



Instructions for Forms CT-183 and CT-184

Transportation and Transmission Corporation Franchise Tax Returns

- Specific instructions for Form CT-183 begin on page 3.
- Specific instructions for Form CT-184 begin on page 5.

General instructions

Filing requirements

With the exception of non-local telephone companies, every taxpayer required to file Form CT-183 must also file Form CT-184. Railroad and trucking corporations and telephone companies see details below.

For the purposes of Forms CT-183 and CT-184, the term *corporation* includes an association within the meaning of section 7701(a)(3) of the Internal Revenue Code (IRC) (including a limited liability company), and a publicly traded partnership treated as a corporation for purposes of IRC section 7704. This includes all domestic corporations (those incorporated in New York State), as well as any foreign corporations that are doing business, employing capital, owning or leasing property, or maintaining an office in New York State.

Every corporation, joint-stock company, or association formed for or principally engaged in a transportation or transmission business (such as, canal, ferry, express, navigation, pipeline, transfer, delivery, household moving, or telegraph) must file Forms CT-183 and CT-184.

Filing requirements for railroad and trucking corporations

Article 9, sections 183 and 184 — Railroad and trucking corporations may elect to be taxed under Article 9, sections 183 and 184, by filing Form CT-187 and checking the *Election* box. This election must be made by the due date of the first franchise tax return due under Articles 9, 9-A, or 32 after 1997.

Article 9-A — Railroad and trucking corporations that do not elect to be taxed under Article 9 must file under Article 9-A. New York C corporations must file Form CT-3 or CT-4, and CT-3M/4M if applicable, and New York S corporations must file Form CT-3-S or CT-4-S, within 2½ months after the end of the taxable year. These corporations may also be included on a combined return on Forms CT-3-A or CT-3-S-A.

Final year filing requirements when Article 9 revocations are in effect

Railroad or trucking corporations that have elected to be taxed under Article 9, sections 183 and 184, may make a one-time revocation of this election by filing Form CT-187 and checking the *Revocation* box. The revocation of election must be filed by March 15 of the first year the corporation is not to be taxed under Article 9. Such revocation will be effective as of January 1 of that year. A *Revocation* filed after March 15 will take effect the following January 1. The following filing requirements apply:

Revocation filed on or before March 15, 2000	Revocation filed after March 15, 2000, and before January 1, 2001
Since the tax under section 183 is paid in advance, do not file a Form CT-183 in 2000.	Since the tax under section 183 is paid in advance, file a 1999 Form CT-183 , due on March 15, 2000.
If you are subject to the MTA surcharge, file a 1999 Form CT-183-M, due on March 15, 2000.	If you are subject to the MTA surcharge, file a 1999 Form CT-183-M, due on March 15, 2000.
File a final 1999 Form CT-184 (and if applicable, Form CT-184-M), due on March 15, 2000.	File a 1999 Form CT-184 (and if applicable, Form CT-184-M), due on March 15, 2000.
Do not include a mandatory first installment of estimated tax on your final Form CT-184, CT-184-M, or request for extension, Form CT-5.9.	Include a mandatory first installment of estimated tax on your Form CT-184, CT-184-M, or request for extension, Form CT-5.9.

Filing requirements for telephone businesses

Every corporation, joint-stock company, or association formed for or principally engaged in a telephone business must file Form CT-183, but only those corporations, joint-stock companies, or associations formed for or principally engaged in **local telephone** business must file Form CT-184. *Local telephone business* means the provision or furnishing of telecommunication services for hire where the service consists of carrier access service, or originates and terminates within the same local access and transport area (LATA), or LATA-like Rochester nonassociated independent area (LATA-like area). The *LATAs* and *LATA-like* areas are those areas that were essentially formed and defined under the Modification of Final Judgement in *United States v. Western Electric Company* (Civil Action No. 82-0192) in the United States District Court for the District of Columbia.

Telecommunication services means telephony or telegraphy or any telephone or telegraph service including, but not limited to, any transmission of the following: voice, image, data, information, and paging, through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite, or similar media, or any combination thereof.

Telecommunication services also includes services that are not telecommunication services as such, but are: (1) ancillary to the provision of telephone service (for example, directory information, call forwarding, caller identification, call waiting and supplementary services); and, (2) services (of whatever nature) that are incidental to the provision of telecommunication services. The receipts from equipment provided in connection with the provision of any telecommunication service (for example, equipment such as beepers, telephones, fax machines, and modems) are also subject to tax under section 184.

Telecommunication services does not include separately stated charges for a service that alters the substantive (information) content of the message sent.

