



# Instructions for Form CT-3M/4M General Business Corporation MTA Surcharge Return

# CT-3M/4M-I

## General information

### Who must file this form and pay this surcharge

A taxpayer filing Form CT-3, *General Business Corporation Franchise Tax Return*, Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*, or Form CT-4, *General Business Corporation Franchise Tax Return Short Form*, under Article 9-A that does business, employs capital, owns or leases property, or maintains an office in the Metropolitan Commuter Transportation District (MCTD), must also file Form CT-3M/4M and pay a metropolitan transportation business tax (MTA surcharge) on business done in the Metropolitan Transportation Authority region. The **MCTD includes** the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

Qualified homeowners associations should refer to TSB-M-00(2)C, *Summary of 2000 Corporation Tax Legislative Changes Taking Effect in 2000*, for information about the MTA surcharge.

### Estimated MTA surcharge

Any corporation doing business in the MCTD that is required to make a declaration of estimated franchise tax must also make a declaration of estimated MTA surcharge and make quarterly installment payments on Form CT-400, *Estimated Tax for Corporations*. For more information, see the instructions for line 5b on page 2 and Form CT-400-I, *Instructions for Forms CT-400 and CT-400-MN*.

### MTA surcharge rate

The MTA surcharge rate is 17% for calendar year 2004 or for fiscal years beginning on or after January 1, 2004, and ending before December 31, 2005.

### When and where to file

File this return and pay the amount of MTA surcharge due within 2½ months after the end of your reporting period. If your filing date falls on a Saturday, Sunday, or legal holiday, then you must file your return on or before the next business day.

Mail Form CT-3M/4M separately or with your <b>Form CT-3</b> or <b>CT-3-A</b> , as follows:	
With payment	Without payment
<b>NYS CORPORATION TAX PROCESSING UNIT PO BOX 1909 ALBANY NY 12201-1909</b>	<b>NYS CORPORATION TAX PROCESSING UNIT PO BOX 22095 ALBANY NY 12201-2095</b>

Mail Form CT-3M/4M separately or with your <b>Form CT-4</b> , as follows:	
With payment	Without payment
<b>NYS CORPORATION TAX PROCESSING UNIT PO BOX 22093 ALBANY NY 12201-2093</b>	<b>NYS CORPORATION TAX PROCESSING UNIT PO BOX 22101 ALBANY NY 12201-2101</b>

If you use a delivery service other than the U.S. Postal Service, see *Private delivery services*, below.

### Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return and pay tax. However, if, at a later date, you need to establish the date you filed your return

or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services*. See *Need help?* on page 4 of these instructions for information on ordering forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your return, contact that private delivery service for instructions on how to obtain written proof of the date your return was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, address your return to: State Processing Center, 431C Broadway, Albany NY 12204-4836

### Extension of time for filing MTA surcharge return

You may request additional time to file an MTA surcharge return. File Form CT-5, *Request for Six-Month Extension to File*, or Form CT-5.3, *Request for Six-Month Extension to File — Combined Franchise Tax Return, or Combined MTA Surcharge Return, or Both*, on or before the due date of the return for which you are requesting the extension, and pay the MTA surcharge you estimate to be due.

### Amended return

If you are filing an amended return, mark an **X** in the *Amended return* box in the upper left corner of Form CT-3M/4M.

### Important identifying information

For us to process your corporation tax forms, it is important that we have the necessary identifying information. Enter your employer identification number and file number above your corporation tax name and address. Keep a record of that information and include it on each corporation tax form mailed. If you use a paid preparer or accounting firm, make sure they use your complete and accurate information when completing all forms.

### Reporting period

All filers must complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

### Percentages

When computing allocation percentages, convert decimals into percentages by moving the decimal point two spaces to the right. Round percentages to four decimal places.

**Example:**  $5,000/7,500 = 0.6666666 = 66.6667\%$ .

### Line instructions

**Line A** — Make your payment in United States funds. We will accept a foreign check or foreign money order only if payable through a United States bank or if marked **Payable in U.S. funds**.

### Computation of MTA surcharge

**Line 1** — The Tax Law requires that the MTA surcharge be computed using the franchise tax rates in effect for the period July 1, 1997, through June 30, 1998.

