

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

TSB-M-94 (1) C  
 Corporation Tax  
 January 1, 1994

1993 Amendments Affecting the Tax Law

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
183-a	TSB-M-93(4)C	Chapter 56 Section 20 Laws of 1993	Extends the MTA surcharge for 2 years (periods ending before 12/31/95).
184-a	TSB-M-93(4)C	Chapter 56 Section 21 Laws of 1993	Extends the MTA surcharge for 2 years (periods ending before 12/31/95).
186-a.8	TSB-M-86(13.4)C	Chapter 708 Section 18 Laws of 1993	Amends section to eliminate 3% rate reduction on sales to business within EDZ at end of 1993. Utility may claim credit for 96 ½%, rather than 97%, of rate reduction effective for the taxable period beginning on 1/1/93.
186-b	TSB-M-93(4)C	Chapter 56 Section 22 Laws of 1993	Extends the MTA surcharge for 2 years (periods ending before 12/31/95).
186-c	TSB-M-93(4)C	Chapter 56 Section 23 Laws of 1993	Extends the MTA surcharge for 2 years (periods ending before 12/31/95).
188	TSB-M-93(5)C	Chapter 57 Section 25 Laws of 1993	Extends for one year the 15% tax surcharge rate (for periods ending 12/31/93). For periods ending 12/31/94 the rate is scheduled to drop to 10%. This change affects all Article 9 taxes except Sections 185 and 189.
189-a	TSB-M-93(4)C	Chapter 56 Section 24 Laws of 1993	Extends the MTA surcharge for two years (periods ending before 6/30/95).
189-b	TSB-M-93(5)C	Chapter 57 Section 26 Laws of 1993	Extends the 15% tax surcharge rate to all taxable months ending on or before 12/31/93. Applies to Section 189 of the Tax Law. For taxable

TSB-M-94 (1) C  
Corporation Tax  
January 1, 1994

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			months beginning in 1994 the rate is scheduled to drop to 10%.
209.4	TSB-M-93(6)C	Chapter 659 Section 1 Laws of 1993	Exempts Redevelopment Companies organized under Article 5 of the Private Housing Finance Law from tax under Article 9-A of the Tax Law.
209-A	TSB-M-93(5)C	Chapter 57 Section 27 Laws of 1993	Extends the 15% tax surcharge rate for an additional year (for periods ending before 7/1/94). For periods ending prior to 7/1/95 the rate is scheduled to drop to 10%. This applies to Article 9-A taxpayers.
209-B	TSB-M-93(4)C	Chapter 56 Section 25 Laws of 1993	Extends the MTA surcharge under Article 9-A for an additional two years (periods ending before 12/31/95).
209-C	TSB-M-93(6)C	Chapter 581 Section 1 Laws of 1993	Allows corporations to make a gift to wildlife.
210.1(c)(ii)	TSB-M-93(6)C	Chapter 57 Section 28 Laws of 1993	Extends for one year (taxable years beginning in 1994) the 5% tax rate applied to minimum taxable income.
210.12(b)(i)	TSB-M-93(6)C	Chapter 57 Section 126 Laws of 1993	Provides term "goods" shall not include electricity, thereby disallowing investment tax credit to producers of electricity.
210.12-B(b)	TSB-M-93(6)C	Chapter 57 Section 127 Laws of 1993	Provides term "goods" shall not include electricity, thereby disallowing EDZ investment tax credit to producers of electricity.