Telecommunication services excludes television or radio programming transmitted to subscribers by cable television service.

All telecommunication providers, whether organized in the corporate or individual form (including local telephone service providers) are subject to the excise tax under section 186-e of the Tax Law, *Excise Tax on Telecommunication Services*. Certain telecommunication providers may also be subject to tax under section 186-a on receipts from sales of water, gas, electricity, steam, or refrigeration. (See Form CT-186-E and its instructions for additional details.)

The following corporations are not required to file Forms CT-183 and CT-184:

- Foreign taxicab and omnibus corporations, normally taxable under Article 9-A, that conduct fewer than 12 trips into New York State during the calendar year are taxable under Article 9, section 184, but not under Article 9, section 183, as long as they do not otherwise own or lease property or maintain an office in New York State. These corporations must file Form CT-184-R instead.
- Corporations incorporated in New York State that are **exclusively** engaged in the operation of vessels in foreign commerce between U. S. and foreign ports are exempt from all state and local taxation on their capital stock, franchises, and earnings.
- Ferry companies that operate between any of the boroughs of the city of New York under a lease granted by New York City are exempt from taxation.
- Aviation corporations (including air freight forwarders acting as principal and like indirect air carriers) are subject to tax under Article 9-A and must file Form CT-3 or CT-4. See TSB-M-89(10)C.
- Any corporation which is an organization defined by section 186-e(b)(3) of the Tax Law, and which is principally engaged in providing telecommunication services for the purpose of air safety and navigation, is not subject to tax under section 184.

Use **Form CT-183** to report and pay the franchise tax required by Article 9, section 183. This is an annual tax based on the corporation's allocated capital stock, or a minimum tax of \$75.

Use **Form CT-184** to report and pay the franchise tax required by Article 9, section 184. This tax is based on the corporation's gross earnings from all New York State sources.

Taxpayers subject to tax under sections 183 and 184 of the Tax Law must file both Form CT-183 and Form CT-184 yearly. Unless excluded above, taxpayers who do not have taxable gross earnings must still file Form CT-184 to show that no tax is due under Article 9, section 184, of the Tax Law.

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*. 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 outside Canada, call (518) 485-6800.

Employer identification number, file number, and other identifying information — For us to process 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 include your employer identification number and file number on each corporation tax form mailed. 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 or label information when completing all forms prepared for you.

When and where to file — The filing period for both forms must be based on a calendar year, regardless of your federal reporting period. This return is due on March 15, following the close of the tax year. If March 15 falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day. Mail to: **NYS Corporation Tax, Processing Unit, PO Box 22038, Albany NY 12201-2038.**

Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return. However, if, at a later date, you need to establish the date you filed your return, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services*. See *Need help?* on booklet back cover of these instructions for information on ordering forms and publications.) If you use **any** private delivery service, whether it is a designated service or not, address your return to: **State Processing Center, 431C Broadway, Albany NY 12204-4836.**

Extension

If you wish to extend the filing deadline, you may request a three-month extension by filing Form CT-5.9 on or before the original due date. An extension of time granted by the Internal Revenue Service (IRS) to file a federal return **does not** extend the date for filing a New York State return. You may make a request for an additional three-month extension of time for filing this return by filing Form CT-5.1.

Amended return

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

Tax basis

Article 9, section 183, of the Tax Law provides for a franchise tax based on the net value of issued capital stock employed in New York State (see Form CT-183, Schedule D).

The net value of issued capital stock may be allocated within and outside New York State. Base the allocation on the gross assets employed in New York State (see Form CT-183, Schedule A).

The franchise tax required by section 183 is the highest of the three taxes computed by the following three methods:

1. Allocated value of issued capital stock multiplied by the tax rate of 1.5 mills (.0015).
2. Allocated value of issued capital stock on which dividends are paid at a rate of 6% or more, multiplied by the tax rate of .375 mills (.000375) for each 1% of dividends paid. Apply a rate of 1.5 mills (.0015) to capital stock on which dividends are not paid, or are paid at a rate of less than 6%.
3. Minimum tax of \$75.

A combination of tax on capital stock using the tax rate of 1.5 mills and the dividend rate as computed in Schedule E is possible, if a corporation has more than one kind of stock (see Form CT-183).

Article 9, section 184, of the Tax Law provides for a tax at the rate of 0.75% of the gross earnings received from business conducted in New York State during the tax year (see Form CT-184). The rate of tax under section 184 for railroad and trucking corporations is 0.6% of gross earnings from all sources within New York State.

