



# Instructions for Form MTA-5

## Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher (for self-employed individuals, including partners)

**MTA-5-1**  
(9/11)

**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](http://www.nystax.gov) to pay your estimated tax electronically instead of using Form MTA-5.

### Important information for same-sex married spouses

The *Marriage Equality Act*, which took effect on July 24, 2011, provides that all marriages, whether of same-sex couples or different-sex couples, will be treated equally under the laws of New York and have the same state tax benefits and requirements. Therefore, for tax years 2011 and after you must recompute your federal income tax return, including your net earnings from self-employment, as if you had been able to use a married filing status.

You must apply all the federal rules for married taxpayers (e.g., IRC section 179 limitations, spousal employment rules, etc.) when recalculating your net earnings from self-employment. See our Web site for additional information.

### General information

Effective 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.

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 2011**, estimated payments are due on May 2, August 1, October 31, 2011, and January 31, 2012. 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 your net earnings during 2011 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*, to change your original estimate. If you are required to begin making

payments for tax year 2011 after May 2, 2011, the payment due dates are as follows:

<b>If the requirement is met after:</b>	<b>Payment due date is:</b>
March 31 and before July 1	August 1, 2011
June 30 and before October 1	October 31, 2011
September 30	January 31, 2012

If you file your 2011 MCTMT return on or before January 31, 2012, and pay the full balance of tax due, you do not have to make any estimated payment that would otherwise be due on January 31, 2012.

If, after March 31, 2011, you have a large change in net earnings from self-employment allocated to the MCTD that requires you to start making estimated MCTMT payments, you should compute the amount of your estimated MCTMT payments by using the annualized income installment method explained in Form MTA-9-I, *Instructions for Form MTA-9, Underpayment of Estimated Metropolitan Commuter Transportation Mobility Tax By Self-Employed Individuals*, Worksheet 1. Although your payment due dates will be the same as shown above, the payment amounts will vary based on your net earnings from self-employment allocated to the MCTD for the months ending before each payment due date. As a result, this method may allow you to skip or lower the amount due for one or more payments. If you use the annualized income installment method, be sure to file Form MTA-9 with your 2011 annual MCTMT return, even if no penalty is owed.

**Farmers and fishermen:** If two-thirds or more of your federal gross income for 2010 or 2011 is from farming or fishing, there is only one required installment date, January 31, 2012. You must either pay 66 ⅔% of your 2011 MCTMT by January 31, 2012, or file your MCTMT return by March 1, 2012, 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 ⅔% 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) (you must have filed an MCTMT return for 2010 and it must have been for a full 12-month year); **or**
- 90% of the MCTMT computed by annualizing the income received for the months ending before the due date of the installment.

To compute the penalty yourself, use Form MTA-9 and its instructions, Form MTA-9-I. Enter the penalty on your return (Form MTA-6) and attach Form MTA-9 to it.

### 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.

**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*, or from line 4 of Worksheet 2, *Adjusted MCTMT*.

**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 so you will have a record of your past payments.

You can check your MCTMT payment summary by accessing our Web site (at [www.nystax.gov](http://www.nystax.gov)).

If you paid too much tax on your 2010 MCTMT return and you chose to apply the overpayment to your 2011 estimated MCTMT, you may apply all or part of the overpayment to any installment. When computing the amounts to be entered in the *Record of estimated MCTMT payments*, you may apply an estimated overpayment of MCTMT to an estimated underpayment of MCTMT. Enter only the net amount, rounded to the nearest dollar, of each installment on the voucher. **Do not** send the voucher unless you are including a payment.

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 **2011 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** — The 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)

Complete a separate Worksheet 1, Part A, for each source of your self-employment income. Total the amounts from line 3 of all Part(s) A and enter on Part B, line 4.

**Note:** Same-sex married spouses see *Important information* on page 1.

**Line 1** — Enter your estimated net earnings from self-employment for 2011, 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.

### Lines 2 and 3

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.

**Partners** — Estimated partnership income must be allocated to the MCTD based on the partnership's allocation. Obtain the partnership's MCTD allocation percentage from your partnership and enter it on line 2. Multiply line 1 by line 2 and enter the result on line 3.