To determine the amount to enter on line 1, find the **first condition** on page 3 that applies to you, and follow the instructions indicated for that condition.

For example, if the amounts on Form CT-3, lines 71, 74d, and 82 are all \$100, then your situation would be described in **both** conditions 1 and 2. In that event, you would follow the instructions for the first condition satisfied, in this case condition 1, and ignore the instructions for condition 2. See page 3.

**\*Short period returns — fixed dollar minimum tax —** Compute the gross payroll and total receipts for short periods (tax periods of less than 12 months) by dividing the amount of gross payroll and total receipts by the number of months in the short period and multiplying the result by 12.

The fixed dollar minimum tax may be reduced for short periods as follows:

Period	Reduction
Not more than 6 months	50%
More than 6 months but not more than 9 months	25%
More than 9 months	None

For example, if your tax period is six months or less, in place of \$325 enter \$162.50. If your tax period is more than six months but not more than nine months, in place of \$325 enter \$243.75. If your tax period is more than nine months, enter \$325.

**Line 2 —** Complete the appropriate part of Schedule A and enter your MCTD allocation percentage from line 35, line 43, or line 45.

**Line 5b —** Enter 25% (.25) of the amount from line 4 if you did not file Form CT-5 or CT-5.3, and the franchise tax on Form CT-3, CT-4, or CT-3-A is more than \$1,000 but less than or equal to \$100,000. Enter 30% (.3) of the amount from line 4 if you did not file Form CT-5 or CT-5.3, and the franchise tax on Form CT-3, CT-4, or CT-3-A is more than \$100,000. Enter **0** if you did not file Form CT-5 or CT-5.3, and the franchise tax on Form CT-3, CT-4, or Form CT-3-A is not more than \$1,000.

**Line 9 —** If you underpaid your estimated MTA surcharge, use Form CT-222, *Underpayment of Estimated Tax by a Corporation*, to compute the penalty. Attach Form CT-222, mark an **X** in the box, and enter the amount of penalty on this line. If no penalty is due, enter **0**.

**Line 13 —** If you overpay your tax, you will not automatically receive a refund. Instead, we will credit your overpayment to the following tax year, unless you request a refund on line 16 (see lines 14 through 16 below).

**Lines 14 through 16 —** You may apply an overpayment as a credit to your next MTA surcharge return, or to your state franchise tax return for this period, or you may have it refunded. Indicate on these lines the amount of your overpayment you wish credited or refunded.

**Collection of debts from your refund —** We will keep all or part of your refund if you owe a past-due, legally enforceable debt to the Internal Revenue Service (IRS) or to a New York State agency, or if you owe a city of New York tax warrant judgment debt. A *New York State agency* includes any state department, board, bureau, division, commission, committee, public authority, public benefit corporation, council, office, or other entity performing a governmental or proprietary function for the state or a social services district. We will refund any amount over your debt.

If you have any questions about whether you owe a past-due, legally enforceable debt to the IRS or to a state agency, or whether you owe a city of New York tax warrant judgment debt, contact the IRS, the state agency, or the New York City Department of Finance.

For New York State tax liabilities only, call 1 800 835-3554 (from areas outside the U.S. and outside Canada, call (518) 485-6800) or write to: NYS Tax Department, Tax Compliance Division, W A Harriman Campus, Albany NY 12227.

For New York City liabilities only, call (212) 232-3550.

## Schedule A — Computation of MCTD allocation percentage

- If you do all of your New York State business within the MCTD, enter 100% on line 2. **Do not** complete Schedule A.
- If you do part of your New York State business within the MCTD, compute the MCTD allocation by completing this schedule. Use the same instructions used in Form CT-3/4-I, Schedule A, or Form CT-3-A-I, lines 118a through 163. When reading the instructions, substitute *New York State* for *Everywhere* and *MCTD* for *New York State*.
- If you are an aviation corporation, you must compute your MCTD allocation percentage without regard to the 40% reduction of the revenue aircraft arrivals and departures, revenue tons handled, and originating revenue attributable to New York State. With the exception of the 40% reduction, use the same instructions used in Form CT-3/4-I, Schedule A, Part I, or CT-3-A-I, lines 118a through 128. When reading the instructions, substitute *New York State* for *Everywhere* and *MCTD* for *New York State*.
- If you claimed a business allocation percentage on Form CT-3, Schedule A, or Form CT-3-A, enter the New York State figures from that form in Schedule A, column B, of Form CT-3M/4M. When reading the instructions, substitute *New York State* for *Everywhere* and *MCTD* for *New York State*.