A railroad not operated by steam, whose property is leased to another railroad, shall pay only a tax of 4.5% on dividends paid during the tax year that are in excess of 4% of the amount of its capital stock. The tax on gross earnings would not apply.

The tax under Article 9, section 184, does not apply to a foreign railroad, palace car or sleeping car company, or to a navigation, canal, ferry (unless operating between New York City boroughs under a city lease), steamboat, or other corporation operating vessels if the corporation's only activities in New York State are (1) maintaining an office and employing capital, and (2) owning property used exclusively in interstate or foreign commerce.

Maintenance fee — Foreign corporations — A corporation organized outside New York State (a *foreign* corporation) that is authorized to do business in New York State must pay an annual maintenance fee of \$300. Failure to pay the annual maintenance fee or its equivalent in New York State taxes (including state and MTA surcharges) under Article 9 (or Article 9-A or 32) will result in annulment of the authorization to do business in New York State. Payments of corporation taxes (but not a license fee reported on Form CT-240) are credited as payments toward the \$300 annual maintenance fee. If the total of corporation taxes paid for 1999 is more than \$300, the corporation has satisfied the requirement to pay the \$300 annual maintenance fee. If the total of corporation taxes paid for 1999 is less than \$300, enter \$300 on Form CT-183, line 6, and make a payment of \$300 with that form. In addition, on any other Article 9 returns, indicate that a total tax and maintenance fee of \$300 was paid with Form CT-183, and make no remittance of tax with the other returns. Article 9 returns include: CT-183, CT-183-M, CT-184, CT-184-M, CT-184-R, CT-186-A, CT-186-A/M, CT-186-E, CT-186-EZ, CT-186-P, CT-186-P/M, and CT-189.

Foreign corporations must also file a report of license fee. See Form CT-240, *Foreign Corporation License Fee Return*.

Penalty for underpaying estimated tax — Form CT-184

If you can reasonably expect your New York State franchise tax liability on Form CT-184 to exceed \$1,000, you must file a declaration of estimated tax on Form CT-400. We will impose a penalty if you fail to file a declaration of estimated tax or fail to pay the entire installment payment of estimated tax due. For more information, see Form CT-222, *Underpayment of Estimated Tax by a Corporation*.

Late payment — Interest — If you do not pay the tax on or before the original due date (**without** regard to any extension of time for filing), you must pay interest on the amount of the underpayment from the original due date of the return to the date the tax is paid. Exclude from the interest computation any amount shown as the first installment of estimated tax for next period.

Late filing and late payment — Additional charges

Compute additional charges for late filing and late payment on the amount of tax, minus any payment made on or before the due date (**with** regard to any extension of time for filing). Exclude from the penalty computation any amount shown as the first installment of estimated tax.

- A. If you do not file a return when due, or if your request 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 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 do not pay the tax shown on a return, add to the tax $\frac{1}{2}\%$ per month up to 25% (section 1085(a)(2)).
- D. The total of the additional charges in items A and C above may not exceed 5% for any one month, except as provided for in item 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 or payment (section 1085).

Note: If you wish, we will compute the interest and penalty for you. Call the Business Tax Information Center at 1 800 972-1233.

Penalty for failure to provide information relating to the issuer's allocation percentage — Section 1085(o) of the Tax Law provides for a penalty of \$500 for failure to provide information needed to compute your issuer's allocation percentage (Form CT-183, Schedule A).

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 IRS or to 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 for a social services district. We will refund any amount over your debt.

If you have any questions about whether you owe a past-due legally enforceable debt to the IRS or to 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 outside Canada call (518) 485-6800), or write to NYS Tax Department, Tax Compliance Division, W A Harriman Campus, Albany NY 12227.

Final return

Check the *Final return* box on the front page of the return, under the form number, only if filing a final tax return for one of the following reasons:

- Voluntary dissolution of a New York corporation (New York Business Corporation Law, section 1001-1003)
- Surrender of authority by a foreign corporation (New York Business Corporation Law, section 1310)
- Merger or consolidation (New York Business Corporation Law, sections 904, 904-a, 905, and 907)
- Disposition of assets of a New York corporation (New York Business Corporation Law, section 909(d))
- Termination of existence of a foreign corporation (New York Business Corporation Law, section 1311)
- Liquidation under Internal Revenue Code (IRC sections 332, 333, 334, and 337).

See the *Voluntary dissolution and surrender of authority and liability for taxes and fees* section of these instructions, and also Publication 110, *Information and Instructions for Termination of Business Corporations*, for the proper procedures to follow in terminating your business.

