



Instructions for Form MTA-5

Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher



Did you know? You can pay your estimated metropolitan commuter transportation mobility tax (MCTMT) electronically on our Web site with a debit from your checking or savings account. Visit us on the Web at www.nystax.gov to pay your estimated tax electronically.

General information

Beginning January 1, 2009, the MCTMT is imposed on self-employed individuals engaging in business within the Metropolitan Commuter Transportation District (MCTD). The MCTD consists of New York City (the counties of New York (Manhattan), Bronx, Kings (Brooklyn), Queens, and Richmond (Staten Island)) as well as the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester.

The MCTMT is imposed at a rate of .34% (.0034) of an individual's net earnings from self-employment allocated to the MCTD. For tax year 2009, an individual's MCTMT liability is based on ten-twelfths of his or her net earnings from self-employment allocated to the MCTD.

Self-employed individuals who are subject to the MCTMT make estimated tax payments online or by filing Form MTA-5 with their payments, and must file an annual return online or by filing Form MTA-6, *Metropolitan Commuter Transportation Mobility Tax Return*.

Who must make estimated MCTMT payments

Generally, if you are a self-employed individual (including partners or members in partnerships, limited liability partnerships (LLPs) that are treated as partnerships, and limited liability companies (LLCs) that are treated as partnerships), you must make estimated MCTMT payments if you expect to owe **any** MCTMT for the tax year after subtracting any estimated MCTMT paid on your behalf by a partnership. However, if your net earnings from self-employment allocated to the MCTD are \$10,000 or less for the tax year, no tax is due. The \$10,000 threshold must be computed on an individual basis, even though you may file a joint personal income tax return.

Hereafter, partners and members will be collectively referred to as partners. Partnerships, including LLPs and LLCs treated as partnerships, will be collectively referred to as partnerships.

No exemptions from tax specified in any other New York State law apply to this tax. Also, no tax credit(s) may be used to offset the MCTMT.

When to make estimated MCTMT payments

For tax year 2009, your estimated MCTMT payments are due as follows:

Period	Due date
Jan. 1, 2009, to Sept. 30, 2009	Nov. 2, 2009
Oct. 1, 2009, to Dec. 31, 2009	Feb. 1, 2010

You can pay all of your estimated MCTMT with the first payment due November 2, 2009, or calculate the amount of the payments using these instructions.

For tax years after 2009, estimated payments are due on April 30, July 31, October 31 of the tax year, and January 31 of the following calendar year. When the due date falls on a Saturday, Sunday, or legal holiday, you may pay on the next business day. You can estimate and pay all of your estimated MCTMT with the first payment or in four equal installments.

Your estimated MCTMT payments cannot be combined with any estimated New York State personal income tax payments you may be required to make. The payment due dates and processing addresses for the MCTMT are different.

Changes in income, deductions, or exemptions during 2009 may require you to adjust your original estimate or to begin making estimated MCTMT payments after the initial payment due date. Use Worksheet 2, *Adjusted MCTMT*, on page 3 of these instructions to change your original estimate. If you are required to begin making payments for tax year 2009 after November 2, 2009, you must pay the total estimated MCTMT due by February 1, 2010.

If you file your 2009 MCTMT return on or before February 1, 2010, and pay the full balance of tax due, you do not have to make any estimated payment that would otherwise be due on February 1, 2010.

Farmers and fishermen: If two-thirds or more of your federal gross income for 2008 or 2009 is from farming or fishing, there is only one required installment date, February 1, 2010. You must either pay 66 2/3% of your 2009 MCTMT by February 1, 2010, or file your MCTMT return by March 1, 2010, and pay the total tax due.

Penalty for underpayment of estimated MCTMT

To avoid a penalty for underpayment of MCTMT for the tax year, your payments must be made on time and the total amount of MCTMT paid must be:

- at least 90% (66 2/3% for farmers and fisherman) of the amount of MCTMT due for the tax year; **or**
- 100% of the MCTMT shown on the return for the prior tax year (110% of that amount if you are not a farmer or fisherman and your net earnings from self-employment allocated to the MCTD as shown on the prior year's MCTMT return are more than \$150,000).

Note: For tax year 2009, the second requirement does not apply.

To compute the penalty yourself, use Form MTA-9, *Underpayment of Estimated Metropolitan Commuter Transportation Mobility Tax*, and its instructions, Form MTA-9-I. Enter the penalty on your return (Form MTA-6) and attach Form MTA-9 to it.

There will be no penalty for underpayment of estimated MCTMT due before November 2, 2009, provided you include the total estimated MCTMT due for the period January 1, 2009, through September 30, 2009, in your November 2 payment.