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
	TSB-M-86(13.4)C	Chapter 708 Section 19 Laws of 1993	Adds language to include industrial waste treatment facilities, air pollution control facilities and research and development property as being eligible for EDZ Inv. Tax Credit.
210.12-B(d)	TSB-M-86(13.4)C	Chapter 708 Section 19 Laws of 1993	Allows taxpayer that qualifies as a new business to receive a refund of 50% of EDZ Inv. Tax Credit carryover. 50% refund is based only on new EDZ Inv. Tax Credit not any carryover previously allowed.
210.12-B (f)(7)	TSB-M-86(13.4)C	Chapter 708 Section 20 Laws of 1993	Adds new subparagraph regarding air pollution control facilities, industrial waste facilities and research and development property.
210.19(b)(1)	TSB-M-86(13.4)C	Chapter 708 Section 21 Laws of 1993	Modifies definition of EDZ wages to permit wage credit for jobs created after zone designation has expired.
210.19(b) (3)(4)(5) (6) & (7)	TSB-M-86(13.4)C	Chapter 708 Section 22 Laws of 1993	Repeals subparagraphs 3, 4,5 and 6. These subparagraphs dealt with definitions of eligible wages and employment gain and loss. Makes subparagraph 7 (average number of full-time employees) new subparagraph 3 after amending definition.

TSB-M-94 (1) C  
Corporation Tax  
January 1, 1994

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
210.19(c)(d) and(e)	TSB-M-86(13.4)C	Chapter 708 Section 23 Laws of 1993	Revises these paragraphs thereby changing the method of computing the EDZ Wage Tax Credit. Paragraph (e) allows taxpayer that qualifies as a "new business" to receive a refund of 50% unusable credit in lieu of a carryover, for each year which the zone wages credit is allowed. Effective for taxable periods beginning on or after 1/1/94.
210.20	TSB-M-86(13.4)C	Chapter 708 Section 24 Laws of 1993	Expands the EDZ Capital Corporation Credit (now called the EDZ Capital Tax Credit) to include investments in certified businesses and contributions to community development projects. Credit may be carried over. Added recapture provision. Effective for taxable periods beginning on or after 1/1/94.
290-A	TSB-M-93(5)C	Chapter 57 Section 29 Laws of 1993	Extends for one year (taxable periods ending before 7/1/94) the 15% tax surcharge rate applicable to Article 13 taxpayers. For periods ending prior to 7/1/95 the rate is scheduled to drop to 10%.
1084	TSB-M-93(4)C	Chapter 56 Section 41-a Laws of 1993	Provides no interest shall be imposed if catchup payment for MTA surcharge, under section 189-a is made by the due date of the 5/31/93 quarterly report.

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
	TSB-M-93(5)C	Chapter 57 Section 33 Laws of 1993	Provides no interest shall be imposed if catchup payment for additional surcharge, under section 189-b, is made by the due date of 5/31/93 quarterly report.
1085(c)	TSB-M-93(4)C	Chapter 56 Section 41-a Laws of 1993	Provides no penalty shall be imposed if catchup payment for MTA surcharge is made by 6/15/93.
	TSB-M-93(5)C	Chapter 57 Section 33 Laws of 1993	Provides no penalty shall be imposed if catchup payment for additional tax surcharge is made by the first date after 5/15/93 on which the installment is due.
1085(d)(3) (A)	TSB-M-93(6)C	Chapter 57 Section 50 Laws of 1993	Increases the amount of estimated tax to be paid from 90% to 91% of the tax as finally determined. Effective for tax periods beginning on or after 1/1/93.
1085(e)	TSB-M-93(6)C	Chapter 57 Section 52 Laws of 1993	For large corporations, increases the amount of estimated tax to be paid from 93% to 97%. Effective for tax periods beginning on or after 1/1/93.

TSB-M-94 (1) C  
 Corporation Tax  
 January 1, 1994

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
1455-A	TSB-M-93(4)C	Chapter 57 Section 31	Extends for one year (periods ending before Laws of 1993 7/1/94) the 15% tax surcharge applicable to Article 32 taxpayers. For periods ending prior to 7/1/95 the rate is scheduled to drop to 10%.
1455-B	TSB-M-93(4)C	Chapter 56 Section 26 Laws of 1993	Extends the MTA surcharge under Article 32 for an additional 2 years (for periods ending before 12/31/95).
1456(d)	TSB-M-86(13.4)C	Chapter 708 Section 32 Laws of 1993	Expands the EDZ Capital Corporation Credit (now called the EDZ Capital Credit) to include investments in certified businesses and contributions to community development projects. Credit may be carried over. Recapture provision added. Effective for taxable periods beginning on or after 1/1/94.
1456(e)(2) (A)	TSB-M-86(13.4)C	Chapter 708 Section 33-a Laws of 1993	Modifies definition of EDZ wages to permit wage credit for jobs created after zone designation has expired.
1456(e)(2) (C),(D), (E), (F) and(G)	TSB-M-86(13.4)C	Chapter 708 Section 34 Laws of 1993	Repeals subparagraphs (C),(D), (E) and (F), which subparagraphs dealt with definitions of eligible wages and employment gain and loss. Makes subparagraph (G) (average number of full-time employees) new subparagraph (C) after amending definition.