In the case of a merger or consolidation, only the non-surviving corporation uses the *Final return* check box.

The return will be treated as a final return if your business is terminated with the Department of State, and the return covers the tax period from the last return filed to the date of termination.

Foreign authorized corporations: refer to Form CT-245 if you are disclaiming tax liability but want to continue to be authorized to do business in New York State.

Do not check the *Final return* box if you are only changing the type of return that you file (for example, changing from CT-183 and CT-184 to CT-3).

If you have terminated business since March 1999, do not file a final CT-183. The tax under section 183 is paid in advance.

Voluntary dissolution and surrender of authority and liability for taxes and fees

A domestic corporation (incorporated in New York State) is generally liable for corporate franchise taxes for each fiscal or calendar year, or part thereof, during which it is incorporated, regardless of whether it carries on any activity. For example, a person who intends to go into business organizes a new corporation under the New York Business Corporation Law for the purpose of operating the new business as a corporation. However, the business is never started and the corporation never conducts any business. Under such circumstances, the corporation would usually be liable for franchise taxes for each taxable year until it is formally dissolved with the Department of State. A foreign corporation (incorporated outside New York State) is liable for franchise taxes during the period in which it does business, employs capital, owns or leases property, or maintains an office in New York State. In addition, a foreign corporation that is authorized to do business in New York State is also liable for payments of its annual maintenance fee until such time as it surrenders to the Department of State its authority to do business, regardless of whether it does business, employs capital, owns or leases property, or maintains an office in the state. You may take the maintenance fee as a credit against the franchise tax.

The procedure for obtaining a voluntary dissolution or surrender of authority and the forms that are required to be filed with this department are set forth in Publication 110. You can request this publication by calling the Business Tax Information Center at 1 800 972-1233.

Data entry conventions

Whole dollar amounts — You may elect to show amounts in whole dollars rather than dollars and cents. Round any 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. Carry percentages out to four decimal places. For example: $5,000/7,500 = .6666666 = 66.6667\%$.

Negative amounts — Show any negative amounts in parentheses.

NAICS business code number — Enter the six-digit NAICS business activity code number from your federal return.

Instructions for Form CT-183

Metropolitan transportation business tax (MTA surcharge) — Any corporation taxable under Article 9, section 183, that does business, employs capital, owns or leases property, or maintains an office in the Metropolitan Commuter Transportation District (MCTD) must file Form CT-183-M 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.

If you do not do business in the MCTD, disclaim liability for the MTA surcharge by answering *No* to the question above line A.

Tax computation

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

Line 5 — Check the appropriate box(es) and enter the total amount of tax credits claimed on the following forms (attach the form(s) to your return):

Form CT-40, *Claim for Alternative Fuels Credit*

Form CT-41, *Claim for Credit for Employment of Persons with Disabilities*

Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*

These credits may not reduce your tax below the minimum tax, or, if you are an authorized foreign corporation, they may not reduce your tax below the \$300 maintenance fee.

You may apply any unused credit that remains after applying the credit to your franchise tax against the tax due under section 184 (Form CT-184) or you may carry it forward.

Line 6 — Foreign authorized corporations only: If the total due with your franchise tax returns, CT-183, CT-183-M, CT-184, CT-184-M, CT-184-R, CT-186-E, CT-186-EZ, CT-186-P, CT-186-P/M, CT-186-A, and CT-186-A/M for December 31, 1999, is less than \$300, add the difference to the tax due on this form and enter the total (\$300) on this line. Attach the computation.

Example:

Form CT-183, Minimum tax, 12/31/99	\$ 75
Form CT-184, Tax for 12/31/99	125
MTA surcharge for Forms CT-183-M and CT-184-M	34
Total	234
Maintenance fee for 1999	\$ 300

Enter \$300 on Form CT-183, line 6.

Lines 9 and 10 — If you are not filing this return on time, you must pay interest and additional charges (see *Late payment — Interest and late filing and late payment — Additional charges* on pages 2 and 3).

Schedule A — Allocation percentage/issuers' allocation percentage

Part I — General transportation and transmission corporations

Line 17 — Accounts receivable are considered located where controlled.

Line 18 — If the assets of any company whose stock is owned by this corporation are employed both within and outside New York State, you may apportion your holdings on the basis of percentage of employment by the issuer of the stock.

Line 19 — Bonds, loans, and other securities are considered located where employed.

Line 22 — Enter the value of all other assets located in New York State that are reflected on the taxpayer's federal 1999 balance sheet, except the value of vehicles. Determine the value of vehicles allocated to New York State (Column A) by multiplying the mileage percentage from Form CT-184, line 21, by the total value of the vehicles.

