



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.

Qualified homeowners associations should refer to TSB-M-00(2)C for information about the MTA surcharge.

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 2001 or for fiscal years beginning on or after January 1, 2001, and ending before December 31, 2002.

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. Mail your return to: NYS Corporation Tax, Processing Unit, PO Box 1909, Albany NY 12201-1909.

Private delivery services — See page 4 of Form CT-3/4-I or page 4 of Form CT-3-A-I.

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 you are requesting the extension, and pay the MTA surcharge you estimate 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 — For us to process your corporation tax forms, it is important that we have the necessary identifying information. You will find your employer identification number and file number just above your printed corporation tax name and address. Keep a record of that information and include it on each corporation tax form mailed.

If you use a paid preparer or accounting firm, make sure they use your complete and accurate information when completing all forms.

Line instructions

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. 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**.

Computation of MTA surcharge

Line 1 — Although the tax rates for the general corporate business tax are reduced this year, and will continue to fall in subsequent years, the MTA tax surcharge must be computed without regard to that reduction.

To determine the amount to enter on line 1, find the **first condition** below that applies to you, and follow the instructions indicated for that condition. For example, if the amounts on Form CT-3, lines 71, 74, and 82 are all \$100, then your situation would be described in **both** conditions 1 and 2. In that event you would follow the instructions for the first condition satisfied, in this case condition 1, and ignore the instructions for condition 2.

* **Short period returns:** In the instructions below, if your taxable period is 6 months or less, in place of **\$325** read **\$162.50**. If your taxable period is more than 6 months but not more than 9 months, in place of **\$325** read **\$243.75**.

Condition	Instructions
1. The tax on the minimum taxable income base equals the tax due. CT-3 Line 71 = Line 82 CT-3-A Line 71 = Line 81 CT-4 Line 27 = Line 34	Complete Condition 1 worksheet.
2. The fixed dollar minimum tax equals the tax due. CT-3 Line 74 = Line 82 CT-3-A Line 74 = Line 81 CT-4 Line 30 = Line 34	CT-3 and CT-4 filers: enter on line 1 of Form CT-3M/4M the larger of \$325* or the amount from Form CT-3, line 82, or Form CT-4, line 34. CT-3-A filers: follow instructions for condition 6 below.
3. The tax on the capital base equals the largest tax before credits. CT-3 Line 73 = Line 75 CT-3-A Line 73 = Line 75 CT-4 Line 29 = Line 34	Enter on line 1 of Form CT-3M/4M the larger of \$325* or the amount from Form CT-3, line 82, or Form CT-4, line 34. CT-3-A filers: complete Condition 3 worksheet.
4. The tax on the minimum taxable income base equals the largest tax before credits. CT-3 Line 71 = Line 75 CT-3-A Line 71 = Line 75	Complete Condition 4 worksheet.
5. The tax on the entire net income base equals the largest tax before credits. CT-3 Line 72 = Line 75 CT-3-A Line 72 = Line 75 CT-4 Line 28 = Line 34	Complete Condition 5 worksheet.
6. The fixed dollar minimum tax is the largest tax before credits. CT-3 Line 74 = Line 75 CT-3-A Line 74 = Line 75	If the amount on Form CT-3, line 74 is \$325* or more, enter on line 1 of Form CT-3M/4M the amount from Form CT-3, line 82. If the amount on Form CT-3-A, line 74, is \$325* or more and the amount on line 83b includes \$325* or more for each included subsidiary, then enter on line 1 of Form CT-3M/4M the amount on Form CT-3-A, line 84. Otherwise complete Condition 6 worksheet.

Condition 1 worksheet

A	Enter minimum taxable income from Form CT-3, line 70; CT-3-A, line 70; or CT-4, line 26	_____
B	Rate	<u>.035</u>
C	Multiply line A by line B; enter the larger of this result or \$325*	_____
D	Form CT-3-A filers only: enter the sum of lines 83a and 83b from Form CT-3-A (fixed dollar minimum tax for subsidiaries). However, if the fixed dollar minimum tax for any subsidiary included on line 83b is less than \$325*, recompute line 83b as if the fixed dollar minimum tax for that subsidiary were \$325*	_____
E	Add lines C and D; enter the result here and on line 1 of CT-3M/4M	_____

Condition 3 worksheet (CT-3-A filers only)

A	Enter the larger of \$325* or the amount from Form CT-3-A, line 73	_____
B	Enter the tax on subsidiary capital from Form CT-3-A, line 76	_____
C	Enter the sum of lines 83a and 83b from Form CT-3-A (fixed dollar minimum tax for subsidiaries). However, if the fixed dollar minimum tax for any subsidiary included on line 83b is less than \$325*, recompute line 83b as if the fixed dollar minimum tax for that subsidiary were \$325*	_____
D	Add lines A, B, and C	_____
E	Enter tax credits from Form CT-3-A, line 78	_____
F	Subtract line E from line D; enter the result here and on line 1 of Form CT-3M/4M	_____

Condition 4 worksheet

If you are filing Form CT-4, do not complete this worksheet.