**Part I —** Determine the MCTD allocation by averaging the percentages of the corporation's property, receipts, and wages that apply to the MCTD.

**Part II —** Determine the MCTD allocation by averaging the percentage of the aviation corporation's revenue aircraft arrivals and departures, revenue tons handled, and originating revenue that apply to the MCTD. Include 100% of your New York State amounts, before the 40% reduction, from Form CT-3, lines 112a, 114a, and 116a; or Form CT-3-A, column E, lines 118a, 121a, and 124a; and enter these amounts on the corresponding lines in Schedule A, Part II, column B, of Form CT-3M/4M.

**Part III —** Determine the MCTD allocation by dividing the trucking or railroad corporation's total revenue miles within the MCTD by the total revenue miles within New York State (excluding nonrevenue miles, such as deadheading miles).

**Lines 46 through 52 — Composition of prepayments claimed on line 7 —** If you need more space, write **see attached** in this section, and attach a separate sheet showing all relevant prepayment information. Transfer the total shown on the attached sheet to line 7.

Condition	Instructions
1. The tax on the minimum taxable income (MTI) base equals the tax due. CT-3 Line 71 = Line 82 CT-3-A Line 71 = Line 81 CT-4 Line 27 = Line 34	Complete <i>Condition 1 worksheet</i> .
2. The fixed dollar minimum tax equals the tax due. CT-3 Line 74d = Line 82 CT-3-A Line 74d = Line 81 CT-4 Line 30 = Line 34	Complete <i>Condition 2 worksheet</i> .
3. The tax on the capital base equals the largest tax before credits. CT-3 Line 73 = Line 75 CT-3-A Line 73 = Line 75 CT-4 Line 29 = Line 34	Form CT-3 and CT-4 filers: enter on line 1 of Form CT-3M/4M the larger of \$325* or the amount from Form CT-3, line 82, or Form CT-4, line 34.  Form CT-3-A filers: complete <i>Condition 3 worksheet</i> .
4. The tax on the MTI base equals the largest tax before credits. CT-3 Line 71 = Line 75 CT-3-A Line 71 = Line 75	Complete <i>Condition 4 worksheet</i> .
5. The tax on the entire net income (ENI) base equals the largest tax before credits. CT-3 Line 72 = Line 75 CT-3-A Line 72 = Line 75 CT-4 Line 28 = Line 34	Complete <i>Condition 5 worksheet</i> .
6. The fixed dollar minimum tax is the largest tax before credits. CT-3 Line 74d = Line 75 CT-3-A Line 74d = Line 75	Complete <i>Condition 6 worksheet</i> .

**Condition 1 worksheet**

A. Enter MTI base from Form CT-3, line 70; CT-3-A, line 70; or CT-4, line 26 ..... A. \_\_\_\_\_

B. Rate ..... B.       .035      

C. Multiply line A by line B; enter the larger of this result or \$325\* ..... C. \_\_\_\_\_

D. **Form CT-3-A filers only:** Recalculate the fixed dollar minimum tax for each taxable subsidiary included in the combined return using the gross payroll, total receipts, and average value of assets from Form(s) CT-3-A/C. Use lines A through D of *Condition 2 worksheet*, total the recalculated fixed dollar minimum tax amounts for all taxable subsidiaries, and enter the result here ..... D. \_\_\_\_\_

E. Add lines C and D; enter the result here and on Form CT-3M/4M, line 1 ..... E. \_\_\_\_\_

**Condition 2 worksheet**

A. Enter the gross payroll from Form CT-4, line 31; Form CT-3, line 74a; Form CT-3-A, line 74a; or Form CT-3-A/C, line 1a ..... A. \_\_\_\_\_