Line 23 — Add lines 17 through 22. The column B total must equal the amount of gross assets shown on the balance sheet of your 1999 federal return, except for cash and investments in United States obligations.

Part II — Corporations operating vessels not exclusively engaged in foreign commerce

Line 25 — *Working days* are days during which a vessel is sufficiently staffed for the transportation of persons or cargo, or when it has cargo aboard. Compute for each vessel the working time in New York territorial waters and the working time everywhere in hours and minutes. At the end of the year, total the time for all vessels, and convert to days. Instead of records indicating actual time in New York territorial waters, you may compute time from records showing when vessels passed the Ambrose Light Station on the way in and out of port.

Schedules B and C — Information required in these two schedules must be the same information that appears on the balance sheet of your federal return. Attach a copy of your federal return.

Schedule D — Computation of tax based on the net value of issued capital stock

Tax based on net value as shown on the federal balance sheet is the largest of the three taxes, computed by the following three methods of valuing stock:

1. Total number of shares of stock outstanding as of December 31, 1999, multiplied by the net value per share of stock outstanding as of December 31, 1999, but not less than \$5 per share (lines 47 through 49)

2. Total number of shares of stock outstanding as of December 31, 1999, multiplied by the average price at which they were sold during the year (lines 50 through 52)
3. The difference between the corporation's assets and liabilities (lines 53 through 55)

Schedule E — Computation of tax if dividend rate is 6% or more on some or all classes of capital stock

Part I, Column B

Compute the value of each class of par value stock by multiplying the par value by the number of shares of such stock issued and outstanding as of December 31, 1999. Do not include any additional paid-in capital, premium, or discount on the issuance of par value stock, or any capital arising from appreciation of assets, amounts not contributed by the stockholder, or retained earnings.

Compute the value of each class of stock without nominal or par value by multiplying the amount paid for the no par value stock, including any additional paid-in capital, premium, or discount on the issuance of the stock, by the number of shares issued and outstanding as of December 31, 1999. Do not include any capital arising from appreciation of assets, amounts not contributed by the stockholder, or retained earnings.

Part II — Tax computation

If you paid a 6% or more dividend on all classes of issued capital stock, you need not complete lines 70 through 74.

If you did not pay a 6% dividend on all classes of stock, compute a tax on the dividend based on the value of the stock on which the dividend of 6% or more was paid plus a tax, at the capital-stock rate, on the remaining value of all capital stock.

The remaining value of all capital stock depends on which class of capital stock the dividend was paid. If the dividend was paid on preferred stock, the remaining value of all capital stock is retained earnings plus common stock. If the dividend was paid on common stock, the remaining value of all capital stock is preferred stock. Retained earnings are normally associated with common stock. The following examples show how the dividend rates and remaining value of capital are computed:

Example 1: Dividend paid on preferred stock

Par value of common stock	\$10,000	
Par value of preferred stock	50,000	
Retained earnings	80,000	
Dividend paid on preferred stock	3,300	
Dividend rate (\$3,300 ÷ \$50,000)	6.6%	
6.6 × .000375 (tax rate of 3/8 mill)	.002475	
Tax (\$50,000 × .002475)		\$123.75
Remaining value of issued capital stock (common stock plus retained earnings: \$90,000 × .0015)		<u>135.00</u>
Total tax		<u>\$258.75</u>

Example 2: Dividend paid on common stock

Par value of common stock	\$10,000	
Par value of preferred stock	50,000	
Retained earnings	80,000	
Dividend paid on common stock	3,000	
Dividend rate (\$3,000 ÷ \$10,000)	30%	
30 × .000375 (tax rate of 3/8 mill)	.01125	
Tax (\$10,000 × .01125)		\$112.50
Remaining value of issued capital stock (preferred stock only; \$50,000 × .0015)		<u>75.00</u>
Total tax		<u>\$187.50</u>

Parts III and IV

Corporations operating vessels not exclusively engaged in foreign commerce must compute the dividend rate on paid-in capital for all classes of stock. This includes all amounts paid for the stock. It does not include capital from appreciation of assets, amounts not contributed by the stockholder, or retained earnings.

Instructions for Form CT-184

All transportation and transmission corporations and associations subject to tax under Article 9, section 184, must file Form CT-184 and pay the tax due on gross earnings or dividends, whichever is appropriate.