**All others** — 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 1 on line 3. 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 3 of Worksheet 1.
- **Business allocation percentage** — If the net earnings from self-employment allocated to the MCTD cannot be determined from books and records, use the business allocation percentage formula in Worksheet 3, *Business allocation percentage*. 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 percentage from Worksheet 3, line 8, or the percentage calculated using an authorized alternate allocation method, on Worksheet 1, line 2. Multiply line 1 by line 2 and enter the result on line 3.

**Line 4** — If your total 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.

**Line 10** — If you want to pay your estimated MCTMT in four equal installments, multiply the amount on line 10 by 25% (.25) and enter the result 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 10 amount in the *Estimated MCTMT amount* entry area on the voucher.

**Note:** If you paid too much tax on your 2010 MCTMT return and you chose to apply the overpayment to your 2011 estimated MCTMT, you may apply all or part of the overpayment to any installment. Enter only the net amount, rounded to the nearest dollar, of each installment on the voucher.

(continued)

**Worksheet 1**  
**Estimated MCTMT** (see instructions)

**Part A**

1. Estimated net earnings from self-employment (see instructions) ..... 1. \_\_\_\_\_
2. MCTD allocation percentage (see instructions) ..... 2. \_\_\_\_\_
3. Net earnings from self-employment allocated to the MCTD (see instructions) ..... 3. \_\_\_\_\_

**Part B**

4. Enter the amount from line 3. If you have net earnings from self-employment from more than one source, total the amounts from line 3 of all Part(s) A for all sources of self-employment income and enter on line 4 (see instructions)..... 4. \_\_\_\_\_
5. Estimated MCTMT due (multiply line 4 by .34% (.0034)) ..... 5. \_\_\_\_\_
6. Multiply line 5 by 90% (.90) (66 2/3% (.6667) for farmers and fishermen) ..... 6. \_\_\_\_\_
7. Enter 100% of the MCTMT shown on your 2010 MCTMT return (110% (1.1) of that amount if you are not a farmer or a fisherman and the net earnings from self-employment allocated to the MCTD shown on that return are more than \$150,000). **Note:** If you did not file an MCTMT return for 2010 (or filed for less than a full 12-month year), enter the line 6 amount on line 8. .... 7. \_\_\_\_\_
8. Enter the **lesser** of line 6 or 7. This is your required annual MCTMT payment (see Penalty for underpayment of estimated MCTMT on page 1). **Caution:** Generally, if you do not prepay (through estimated MCTMT payments made by you or on your behalf by a partnership) at least the amount on line 8, you may owe a penalty for not paying enough estimated MCTMT. To avoid a penalty, make sure your estimate on line 5 is as accurate as possible. If you prefer, you may pay 100% of your 2011 estimated MCTMT (line 5). In this case, enter the line 5 amount on line 8. .... 8. \_\_\_\_\_
9. Estimated MCTMT paid on your behalf by a partnership..... 9. \_\_\_\_\_
10. Balance (subtract line 9 from line 8; see instructions) ..... 10. \_\_\_\_\_

**Worksheet 2**

**Adjusted MCTMT**

*(use if your estimated MCTMT increases or decreases)*

1. Adjusted estimated MCTMT ..... 1. \_\_\_\_\_
2. Estimated MCTMT payments made to date ..... 2. \_\_\_\_\_
3. Unpaid balance (subtract line 2 from line 1) ..... 3. \_\_\_\_\_
4. Installment due (divide line 3 by the number of remaining payments due; round the result to the nearest dollar) ..... 4. \_\_\_\_\_

**Record of estimated MCTMT payments**

Record payments in this table. Keep this record; you will not be receiving notices indicating the amount due each quarter.

<b>A</b> Payment type	<b>B</b> Payment date	<b>C</b> Amount
Total		

**Privacy notification**

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law. This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

**Need help?**



**Internet access:** [www.nystax.gov](http://www.nystax.gov)  
(for information, forms, and publications)



**Telephone assistance** is available from 8:30 A.M. to 4:30 P.M. (eastern time), Monday through Friday.

**MCT Mobility Tax** Information Center: (518) 485-2392

To order MCTMT forms: (518) 485-2392

**Text Telephone (TTY) Hotline** (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



**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, call the information center.

**Worksheet 3**

**Business allocation percentage**

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); enter here and on Worksheet 1, line 2 .....				8. %

**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 here and on Worksheet 1, line 2.