B. Enter the total receipts from Form CT-4, line 32; Form CT-3, line 74b; Form CT-3-A, line 74b; or Form CT-3-A/C, line 1b ..... B. \_\_\_\_\_

C. Enter the average value of assets from Form CT-4, line 33; Form CT-3, line 74c; Form CT-3-A, line 74c; or Form CT-3-A/C, line 1c ... C. \_\_\_\_\_

D. Recalculated fixed dollar minimum tax (see box below)

If gross payroll (line A) is:	Then enter the recalculated fixed dollar minimum tax
\$6,250,000 or more:	\$1,500*
More than \$1,000,000 but less than \$6,250,000:	\$425*
Not more than \$1,000,000:	\$325*
However, if gross payroll (line A), total receipts (line B), and average value of assets (line C) are each \$1,000 or less:	\$800*

Enter the recalculated fixed dollar minimum tax here ..... D. \_\_\_\_\_

E. **Form CT-3-A filers only:** Recalculate the fixed dollar minimum tax for each taxable subsidiary included in the combined return by using the gross payroll, total receipts, and average value of assets from Form(s) CT-3-A/C. Use lines A through D of this worksheet, total the recalculated fixed dollar minimum tax amounts for all taxable subsidiaries, and enter the result here ..... E. \_\_\_\_\_

F. Add lines D and E; enter the result here and on Form CT-3M/4M, line 1 ..... F. \_\_\_\_\_

**Condition 3 worksheet**

**Form CT-3 and Form CT-4 filers: do not complete** this worksheet.

A. Enter the larger of \$325\* or the amount from Form CT-3-A, line 73 ..... A. \_\_\_\_\_

B. Enter the tax on subsidiary capital from Form CT-3-A, line 76 ..... B. \_\_\_\_\_

C. Recalculate the fixed dollar minimum tax for each taxable subsidiary included in the combined return using the gross payroll, total receipts, and average value of assets from Form(s) CT-3-A/C. Use lines A through D of *Condition 2 worksheet*, total the recalculated fixed dollar minimum tax amounts for all taxable subsidiaries, and enter the result here ..... C. \_\_\_\_\_

D. Add lines A, B, and C ..... D. \_\_\_\_\_

E. Enter tax credits from Form CT-3-A, line 78 ..... E. \_\_\_\_\_

F. Subtract line E from line D; enter the result here and on Form CT-3M/4M, line 1 ..... F. \_\_\_\_\_

\*See *Short period returns* on page 2.

**Condition 4 worksheet**

**Form CT-4 filers: do not complete** this worksheet.

- A. Enter MTI base from Form CT-3, line 70, **or** Form CT-3-A, line 70 ..... A. \_\_\_\_\_
- B. Rate ..... B.       .035
- C. Multiply line A by line B; enter the larger of this result or \$325\* ..... C. \_\_\_\_\_
- D. Enter the tax on subsidiary capital from Form CT-3, line 77, **or** Form CT-3-A, line 76 ..... D. \_\_\_\_\_
- E. **Form CT-3-A filers only:** Recalculate the fixed dollar minimum tax for each taxable subsidiary included in the combined return using the gross payroll, total receipts, and average value of assets from Form(s) CT-3-A/C. Use lines A through D of *Condition 2 worksheet*, total the recalculated fixed dollar minimum tax amounts for all taxable subsidiaries, and enter the result here ..... E. \_\_\_\_\_
- F. Add lines C, D, and E ..... F. \_\_\_\_\_
- G. Enter tax credits from Form CT-3, line 79, **or** Form CT-3-A, line 78 ..... G. \_\_\_\_\_
- H. Subtract line G from line F; enter the result here and on Form CT-3M/4M, line 1 ..... H. \_\_\_\_\_

