

1981 Legislation  
Section 184 of the Tax Law  
Allocation of Gross Earnings from Transportation  
Services of Corporations Principally  
Engaged in Trucking

Chapter 486 of the Laws of 1981 provides for the allocation of gross earnings from transportation services of corporations principally engaged in trucking. The allocation of gross earnings from transportation services of such corporations is contained within the general allocation formula contained in section 184 of the Tax Law (Tax Law, § 184(4)(a)):

Allocation generally--A transportation corporation shall determine its gross earnings from transportation and transmission services within the state (except as otherwise provided in section 184, e.g., aviation corporations, corporations engaged in the operation of vessels and telephone and telegraph corporations) by multiplying its gross earnings from transportation and transmission within and without the state by a fraction, the numerator of which is the taxpayer's mileage within the state and the denominator of which is the taxpayer's mileage within and without this state during the period covered by the report or reports required under Article 9 of the Tax Law.

With respect to trucking corporations, "mileage" in the context of the above-stated provision means actual revenue miles for purposes of both the numerator and denominator of the allocation fraction. Nonrevenue miles, such as deadheading, are not included in either the numerator or denominator of the allocation fraction. The allocation formula with respect to trucking corporations takes into account actual revenue producing activity both within and without the State of New York.

Accordingly, a trucking corporation whose transportation services are performed within and without New York State will allocate its total gross earnings from transportation services within and without New York State on the basis of the following fraction to arrive at allocated gross earnings from transportation services to be included in the section 184 tax base.

$$\frac{\text{Actual revenue miles within NYS}}{\text{Actual revenue miles within \& without NYS}} \times \text{total gross earnings from transportation service} = \text{Allocated gross earnings from transportation services subject to tax}$$

A trucking corporation which renders transportation service solely within the State of New York must allocate 100% of its gross earnings from transportation services to the State of New York.

Gross earnings from other than transportation services (interest, dividends, etc.) shall be allocated to New York State, pursuant to section 184(4)(e), in accordance with the rules and guidelines set forth by the State Tax Commission in The Matter of American Telegraph and Telephone Co., (11/13/81); The Matter of RCA Global Communications, Inc., (11/13/81); The Matter of ITT World Communications, Inc., (11/13/81); and The Matter of Overseas National Airways, Inc., (1/22/82).

The provisions under Chapter 486 of the Laws of 1981 are effective for all taxable periods beginning on or after January 1, 1981.