



**Important Notice**

January 2007

**Important Information for New York S Corporations Subject to Article 9-A of the Tax Law**

For calendar and fiscal years beginning in 2006, and for all subsequent tax years, all New York S corporations subject to Article 9-A of the Tax Law must file on an individual basis using Form **CT-3-S**, *New York S Corporation Franchise Tax Return*, and Form CT-3-S-ATT, *Attachment to Form CT-3-S*, as applicable. Combined filing by New York S corporations subject to Article 9-A of the Tax Law will not be permitted or required. Forms CT-4-S, CT-3-S-A, and CT-3-S-A/C have been discontinued.

Form CT-3-S has been changed to eliminate the computation of the entire net income base. Also, Form CT-3-S-ATT is now used only for the computation of the business allocation percentage and the investment allocation percentage.

For tax years beginning on or after January 1, 2006, the fixed dollar minimum tax amounts have also changed as reflected in the chart below.

For a New York S corporation with a payroll of:	Fixed dollar minimum tax equals:
\$250,000 or less	\$100 *
More than \$250,000 but not more than \$500,000	\$225 *
More than \$500,000 but not more than \$1,000,000	\$325
More than \$1,000,000 but less than \$6,250,000	\$425
\$6,250,000 or more	\$1,500
However, if the corporation's gross payroll, total receipts, and average value of gross assets are each \$1,000 or less	\$800

\* Foreign authorized corporations: If the total of the tax is less than \$300, the payment must be increased to \$300 to satisfy the maintenance fee requirement.