**Condition 5 worksheet**

- A. Enter ENI base from Form CT-3, line 24; CT-4, line 11; **or** Form CT-3-A, line 24 ..... A. \_\_\_\_\_
- B. If you **are not** a qualified small business taxpayer, multiply line A by 9% (.09) and enter the larger of this result or \$325\* ..... B. \_\_\_\_\_
- C. If you **are** a qualified small business taxpayer and line A is \$200,000 or less, multiply line A by 8% (.08) and enter the larger of this result or \$325\* ..... C. \_\_\_\_\_
- D. If you are a qualified small business taxpayer and line A is more than \$200,000 but not more than \$290,000, enter the line A amount below:  
 Line A amount \_\_\_\_\_  
 Subtract 200,000 multiply by .08 = (1) 16,000  
 Balance \_\_\_\_\_ multiply by .09 = (2) \_\_\_\_\_  
 Subtract 50,000  
 Balance, if any \_\_\_\_\_ multiply by .05 = (3) \_\_\_\_\_  
 Add lines (1), (2), and (3) and enter the result here ..... D. \_\_\_\_\_
- E. Enter the tax on subsidiary capital from Form CT-3, line 77, **or** Form CT-3-A, line 76 ..... E. \_\_\_\_\_
- F. **Form CT-3-A filers only:** Recalculate the fixed dollar minimum tax for each taxable subsidiary included in the combined return using the gross payroll, total receipts, and average value of assets from Form(s) CT-3-A/C. Use lines A through D of *Condition 2 worksheet*, total the recalculated fixed dollar minimum tax amounts for all taxable subsidiaries, and enter the result here ..... F. \_\_\_\_\_
- G. Add lines B through F ..... G. \_\_\_\_\_
- H. Enter tax credits from Form CT-3, line 79, **or** Form CT-3-A, line 78 ..... H. \_\_\_\_\_
- I. Subtract line H from line G; enter the result here and on Form CT-3M/4M, line 1 ..... I. \_\_\_\_\_

**Condition 6 worksheet**


**Form CT-4 filers: do not complete** this worksheet.


- A. Enter the gross payroll from Form CT-3, line 74a; Form CT-3-A, line 74a; **or** Form CT-3-A/C, line 1a ..... A. \_\_\_\_\_
- B. Enter the total receipts from Form CT-3, line 74b; Form CT-3-A, line 74b; **or** Form CT-3-A/C, line 1b ..... B. \_\_\_\_\_
- C. Enter the average value of assets from Form CT-3, line 74c; Form CT-3-A, line 74c; **or** Form CT-3-A/C, line 1c ..... C. \_\_\_\_\_
- D. Recalculate fixed dollar minimum tax (see box below)


If gross payroll (line A) is:	Then enter the recalculated fixed dollar minimum tax
\$6,250,000 or more:	\$1,500*
More than \$1,000,000 but less than \$6,250,000:	\$425*
Not more than \$1,000,000:	\$325*
However, if gross payroll (line A), total receipts (line B), and average value of assets (line C) are each \$1,000 or less:	\$800*

- Enter the recalculated fixed dollar minimum tax here ..... D. \_\_\_\_\_
- E. **Form CT-3-A filers only:** Recalculate the fixed dollar minimum tax for each taxable subsidiary included in the combined return by using the gross payroll, total receipts, and average value of assets from Form(s) CT-3-A/C. Use lines A through D of this worksheet, total the recalculated fixed dollar minimum tax amounts for all taxable subsidiaries, and enter the result here ..... E. \_\_\_\_\_
- F. Enter the tax on subsidiary capital from Form CT-3, line 77, **or** Form CT-3-A, line 76 ..... F. \_\_\_\_\_
- G. Add lines D, E, and F ..... G. \_\_\_\_\_
- H. Enter tax credits from Form CT-3, line 79, **or** Form CT-3-A, line 78 ..... H. \_\_\_\_\_
- I. Subtract line H from line G; enter the result here and on Form CT-3M/4M, line 1 ..... I. \_\_\_\_\_

**Need help?**


 **Internet access:** [www.nystax.gov](http://www.nystax.gov)  
(for information, forms, and publications)

 **Fax-on-demand forms:** 1 800 748-3676

 **Telephone assistance** is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

To order forms and publications: 1 800 462-8100  
 Business Tax Information Center: 1 800 972-1233  
 From areas outside the U.S. and outside Canada: (518) 485-6800

**Hearing and speech impaired** (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8:00 A.M. to 5:00 P.M. eastern time).

 **Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.

\*See *Short period returns* on page 2.