Where to file

Mail your payment and Form MTA-5 to:

**MCTMT PROCESSING CENTER
PO BOX 4134
BINGHAMTON NY 13902-4134**

Private delivery services – If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to mail in your form and tax payment. However, if, at a later date, you need to establish the date you filed or paid your tax, 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 page 3 for information on obtaining forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your form, contact that private delivery service for instructions on how to obtain written proof of the date your form was given to the delivery service for delivery. If you use any

private delivery service, whether it is a designated service or not, send the forms covered by these instructions to: JPMorgan Chase, MCTMT Processing Center – 5, 33 Lewis Road, Binghamton NY 13905-1040.

How to complete the payment voucher

Enter your social security number or taxpayer identification number and print your name and address in the spaces provided. To ensure that payments of estimated MCTMT are properly credited to you, this information must agree with the information you provide on Form MTA-6. Your name must be spelled correctly, with your **first** name entered first on the voucher. **Do not** send a voucher if you are making the payment online by ACH debit.

Foreign addresses — Enter the information in the following order: city, province or state, and then country (all in the *City, village, or post office box*). Follow the country’s practice for entering the postal code. **Do not abbreviate the country name.**

Enter the amount due, rounded to the nearest dollar, as computed in Worksheet 1, *Estimated MCTMT*, on page 3 of these instructions or from line 4 of Worksheet 2, *Adjusted MCTMT*, on page 3.

Do not combine any estimated MCTMT payment with any payment of New York State personal income tax you are required to make. The addresses and due dates for MCTMT are different.

Fill in the *Record of estimated MCTMT payments* section on page 3 so you will have a record of your past payments.

Make your check or money order payable in U.S. funds to **Commissioner of Taxation and Finance** and write your social security number or taxpayer identification number and **2009 MTA-5** on it. Enclose the check or money order with the payment voucher and mail it to the address under *Where to file*. Detach any check stubs before mailing your check and the voucher.

Fee for payments returned by banks — A new law allows the Tax Department to charge a \$50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department won’t charge the fee. If your payment is returned, we will send a separate bill for \$50 for each return or other tax document associated with the returned payment.

Line instructions for Worksheet 1, Estimated MCTMT (see page 3)

Line 1 — Enter your estimated net earnings from self-employment for 2009, as defined under Internal Revenue Code (IRC) section 1402(a). You may use federal Schedule SE (Form 1040) as a guide in calculating your estimated net earnings from self-employment.

Generally, your net earnings from self-employment are reported on federal Form 1040, Schedule SE, Section A, line 4, or Section B, line 6, depending on which section you are required to complete.

If your net earnings from self-employment are not subject to federal self-employment tax (for example, nonresident aliens), use federal Schedule SE (Form 1040) to compute your net earnings from self-employment as if they were subject to the tax.

If your estimated net earnings from self-employment do not exceed \$10,000 for the tax year, no MCTMT is due for the tax year and you do not need to complete this form.

Lines 2 through 5

Your estimated net earnings from self-employment must be allocated to the MCTD based on the business activity carried on in the MCTD. *Business activity* is carried on in the MCTD if an individual has, maintains, operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located in the MCTD where his or her business matters are systematically and regularly carried on. Similarly, business activity is carried on outside of the MCTD if the individual has, maintains,

operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located outside the MCTD where his or her business matters are systematically and regularly carried on.

Line 3 — Estimated partnership income must be allocated to the MCTD based on the partnership’s allocation. Obtain this information from your partnership.

Line 5 — If all of your business activity is carried on inside the MCTD, all of your estimated net earnings from self-employment are allocated to the MCTD. Enter the amount from line 4 on line 5. If your estimated net earnings from self-employment are from business activity both inside and outside of the MCTD, you must use one of the following methods to allocate your net earnings to the MCTD:

- **Books and records** — If you keep books and records that fairly and equitably show net earnings from self-employment from business activity within the MCTD, you may compute the part to be allocated to the MCTD from these books and records. Enter this amount on line 5 of Worksheet 1 on page 3.
- **Business allocation percentage** — If the net earnings from self-employment allocated to the MCTD cannot be determined from the books and records, use the business allocation percentage formula in Worksheet 3, *Business allocation percentage*, on page 4. If the business allocation percentage method does not fairly and equitably reflect your net earnings from self-employment allocated to the MCTD, you may use an authorized alternate allocation method. Enter the amount from line 10 of Worksheet 3, or the amount calculated using an authorized alternate allocation method, on line 5 of Worksheet 1.

Line 6 — If your estimated net earnings from self-employment allocated to the MCTD do not exceed \$10,000 for the tax year, no MCTMT is due for the tax year and you do not need to complete this form.

Lines 7 and 8 — For tax year 2009, your MCTMT liability is computed using ten-twelfths of your total net earnings from self-employment allocated to the MCTD.

Line 10 — For tax year 2009, to calculate your estimated MCTMT due for the period, multiply the amount on line 9 by the appropriate multiplier for the payment period:

Period	Multiplier
Jan. 1, 2009, to Sept. 30, 2009	75% (.75)
Oct. 1, 2009, to Dec. 31, 2009	25% (.25)

Enter the result on line 10 and in the *Estimated MCTMT amount* entry area on the voucher.

