide Express (DHL):
DHL Same Day Service
DHL USA Overnight
3. Federal Express (FedEx):
FedEx Priority Overnight
FedEx Standard Overnight
FedEx 2 Day
4. United Parcel Service (UPS):
UPS Next Day Air
UPS Next Day Air Saver
UPS 2nd Day Air
UPS 2nd Day Air A.M.

Extension of Time for Filing MTA Surcharge Return

You may request additional time to file an MTA surcharge return. File Form CT-5 or CT-5.3 on or before the due date of the return for which the extension is requested and pay the MTA surcharge estimated to be due.

Amended Return

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

Employer Identification Number, File Number, and Other Identifying Information

To assist us in processing your corporation tax forms as quickly and efficiently as possible, it is important that we have the necessary identifying information from your preprinted label. **Keep a record of the label information for future use.** Please be certain to include your employer identification number and file number on each corporation tax form mailed. This will facilitate processing of your return to the correct account. Without this information, we may not be able to process your return.

If you use a paid preparer or accounting firm, make sure they use the mailing label information when completing all forms prepared for you.

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 1 800 462-8100. From areas outside the U.S. and Canada, call (518) 485-6800 to request one.

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.

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.

Line A — Make your payment in United States funds. A foreign check or foreign money order will only be accepted if payable through a United States bank or if marked **Payable in U.S. Funds**.

Computation of MTA Surcharge

Line 1

For tax years beginning before July 1, 1998 —

Enter the franchise tax, computed on your return from:

Form CT-3, line 82, or Form CT-3-A, line 84, or
Form CT-4, line 34

For tax years beginning after June 30, 1998, and before July 1, 1999 —

Tax based on entire net income base or capital base —

Enter the amount from:

Form CT-3, line 82, or Form CT-3-A, line 84, or
Form CT-4, line 34

Tax based on minimum taxable income base — Although the tax rate on minimum taxable income is reduced from 3.5% to 3.25%, the MTA surcharge must still be computed as if the tax rate were still 3.5%. If you paid the tax on the minimum taxable income base at the rate of 3.25%, complete the following worksheet.

A taxpayer who files Form CT-4 should complete lines a through c and enter the line c amount on line 1 of Form CT-3M/4M. A taxpayer who files Form CT-3 or Form CT-3-A should complete lines a through f and enter the line f amount on line 1 of Form CT-3M/4M.

a. Enter minimum taxable income from Form CT-3, line 70; CT-4, line 26; or CT-3-A, line 70.....	_____
b. As if rate	_____ .035
c. Multiply line a by line b; enter result here and on line 1 of Form CT-3M/4M if a CT-4 filer....	_____
d. Form CT-3 filers only: Enter tax on subsidiary capital from Form CT-3, line 77	_____
e. Form CT-3-A filers only: Enter fixed dollar minimum tax from Form CT-3-A, lines 83a and 83b and tax on subsidiary capital from CT-3-A, line 76.....	_____
f. Add lines c and d or e and enter total on line 1 of Form CT-3M/4M	_____

Tax based on fixed dollar minimum tax — If your corporation paid the fixed dollar minimum tax of \$100, enter \$325 on line 1. Otherwise, enter the fixed dollar minimum tax originally computed.

Line 2

Complete the appropriate part of Schedule A and enter your MCTD allocation percentage from line 35, line 43, or line 45.

Line 5b

Enter 25% (.25) of the amount on line 4, if:

- you did not file Form CT-5 or CT-5.3, and,
- the franchise tax on Form CT-3, CT-4, or CT-3-A is more than \$1,000.

Enter "0" if:

- you did not file Form CT-5 or CT-5.3, and,
- the franchise tax on Form CT-3, CT-4 or Form CT-3-A is not more than \$1,000.

Line 9

If you underpaid your estimated MTA surcharge, use Form CT-222, *Underpayment of Estimated Tax by a Corporation*, to compute the penalty. Attach Form CT-222, check the box and enter the amount of penalty on this line. If no penalty is due, enter "0".

Line 13

You may divide your overpayment in any way you choose on lines 14, 15, and 16.

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 — Computation of MCTD Allocation Percentage

— If you do all of your New York State business within the 12 counties of the MCTD, enter 100% on line 2. Do not complete Schedule A.

— If you do part of your business outside of the MCTD, but not outside of New York State, compute your MCTD allocation by completing this schedule. Use the same instructions used in Form CT-3-I, *Instructions for Form CT-3*, Schedule A, or CT-3-A-I, *Instructions for Forms CT-3-A, CT-3-A/ATT and CT-3-A/B*, lines 118 through 163 of Form CT-3-A. When reading the instructions, substitute *New York State for Everywhere* and *MCTD for New York State*.

— If you claimed a business allocation percentage on Form CT-3, Schedule A, or CT-3-A, enter the New York State figures from that form in Schedule A, Column B, of Form CT-3M/4M. When reading the instructions, substitute *New York State for Everywhere* and *MCTD for New York State*.

Part I — The MCTD allocation is determined by averaging the percentages of the corporation's property, receipts and wages that apply to the MCTD.

Part II — The MCTD allocation is determined by averaging the percentages of the corporation's arrivals and departures, revenue tons handled and originating revenue that apply to the MCTD.

Part III — The MCTD allocation is determined by dividing the trucking or railroad corporation's total revenue miles within the MCTD by the total revenue miles within New York State. (Exclude nonrevenue miles, such as deadheading miles.)