

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-93 (6) C  
Corporation Tax  
November 1, 1993

1993 Corporation Tax Law Changes

Surcharges

Both the MTA Surcharge and the State Tax Surcharge have been extended. The extension of the MTA Surcharge is covered in TSB-M-93(4)C and the extension of the State Tax Surcharge is covered in TSB-M-93(5)C.

Minimum Taxable Income Base Tax Rate

Section 28 of Chapter 57 of the Laws of 1993 amended section 210.1(c)(ii) to extend for one year the 5% tax rate applied to the minimum taxable income base. This rate will apply to all taxable years beginning in 1994.

Estimated Tax

Section 49 of Chapter 57 amended section 1085(c) to require taxpayers who must file estimated tax to pay either 100% of the preceding year's tax or 91% (formerly 90%) of the current year's tax.

Section 52 of Chapter 57 amended section 1085(e) to require large corporations to pay 97% (formerly 93%) of their current year's tax. A large corporation is defined as any taxpayer whose allocated entire net income was at least one million dollars during any of the three preceding tax years.

Adjustment for Property and Casualty Insurance Company

Sections 65, 68 and 69 of Chapter 57 added sections 1503(b)(1)(P), 1503(b)(2)(S) and 1503(b)(11). Section 65 requires a deduction of the amount included in federal gross income pursuant to sections 847(5) and 847(6) of the IRC and section 68 requires an addback of the amount deducted pursuant to section 847(1) of the IRC (Section 847 of the IRC provides an additional deduction to Property and Casualty Insurance Companies). Section 69 provides that if the taxpayer claimed the deduction allowed by section 847(1) of the IRC in any taxable year beginning after 12/31/87 and ending before 1/1/93, an additional amount is required to be included in entire net income. Such amount is equal to the difference between the sum of the amounts deducted pursuant to section 847(1) of the IRC and the sum of the amounts included in federal gross income pursuant to sections 847(5) and 847(6) of the IRC for such taxable years. One third of this amount is required to be included in entire net income in each of the taxpayer's first 3 taxable years beginning on or after 1/1/93.

Investment Tax Credit

Sections 126 and 127 amended sections 210.12(b)(i) and 210.12-B(b) to specifically exclude electricity generating equipment from eligibility for the investment tax credit and the EDZ investment tax credit. This amendment applies to property placed in service on or after 4/1/93.

Sections 49, 52, 65, 68 and 69 apply to tax years beginning on or after 1/1/93.

Gift to Wildlife

Chapter 581 of the Laws of 1993 added new section 209-C to Article 9-A of the Tax Law. Section 209-C establishes that any taxpayer may elect to contribute to a conservation fund for fish and wildlife management. Any contribution to this fund will not reduce the amount of state tax owed by the taxpayer. The provisions of this new section apply to any tax year beginning on or after January 1, 1993.

Redevelopment Companies

Chapter 659 of the Laws of 1993 amended section 209.4 of Article 9-A of the Tax Law to exempt companies organized and operating under Article 5 of the Private Housing Finance Law (Redevelopment Companies) from franchise tax under Article 9-A. This exemption is retroactive to January 1, 1984, with the provision that the act shall not require or authorize the refund of any Article 9-A taxes paid, other than estimated tax payments made for taxable years ending on or after January 1, 1993.

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