



Instructions for Form CT-186

Tax Law - Article 9, Section 186

Who Must File

Anyone who is taxable under Article 9, Section 186 must file Form CT-186. This includes corporations, joint-stock companies, associations or publicly traded partnerships formed for or principally engaged in the business of supplying electricity, water, steam, or gas when delivered through mains or pipes. The tax is computed on gross earnings received from January 1 to December 31, 1989, and on dividends paid during the same period. You must report income for the calendar year even if you maintain your records and report to the IRS using a fiscal accounting period.

When and Where to File

Mail completed returns to: **NYS Corporation Tax, Processing Unit, P.O. Box 1909, Albany, NY, 12201-1909** on or before March 15, 1990.

If you cannot meet the filing deadline, ask for a three-month extension of time by filing Form CT-5.9 and paying any tax due on or before March 15, 1990. An extension of time granted by the IRS to file a federal tax return does not extend the due date for filing Form CT-186.

Change of Business Information — If there have been any changes in your business name, ID number, mailing address, business address, telephone number or owner/officer information, complete the enclosed Form DTF-95, *Change of Business Information*. If your address has changed, check the box next to the name and address on the form. If you need a form, call 1 800 462-8100 (from out of state (518) 438-1073) to request one. Also, if your mailing address has changed, check the box to the right of the name and address section of your return.

Declaration and Payment of Estimated Tax (Sec. 197-a, 197-b)

If your 1989 tax is more than \$1,000, you must pay a mandatory first installment equal to 25% of that tax.

If your 1990 tax liability can reasonably be expected to exceed \$1,000, you must also make a declaration of estimated tax for the current year. File your declaration of estimated tax (Form CT-400) on or before June 15 each year.

The estimated tax less mandatory first installment paid with this return is payable in three equal installments due June 15, September 15 and December 15.

Real Property Gains Tax (Article 31-B, Section 1449-a)

A corporation with an interest in real property located in New York must keep a record of the transfer of its stock and report annually every transfer of a controlling interest in its stock and any other information necessary for the enforcement of Article 31-B.

Controlling interest of a corporation is either 50 percent or more of the total combined voting power of all classes of stock or 50 percent or more of the capital, profits or beneficial interest in that voting stock.

If you answered "Yes" to both questions on page one, attach a separate sheet with the following information:

- Name, address and identification number of the new controlling stockholder, (use social security number for individuals and federal employer identification number for corporations).
- Date transfer was made.
- Location of real property.

Foreign Corporations — Maintenance Fee and License Fee

A corporation organized outside New York State that is authorized to do business in New York must pay an annual maintenance fee of \$300. This fee may be claimed as a credit against the taxes due under Article 9, except the license fee imposed by Section 181. If the total taxes (excluding the installment for 1990) on Form CT-186, CT-186-A or CT-186-P for December 31, 1989 are more than \$300, you have satisfied the requirement to pay a maintenance fee. If the total taxes payable (excluding the installment for 1990) are less than \$300, add the difference to line 9 of Form CT-186 to produce a total tax and fee of \$300 plus the installment for 1990.

Foreign corporations must also file a report of license fee (see Form CT-240, *Report of License Fee*).

Metropolitan Transportation Business Tax Surcharge

Any corporation taxable under Article 9 that does business in the Metropolitan Commuter Transportation District must file Form CT-186-M and pay a tax surcharge. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

Line A — After completing your return, enter the amount of your payment. Your payment should be the full amount shown on line 15.

Line 6 — You may take a credit against your franchise tax for any special additional mortgage recording tax you paid. This credit may not reduce your tax below the minimum tax, or if you are an authorized foreign corporation, it may not reduce the tax below the \$300 maintenance fee. You may carry any unused credit forward. Attach Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*.

Line 8b — If the amount on line 7 is more than \$1,000, you must pay a mandatory first installment of your 1990 tax. Enter 25% of the tax shown on line 7.

Line 9 — Add lines 7 and 8a or 8b. **Foreign Authorized Corporations** — If your total taxes due with Forms CT-186, CT-186-A and/or CT-186-P for December 31, 1989 are less than \$300, add the difference to the tax due on this form and enter the total on line 9. Attach computation.

Tax due Example:

Form CT-186	\$125.00	
Form CT-186-P	50.00	
Total 1989 tax	\$175.00	
Maintenance fee	300.00	
Balance of maintenance fee due		\$125.00
Tax due on Form CT-186		125.00
Enter on line 9		\$250.00

Line 10 — Enter the total of all 1989 estimated tax payments and any overpayment carryover from preceding periods.

Line 12 — If you do not pay the tax on or before the due date (without regard to any extension of time), you must pay interest on the amount of the underpayment from the due date to the date paid. You may call the Taxpayer Assistance Bureau for the current rate or to have the interest computed for you. Call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State call (518) 438-8581.

Line 13 — Additional charges for late filing are computed on the amount of tax less any payment made on or before the due date.

- If you do not file a return when due or if the application for extension is invalid, add to the tax 5% per month up to 25% (section 1085(a)(1)(A)).
- If you do not file a return within 60 days of the due date, the addition to tax cannot be less than the smaller of \$100 or 100% of the amount required to be shown as tax (section 1085(a)(1)(B)).
- If you do not pay the tax shown on a return, add to the tax ½% per month up to 25% (section 1085(a)(2)).
- The total of the additional charges in a and c may not exceed 5% for any one month, except as provided for in b above (section 1085(a)).

If you think you are not liable for these additional charges, attach a statement to your return explaining the delay in filing and/or payment (section 1085).

Schedule A - Computation of Gross Earnings Tax and Allocation Percentage/Issuer's Allocation Percentage

On lines 21 through 24, enter gross earnings attributable to New York State in Column A and total gross earnings everywhere in Column B. Gross earnings are all receipts from the employment of capital without any deductions.

Your **issuer's allocation percentage** is used by corporate shareholders to compute their corporate franchise tax. It represents the amount of New York State gross earnings compared to gross earnings from everywhere.

Recent amendments to the Tax Law require most corporations doing business in New York State to provide the information needed to compute their issuer's allocation percentage. A **penalty of \$500** will be imposed for failure to provide this information.

A taxpayer paying the minimum tax must also complete this schedule and compute their issuer's allocation percentage.

Schedule B - Computation of Allocated Dividend Tax

Line 29 — The actual amount of paid-in capital is that part of the equity that was invested in the business enterprise by shareholders.

Line 30 — If dividends are paid once a year, include the value of the capital on the declaration date. If dividends are declared and paid more than once a year, the value of capital on which these dividends were paid must be averaged by computing the value of capital on each declaration date, and dividing by the number of dividend dates.

See TSB-M-82(B)C for additional information on the computation of the tax on dividends.

Line 35 — Multiply line 34 by .045. Enter this amount on line 2.