



Up-to-date information affecting your tax return

Visit our Web site for the tax law changes or forms corrections that occurred after the forms and instructions were finalized (see *Need help?*).

Contents of this form

Form CT-1 contains both changes for the current tax year and general instructional information, serving as a supplement to corporation tax instructions.

This form contains information on the following topics:

- Changes for the current tax year (non-legislative and legislative)
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Changes for 2014

Non-legislative changes

New reporting method for other addition and subtraction modifications – Corporations must now report the identifying information for **other** addition and subtraction modifications using new Form CT-225, *New York State Modifications*. If you are a corporation filing as a member of a combined group, you must file Form CT-225-A, *New York State Modifications (for filers of combined franchise tax returns)*, and Form CT-225-A/B, *Subsidiary Detail Spreadsheet* (if applicable).

The **total** amount will continue to be reported on the same other additions and other subtractions lines as in previous years.

Final return checkboxes for Article 33 filers – If you no longer meet any of the filing requirements under Article 33, new checkboxes were added to Forms CT-33, CT-33-A, and CT-33-NL to indicate that you will be filing your return as final. For more information, see the instructions for your return.

Form CT-33-D (8/14), Tax on Premiums Paid or Payable to an Unauthorized Insurer, changes – This form's annual revision date is now a month/year revision date; and to indicate the policy effective or renewed date, you just need to add the 4-digit year to one of the four preprinted calendar quarters.

Legislative changes

Articles 9 (section 185), 9-A, 32, and 33

Chapter 59, Laws of 2013

Minimum wage reimbursement credit – For tax years beginning on or after January 1, 2014, and before January 1, 2019, a new credit was created to allow taxpayers who are eligible employers, or owners of eligible employers, a refundable credit equal to the number of hours worked by eligible employees for which they are paid the New York minimum wage multiplied by the applicable tax credit rate.

An eligible employee who is used as the basis for this credit may not be used as the basis for any other credit allowed under the Tax Law. Also, an eligible employer who discharges an ineligible employee and replaces that employee with an eligible employee solely for the purpose of qualifying for this credit does not qualify to claim the credit for any eligible employee. For more information, see TSB-M-13(8)C,(7)I, *Minimum Wage Reimbursement Credit*, and Form CT-639, *Minimum Wage Reimbursement Credit*, and its instructions.

Chapter 55, Laws of 2014

Limitation on tax credit eligibility – As of April 30, 2014, and applicable to acts committed on or after this date, any taxpayer who stands convicted of an offense defined in New York State Penal Law Article 200 (*Bribery Involving Public Servants and Related Offenses*) or 496 (*Corrupting the Government*), or section 195.20 (*Defrauding the Government*), is **not** eligible for any business credits. There is a question related to this topic on your tax return that **must** be answered in order for the Tax Department to process your return. For more information, visit our Web site (see *Need help?*).

Articles 9-A, 32, and 33

Chapter 59, Laws of 2013

Hire a veteran credit – For tax years beginning on or after January 1, 2015, but before January 1, 2017, a nonrefundable credit was established for the hiring and employing of qualified veterans. To qualify, a taxpayer must:

- hire a qualified veteran who begins his or her employment on or after January 1, 2014, but before January 1, 2016; and
- employ the qualified veteran in New York for one year or more for at least 35 hours each week.

The credit must be claimed for the tax year in which a qualified veteran completes one year of employment with the taxpayer.

When using the hiring of a qualified veteran as the basis for this credit, the same hiring may not be used as the basis for any other credit allowed under Tax Law Article 9-A, 22, 32, or 33. In addition, a taxpayer who discharges an employee and hires a qualified veteran solely for the purpose of qualifying for the credit is not eligible to claim the credit for any qualified veteran. For more information, see TSB-M-13(9)C, (8)I, *Hire a Veteran Credit*.

Chapter 59, Laws of 2014

Low-income housing credit – Effective March 31, 2014, the aggregate dollar amount of credit that the Commissioner of the Division of Housing and Community Renewal may allocate to eligible low-income buildings was increased from \$48 million to \$56 million.

Articles 9-A and 32

Chapter 59, Laws of 2014

Corporate tax reform – For tax years beginning on or after January 1, 2015, Tax Law Article 32 was repealed. Corporations that were previously subject to and had filed under Article 32 are now subject to and must file under Article 9-A. Also, the computation of tax under Article 9-A was significantly changed. For additional information on corporate tax reform, visit our Web site (see *Need help?*).

Article 9-A

Chapter 59, Laws of 2013

Qualified New York manufacturer's tax reduction – For tax years beginning on or after January 1, 2014, an amendment was made to phase in a reduction for qualified New York manufacturers. The reduced tax rates are applicable to the capital and minimum taxable income bases and each of the fixed dollar minimum amounts is also reduced. For more information, see Form CT-3/4-I, *Instructions for Forms CT-4, CT-3, and CT-3-ATT*.

Chapter 68, Laws of 2013

SUNY Tax-Free Areas to Revitalize and Transform Upstate New York Program (START-UP NY Program) – For tax years beginning on or after January 1, 2014, sales tax quarters beginning on or after March 1, 2014, or transactions occurring on or after January 1, 2014, depending on the benefit, this program provides tax benefits to approved businesses that have located within tax-free NY areas, and for certain employees of these businesses. The program is administered by Empire State Development (ESD). Approved businesses will be issued a *Certificate of Eligibility* by the sponsoring campus, university, or college.