If you want to pay 100% of your estimated MCTMT due with your first required installment, enter the line 9 amount in the *Estimated MCTMT amount* entry area on the voucher.

(continued)

Worksheet 3

Business allocation percentage

Allocation of net earnings from self-employment to the MCTD — Use this worksheet only if your business is carried on both in and out of the MCTD. **Do not** include any net earnings from self-employment from a partnership on this worksheet. Partners will receive their net earnings from self-employment allocated to the MCTD from their partnership.

Items used as factors		Column 1 Totals in and out of MCTD	Column 2 MCTD amounts	Column 3 Percent Column 2 is of Column 1
Property percentage	1 Real property owned	1.		
	2 Real property rented from others	2.		
	3 Tangible personal property owned	3.		
	4 Property percentage (add lines 1, 2, and 3; see instructions)	4.		
	5 Payroll percentage (see instructions)	5.		
	6 Gross income percentage (see instructions)	6.		
7 Total of percentages (add lines 4, 5, and 6, Column 3)			7.	%
8 Business allocation percentage (divide total percentages on line 7 by three or by actual number of percentages if less than three)			8.	%
9 Net earnings from self-employment to be allocated (see instructions)			9.	
10 Allocated net earnings from self-employment (see instructions)			10.	

Instructions for Worksheet 3

Lines 1, 2, and 3 — Compute the average value of real and tangible personal property connected with your net earnings from self-employment by completing lines 1, 2, and 3.

Line 1 — Enter in Column 1 the average value of all real property you own that is connected with net earnings from self-employment. Enter in Column 2 the average value of this real property located in the MCTD. To determine the average value of the property, add its adjusted basis at the beginning of the tax year to its adjusted basis at the end of the tax year, and divide the result by two.

Line 2 — Enter in Column 1 the value of all real property you rented that is connected with net earnings from self-employment. Enter in Column 2 the value of this rented real property that is located in the MCTD.

The fair market value of rented real property included on line 2 is eight times the gross rent payable during the tax year for which the return is filed. Gross rent includes:

- any amount payable for the use or possession of real property, or any part of it, whether designated as a fixed sum of money or as a percentage of sales, profits, or otherwise;
- any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other agreement; **and**
- a portion of the cost of any improvement to real property made by you or on your behalf that reverts to the owner or lessor upon termination of a lease or other arrangement. However, if a building is erected on leased land by you or on your behalf, the value of the building is determined the same way as if you owned it.

Line 3 — Enter in Column 1 the average value of all tangible personal property you own that is connected with net earnings from self-employment. Enter in Column 2 the average value of this tangible personal property that is located in the MCTD.

Line 4 — Add lines 1, 2, and 3 in Columns 1 and 2 and enter the total on line 4. Divide the Column 2 total by the Column 1 total and round the result to the fourth decimal place. For example, if the total in Column 1 is \$15,000 and the total in Column 2 is \$10,000, divide \$10,000 by \$15,000 and enter the result (0.6667) as a percentage (66.67%) in Column 3.

Line 5 — Enter the total of the wages, salaries, and other personal service compensation paid to your employees in connection with your net earnings from self-employment derived from a trade, business, or profession carried on in the MCTD. Do not include payments to independent contractors or independent sales agents.

Enter in Column 1 the total compensation paid to your employees during the tax year in connection with your net earnings from self-employment carried on both in and out of the MCTD. Enter in Column 2 the amount paid in connection with operations carried on in the MCTD.

The compensation paid to an employee is considered to be connected with operations carried on in the MCTD if the employee works or travels out of an office or other place of business located in the MCTD.

Divide the Column 2 total by the Column 1 total. Round the result to the fourth decimal place and enter it as a percentage in Column 3.

Line 6 — Enter in Column 1 the total gross sales made or charges for services performed by you or your employees, agents, agencies, or independent contractors of the business in and out of the MCTD. Enter in Column 2 the part of the total gross sales or charges that represents sales made, or services performed, by or through an agency in the MCTD. This includes sales made or services performed by employees, agents, agencies, or independent contractors situated at, connected with, or sent out from offices of the business (or its agencies) located in the MCTD.

Special rule for real estate: Income and deductions from the rental of real property and gain or loss from the sale, exchange, or other disposition of real property are not subject to allocation. They are considered to be entirely derived from or connected with the place in which the property is located.

Divide the Column 2 total by the Column 1 total. Round the result to the fourth decimal place and enter it as a percentage in Column 3.

Line 8 — Divide the amount on line 7 by three (or by the actual number of percentages if less than three). Round the result to the fourth decimal place and enter it as a percentage.

Line 9 — Enter your estimated net earnings from self-employment from line 4 of your Worksheet 1, *Estimated MCTMT*, on page 3.

Line 10 — Multiply line 9 by line 8; enter here and on line 5 of Worksheet 1.