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
1456(e)(3), (4) and (5)	TSB-M-86(13.4)C	Chapter 708 Section 35 Laws of 1993	Revises these paragraphs thereby changing the method of computing the EDZ Wage Tax Credit. Effective for taxable periods beginning on or after 1/1/94.
1503(b)(1)(P)	TSB-M-93(6)C	Chapter 57 Section 65 Laws of 1993	New subparagraph. Requires a deduction of the amount included in federal gross income pursuant to sections 847(5) and 847(6) of the IRC.
1503(b)(2)(S)	TSB-M-93(6)C	Chapter 57 Section 68 Laws of 1993	New subparagraph. Requires an addback of the amount deducted by taxpayer pursuant to section 847(1) of the IRC.
1503(b)(11)	TSB-M-93(6)C	Chapter 57 Section 69 Laws of 1993	Requires an addback to ENI for each of the next three tax periods if taxpayer took deduction allowed by section 847(1) of the IRC for tax years ending before 1/1/93.
1505-a	TSB-M-93(4)C	Chapter 56 Section 27 Laws of 1993	Extends the MTA surcharge under Article 33 for an additional 2 years (for periods ending before 12/31/95).
1511(g)(2) (A)	TSB-M-86(13.4)C	Chapter 708 Section 36-a Laws of 1993	Modifies definition of EDZ wages to permit wage credit for jobs created after zone designation has expired.

TSB-M-94 (1) C  
Corporation Tax  
January 1, 1994

<u>Tax Law Section</u>	<u>Reference to TSB-M</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
1511(g)(2) (C),(D),(E), (F) and (G)	TSB-M-86(13.4)C	Chapter 708 Section 37 Laws of 1993	Repeals subparagraphs (C),(D), (E) and (F), which subparagraphs dealt with definitions of eligible wages and employment gain and loss. Makes subparagraph (G) (average number of full-time employees) new subparagraph (c) after amending definition.
1511(g)(3), (4) and (5)	TSB-M-86(13.4)C	Chapter 708 Section 38 Laws of 1993	Revises these paragraphs thereby changing the method of computing the EDZ Wage Tax Credit. Effective for taxable periods beginning on or after 1/1/94.
1511(h)	TSB-M-86(13.4)C	Chapter 708 Section 39 Laws of 1993	Expands the EDZ Capital Corporation Credit (now called the EDZ Capital Credit) to include investments in certified zone businesses and contributions to community development projects. Credit may be carried over. Recapture provision added. Effective for taxable periods beginning on or after 1/1/94.
1520	TSB-M-93(5)C	Chapter 57 Section 32 Laws of 1993	Extends for one year (periods ending before 7/1/94) the 15% tax surcharge applicable to Article 33 taxpayers. For periods ending prior to 7/1/95 the rate is scheduled to drop to 10%.



<u>Articles and sections other than Articles of the Tax Law</u>	<u>Reference to TSB</u>	<u>Chapter-Bill Section</u>	<u>Summary</u>
Section 1412 of Not-for-Profit Corporation Law	None	Chapter 555 Sections 1-17 Laws of 1993	Creates a new type of organization called a University Faculty Practice Corporation. A Not-for-Profit Stock Corporation involved in practice of medicine or dentistry. Specifically mentions that this type of corporation is subject to Article 9-A of the Tax Law.
Sections 956-969 of the General Municipal Law	None	Chapter 708 Section 1-17 Laws of 1993	Amendments to law regarding economic development zone and EDZ credits.