All transportation and transmission corporations and associations must file Form CT-184 even if no tax is due. Enter zeros where appropriate on lines 1 through 14 and file the signed return with Form CT-183.

Metropolitan transportation business tax (MTA surcharge) — Any corporation taxable under Article 9, section 184, that does business, employs capital, owns or leases property, or maintains an office in the Metropolitan Commuter Transportation District (MCTD) must file Form CT-184-M 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.

Answer the questions on Form CT-184, page 1. If you do not do business in the MCTD, disclaim liability for the MTA surcharge by answering *No* to the second question.

Tax computation

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

Line 2 — Corporations principally engaged in railroad or trucking activities (or a combination of both) enter .006. All other corporations subject to section 184 enter .0075.

Line 5 — Check the appropriate box(es) and enter the total amount of tax credits claimed on the following forms (attach the form(s) to your return):

- Form CT-40, *Claim for Alternative Fuels Credit*
- Form CT-41, *Claim for Credit for Employment of Persons with Disabilities*
- Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*

These credits may not reduce your tax below the minimum tax or, if you are an authorized foreign corporation, they may not reduce your tax below the \$300 maintenance fee.

You may apply any unused credit that remains after applying the credit to your franchise tax against the tax due under section 183 (Form CT-183), or you may carry it forward.

Line 8 — Foreign authorized corporations only: if the total tax due with your 1999 franchise tax returns Forms CT-183, CT-183-M, CT-184, CT-184-M, CT-184-R, CT-186-E, CT-186-EZ, CT-186-P, CT-186-P/M, CT-186-A, and CT-186-A/M is less than \$300, see instructions for Form CT-183, line 6.

Line 12 — Interest — see *Late payment* — *Interest* information on page 2. Compute on amount from line 10 minus line 7a or 7b.

Line 13 — See *Late filing and late payment* — *Additional charges* on page 2. Compute on amount from line 10 minus line 7a or 7b.

Schedule A — Mileage allocation — Transportation over the road or through pipelines

Taxpayers subject to tax under section 184, except telephone and telegraph corporations, must allocate gross earnings on Schedule A. If no allocation is claimed, enter 100% on line 21.

Transportation over roads — The mileage allocation is a percentage based on the number of revenue miles traveled within New York State compared to the total revenue miles traveled everywhere (do not include nonrevenue miles, such as deadheading).

Pipeline corporations — For pipelines, *mileage* means miles of transportation units performed within and outside New York State. For natural gas pipelines a *transportation unit* is the transportation of one cubic foot of gas over a distance of one mile (see TSB-M-82(11)C).

Schedule B1 — Corporations principally engaged in local telephone business

Line 22 — Enter gross revenue from all telephone services, including receipts of cash, credits, and property of any kind or nature, without any deductions for the cost of property sold, the cost of materials used, labor, services, or other costs, interest, or discount paid, or any other expense. Examples of telephone services receipts include the following:

- All charges for carrier access services provided in New York State.
- Local services receipts from subscriber's stations, public telephones, service stations, local private lines, and other local service receipts.
- Intrastate toll service receipts, toll private line services, and other toll service receipts for calls that originate and terminate in New York State, and any other telephone receipts, including receipts from the transmission of voice, data, image, information, and paging, where the transmission originates and terminates in New York State.
- Interstate and international toll service receipts, toll private line services, and other toll service receipts for calls that originate or terminate in New York State, and any other telephone receipts, including receipts from the transmission of voice, data, image, information, and paging, where the transmission originates or terminates in New York State.
- Receipts from services that are ancillary to the provision of telecommunication services, such as directory information, call forwarding, caller identification, call waiting, and supplementary services provided in New York State.
- Receipts from equipment provided in connection with the provision of any telecommunication service in New York State.
- Receipts from incidental services provided in connection with any telecommunication service provided in New York State.

Gross operating revenue from telephone services does not include taxes imposed by New York State or its municipalities or the federal government, where the taxpayer is collecting the taxes for the taxing authority (for example, state and local sales taxes or federal excise taxes).

Schedule B2 — Allocation of gross operating revenue from telegraph corporations

Telegraph companies that sell or furnish telegraph transmission services in New York State must complete Schedule B2 and compute gross operating revenue.

Gross operating revenue includes the following:

- intrastate gross operating revenue,
- interstate gross operating revenue allocated to New York State, and
- foreign gross operating revenue allocated to New York State.

Intrastate gross operating revenue includes receipts from the sale or furnishing of intrastate telegraph services.

Compute interstate and foreign gross operating revenue allocated to New York State by using either the accounting rule method or the formula rule method. Interstate and foreign gross operating revenue includes revenues (that is, receipts) allocated to New York State from the sale or furnishing of interstate and foreign telegraph services.