- A Enter minimum taxable income from Form CT-3, line 70, or CT-3-A, line 70
- B Rate035
- C Multiply line A by line B; enter the larger of this result or \$325*
- D Enter tax on subsidiary capital from Form CT-3, line 77, or Form CT-3-A, line 76
- E **Form CT-3-A filers only:** Enter the sum of lines 83a and 83b from Form CT-3-A (fixed dollar minimum tax for subsidiaries). However, if the fixed dollar minimum tax for any subsidiary included on line 83b is less than \$325*, recompute line 83b as if the fixed dollar minimum tax for that subsidiary were \$325*
- F Add lines C, D, and E
- G Enter tax credits from Form CT-3, line 79, or Form CT-3-A, line 78
- H Subtract line G from line F; enter the result here and on line 1 of Form CT-3M/4M

Condition 5 worksheet

- A Enter entire net income base from Form CT-3, line 24; CT-4, line 11; or CT-3-A, line 24
- B If you are not a qualified small business taxpayer, multiply line A by 9% and enter the larger of this result or \$325*
- C If you are a qualified small business taxpayer and line A is \$200,000 or less, multiply line A by 8% and enter the larger of this result or \$325*
- D If you are a qualified small business taxpayer and line A is more than \$200,000 but not more than \$290,000, enter the line A amount below:
 Line A amount
 Subtract 200,000 at 8% = 16,000 (1)
 Balance multiply by .09 = (2)
 Subtract 50,000
 Balance, if any .. multiply by .05 = (3)
 Add lines (1), (2), and (3) and enter the result here
- E Enter tax on subsidiary capital from Form CT-3, line 77, or Form CT-3-A, line 76
- F **Form CT-3-A filers only:** enter the sum of lines 83a and 83b from Form CT-3-A (fixed dollar minimum tax for subsidiaries). However, if the fixed dollar minimum tax for any subsidiary included on line 83b is less than \$325*, recompute line 83b as if the fixed dollar minimum tax for that subsidiary were \$325*
- G Add lines B through F
- H Enter tax credits from Form CT-3, line 79, or Form CT-3-A, line 78
- I Subtract line H from line G; enter the result here and on line 1 of Form CT-3M/4M

Condition 6 worksheet

If you are filing Form CT-4, do not complete this worksheet.

- A Enter the greater of \$325* or the amount from Form CT-3, line 74, or Form CT-3-A, line 74
- B Enter the tax on subsidiary capital from Form CT-3, line 77, or Form CT-3-A, line 76
- C **CT-3-A filers only:** enter the sum of lines 83a and 83b from Form CT-3-A (fixed dollar minimum tax for subsidiaries). However, if the fixed dollar minimum tax for any subsidiary included on line 83b is less than \$325*, recompute line 83b as if the fixed dollar minimum tax for that subsidiary were \$325*
- D Add lines A, B, and C
- E Enter tax credits from Form CT-3, line 79, or Form CT-3-A, line 78
- F Subtract line E from line D; enter the result here and on line 1 of Form CT-3M/4M

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 from 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 (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.

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-3/4-I, *Instructions for Forms CT-3, CT-3-ATT, and CT-4*, Schedule A, or CT-3-A-I, *Instructions for Forms CT-3-A, CT-3-A/ATT, and CT-3-A/B*, lines 118a 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 are an aviation corporation, you must compute your MCTD allocation percentage without regard to the 40% reduction of the revenue aircraft arrivals and departures, revenue tons handled, and originating revenue attributable to New York State. With the exception of the 40% reduction, use the same instructions used in Form CT-3/4-I, *Instructions for Forms CT-3, CT-3-ATT, and CT-4*, Schedule A Part I, or CT-3-A-I, *Instructions for Forms CT-3-A, CT-3-A/ATT, and CT-3-A/B*, lines 118a through 128 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 Form 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 — Determine the MCTD allocation by averaging the percentages of the corporation's property, receipts, and wages that apply to the MCTD.

Part II — Determine the MCTD allocation by averaging the percentage of the aviation corporation's revenue aircraft arrivals and departures, revenue tons handled, and originating revenue that apply to the MCTD. Include 100% of your New York State amounts, before the 40% reduction, from Form CT-3, lines 112a, 114a, and 116a, or CT-3A, column E, lines 118a, 121a, and 124a, and enter these amounts on the corresponding lines in Schedule A, Part II, column B of form CT-3M/4M.

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