In determining gross operating revenue, receipts include cash, credits, and property of any kind or nature, without any deductions for the cost of property sold, the cost of materials used, labor, services, or other costs, interest or discount paid, or any other expense.

Gross operating revenue from telegraph services includes receipts such as the following:

- Miscellaneous receipts from commissions, rent receipts, general service receipts, license receipts, and other miscellaneous receipts.
- Any other transmission receipts.

Deductions allowed from receipts comprising gross operating revenue include uncollectible accounts, as well as taxes imposed by New York State or its municipalities or the federal government, where the taxpayer is merely a collecting agency for the taxing authority (for example, state and local sales taxes, or federal excise taxes).

Line 26 — Enter 100% of receipts that comprise intrastate gross operating revenue from telegraph services wholly within New York State. If you employ a Uniform System of Accounts as prescribed for

federal or state regulatory purposes, enter the amount of receipts that comprise gross operating revenue as reflected in these accounts.

Lines 27 and 28 — Use the accounting rule method to allocate interstate and foreign gross operating revenue if you employ a Uniform System of Accounts as prescribed for federal or state regulatory purposes, and these accounts reflect the amount of gross operating revenue from interstate and foreign services attributable to New York State. Enter the amount of receipts that comprise interstate and foreign gross operating revenue from those accounts.

Formula rule allocation method

Lines 30-37 — Use the formula rule method to allocate interstate and foreign gross operating revenue if you do not employ a Uniform System of Accounts as prescribed for federal or state regulatory purposes, or if the accounting rule method does not properly reflect the amount of gross operating revenue from interstate and foreign transmission services attributable to New York State.

Line 30 — Enter the average values of real property you owned and used in connection with interstate or foreign telegraph services. In column A, enter the average value of property physically located in New York State. In column B, enter the average value of all property wherever located. *Average value* is the cost of real property without allowance for depreciation or amortization. It is generally computed on a quarterly basis, but you may use a more frequent basis such as monthly, weekly, or daily. The same method of valuation must be used for real property within New York State and everywhere.

Line 31 — Enter the average value of real property rented to you that you used in connection with interstate or foreign telegraph services. In column A, enter the average value of property physically located in New York State. In column B, enter the average value of all property wherever located. Determine the average value of real property rented to you by multiplying gross rents payable during the period covered by this return by eight. *Gross rents* include any amount payable as rent or in lieu of rent, such as interest, insurance, taxes, and repairs, plus amortization of leasehold improvements that revert to the lessor at the termination of the lease.

Line 32 — Enter the average value of tangible personal property you owned that you used in connection with interstate or foreign telegraph services. In column A, enter the average value of property physically located in New York State. In column B, enter the average value of all property wherever located. *Tangible personal property* is physical personal property, such as machinery, tools, implements, goods, wares, and merchandise. It does not include money, deposits in banks, shares of stock, bonds, notes, credits, or evidences of an interest in property or debt, or intangible assets. *Average value* is the cost of tangible personal property without allowance for depreciation or amortization. It is generally computed on a quarterly basis, but you may use a more frequent basis such as monthly, weekly, or daily. Use the same method of valuation for tangible personal property both within New York State and everywhere.

Line 33 — Enter the average value of tangible personal property rented to you that you used in connection with interstate or foreign telegraph services. In column A, enter the average value of property physically located in New York State. In column B, enter the average value of all property wherever located. Determine the average value of tangible personal property rented to you by multiplying gross rents payable during the period covered by this return by eight. See line 31 instructions for definition of *gross rents*.

Line 34 — Enter the average value of intangible assets owned within New York State and everywhere that are used in connection with interstate or foreign telegraph services. *Intangible assets* include, but are not limited to, such items as patents, franchises, and copyrights. *Average value* is the cost of intangible assets without allowance for depreciation or amortization. It is generally computed on a quarterly basis, but you may use a more frequent basis such as monthly, weekly, or daily. However, you must use the same method of valuation for intangible assets within New York State and everywhere. Determine intangible assets to be within or outside New York State by allocating them to the commercial domicile of the taxpayer.

Line 35 — Enter the average value of extraterrestrial property within New York State and everywhere that is used in connection with interstate or foreign telegraph services. *Extraterrestrial property* refers

to property such as communication satellites whether owned, rented, or leased. *Average value* is the cost without allowance for depreciation or amortization or, if rented, the gross rental times eight. To determine the average value of extraterrestrial property within New York State, multiply the average value of extraterrestrial property everywhere by a percentage determined as follows:

Average value of satellite repeater facilities, earth stations, or other satellite communication facilities within New York State used in connection with interstate or foreign transmission services

divided by

Average value of satellite repeater facilities, earth stations, or other satellite communication facilities everywhere used in connection with interstate or foreign transmission services.

Line 38 — Enter the amount of receipts that comprise gross operating revenue from interstate telegraph transmission services, and multiply by the formula rule allocation percentage from line 37.

Line 39 — Enter the amount of receipts that comprise gross operating income from foreign telegraph transmission services, and multiply by the formula rule allocation percentage from line 37.

Schedule C — Tax computation based on gross earnings from business in New York State

Line 43 — Enter total gross receipts earned from trucking services everywhere, and multiply by the mileage allocation percentage computed on line 21. Cost of materials subsequently resold to customers may be deducted from gross receipts.

Line 44 — Enter total gross receipts earned from pipeline operations everywhere, and multiply by the allocation percentage computed on line 21.

Line 45 — Enter total gross receipts earned from messenger services everywhere, and multiply by the mileage allocation percentage computed on line 21.

Line 48 — Enter gross receipts from water transportation business both originating and terminating within New York State. Allocate receipts from business beginning and ending in New York State but passing through another state or country (loop traffic). To allocate, multiply revenue from water transportation by a percentage, where the numerator is miles in New York State, and the denominator is miles everywhere. Attach your computation.

Line 49 — Enter gross receipts from railroad transportation business both originating and terminating within New York State. Allocate receipts from business beginning and ending in New York State but passing through another state or country (loop traffic). To allocate, multiply revenue from railroad transportation by a percentage, where the numerator is miles in New York State, and the denominator is miles everywhere. Attach your computation.

Line 50 — Enter rental income received from use of real or tangible personal property within New York State. If tangible personal property is rented in New York State but used outside the state, include the rental income as gross earnings in New York State.

Line 51 — Enter the amount of interest and dividends received from investments in other corporations and interest-bearing cash accounts. Allocate the interest and dividends to the home office where the item is held, managed, and controlled.

Line 52 — Compute the profit on the sale or exchange of real and personal property on the basis of the original cost minus any expenses incurred in making the sale (such as, advertising), not book value. Gain is allocated based on where the property is located or used.

Line 53 — Enter the gains from the sale or exchange of United States and New York State government securities. Compute gain on the basis of original cost. You may deduct brokerage expenses. You **may not** reduce capital gains by capital losses. You may not use capital losses to reduce other receipts. Allocate gains to the domiciliary office unless the security is held, managed, and controlled by an office outside the domiciliary state.

Line 54 — Include on this line gross receipts from all other sources within New York State, including gross receipts received by freight forwarders. Attach a statement showing the method of allocation.

Need help?



Telephone assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.

For business tax information, call the New York State Business Tax

Information Center: 1 800 972-1233

For general information: 1 800 225-5829

To order forms and publications: 1 800 462-8100

From areas outside the U.S. and outside Canada: (518) 485-6800



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Internet access: <http://www.tax.state.ny.us>



Hotline for the hearing and speech impaired:

1 800 634-2110 from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (TDD), check with independent living centers or community action programs to find out where machines are available for public use.



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If you need to write, address your letter to:

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TAXPAYER ASSISTANCE BUREAU
TAXPAYER CORRESPONDENCE
W A HARRIMAN CAMPUS
ALBANY NY 12227

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If there have been any changes in your owner/officer information or in your business name, identification number, mailing address, business address, or telephone number, and you have not previously notified us, complete Form DTF-95, *Change of Business Information*, enclosed in this packet. For additional forms and publications, call toll free 1 800 462-8100. From areas outside the U.S. and outside Canada, call (518) 485-6800.

If you have any questions about this packet, see *Need help?* on the back page, or write to:

**NYS TAX DEPARTMENT
TAXPAYER ASSISTANCE BUREAU
W A HARRIMAN CAMPUS
ALBANY NY 12227**

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The Taxpayer Bill of Rights requires, in part, that the Tax Department advise you, in writing, of your rights and obligations during an audit, when appealing a Tax Department decision, and when your appeal rights have been exhausted and you need to understand the Tax Department's enforcement capabilities. For a complete copy of the information contained in all of these statements, see Publication 131, *Your Rights and Obligations Under the Tax Law*. For a copy, call toll free 1 800 462-8100. From areas outside the U.S. and outside Canada, call (518) 485-6800.