An approved business is not allowed to claim any other tax credit allowed under the Tax Law with respect to its activities or employees in a tax-free NY area. For more information, see TSB-M-13(7)C, *SUNY Tax-Free Areas to Revitalize and Transform Upstate New York Program*, and Form CT-638, *START-UP NY Tax Elimination Credit*, and its instructions.

Chapter 59, Laws of 2014

Tax rates for qualified New York manufacturers, eligible qualified New York manufacturers, and qualified emerging technology companies (QETCs) – For tax years beginning on or after January 1, 2014, the entire net income (ENI) tax rate for qualified and **eligible** qualified New York manufacturers is 0% and for a QETC it is 5.9%. The rate reduction for the capital, minimum taxable income, and fixed dollar minimum tax bases that was passed as Chapter 59 of the Laws of 2013, was changed to include a QETC. Such rate reduction for the capital base was changed to also include an **eligible** qualified New York manufacturer.

Commercial production credit – This credit, previously scheduled to expire December 31, 2014, was extended to tax years beginning before January 1, 2017. The threshold minimum activity required for the pool of credit allocated to production outside of the Metropolitan Commuter Transportation District has

been lowered from \$200,000 to \$100,000. To compute this credit, see Form CT-246, *Claim for Empire State Commercial Production Credit*.

Real property tax credit for manufacturers – For tax years beginning on or after January 1, 2014, there is a new credit for qualified New York manufacturers equal to 20% of the real property taxes paid during the tax year for real property owned by the manufacturer in New York and principally used for manufacturing to the extent the taxes were not deducted in determining ENI. Property taxes used as the basis for this credit may not be used for any other tax credit. For more information, see Form CT-641, *Manufacturer's Real Property Tax Credit*, and its instructions.

Credit for the excise tax on telecommunication services paid by an approved SUNY Tax-Free Areas to Revitalize and Transform Upstate New York (START-UP NY) business – For tax years beginning on or after January 1, 2014, a refundable credit is allowed equal to the Tax Law, Article 9, section 186-e excise tax passed through to the business by a telecommunication services provider when the excise tax was not deducted by the business in computing ENI. For more information, see Form CT-640, *START-UP NY Telecommunication Services Excise Tax Credit*, and its instructions.

New York Youth Works Tax Credit Program – Enhancements were made to this tax credit program. For more information, see Form CT-635, *New York Youth Works Tax Credit*, and its instructions.

How to fill out your tax return

Business information

Enter the corporation's business information at the top of the first page. Be sure to enter the corporation's mailing name if different from its legal name.

If you need to update your corporation tax address or phone information, you can do so online. Visit our Web site (see *Need help?*) and look for the change my address option. Otherwise, enter your new address and/or phone number in the appropriate area of your return and mark an **X** in the box under the address. Do not mark an **X** in this box if your address and/or phone number is new since your last filing but was already updated online, or for any change of business information other than your address and/or phone number. Once your corporation tax information is updated online, you do not need to indicate a change of address on any corporation tax forms submitted to the Tax Department (or for any forms for tax types you select to be updated in addition to corporation tax).

If you prefer to change your address by form, use Form DTF-96, *Report of Address Change for Business Tax Accounts*. You must report other changes (such as business name or ID number) on Form DTF-95, *Business Tax Account Update*. You can get these forms from our Web site or by phone (see *Need help?*).

Entry formats

Entering dates – Unless you are specifically directed to use a different format, enter dates in the *mm-dd-yy* format (using dashes and not slashes).

Negative amounts – Show any negative amounts with a minus (-) sign.

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

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

Whole dollar amounts — You may elect to show amounts in whole dollars rather than in dollars and cents. Round any amount from 50 cents through 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar.

Are you claiming an overpayment?

If you are claiming an overpayment, mark an **X** in the overpayment box on page 1 of your return to the right of your EIN and file number. The chart below identifies the overpayment line on any particular New York State corporation tax return.

Form	Line number	Form	Line number
CT-3	94	CT-33-M	23
CT-3-A	95	CT-33-NL	16
CT-3M/4M	13	CT-183	12
CT-3-S	47	CT-183-M	12
CT-4	44	CT-184	15
CT-13	23	CT-184-M	13
CT-32	16	CT-185	14
CT-32-A	18	CT-186	16
CT-32-M	15	CT-186-E	13b
CT-32-S	21	CT-186-M	17
CT-33	22	CT-186-P	18
CT-33-A	27	CT-186-P/M	15
CT-33-C	20	CT-245	7

NAICS business code number and NYS principal business activity

Use Publication 910 to obtain your six-digit North American Industry Classification System (NAICS) code that describes your principal **business activity in New York State**. Your principal business activity outside of New York State may be different, therefore this may not match the NAICS code you reported on your federal tax return.

Third-party designee

If you want to authorize another individual (third-party designee) to discuss this tax return with the New York State Tax Department, mark an **X** in the Yes box in the third-party designee area of your return. Also print the designee's name, phone number, and any five-digit number the designee chooses as his or her personal identification number (PIN). If you want to authorize the paid preparer who signed your return to discuss the return with the Tax Department, print the preparer's name in the space for the designee's name and enter the preparer's phone number in the space for the designee's phone number. You do not have to provide the other information requested. If you do not want to authorize another person, mark an **X** in the *No* box.

If you mark the Yes box, you are authorizing the Tax Department to discuss with the designee any questions related to this return. You are also authorizing the designee to give and receive confidential taxpayer information relating to:

- this return, including missing information,
- any notices or bills arising from this filing that you share with the designee (they will not be sent to the designee),
- any payments and collection activity arising from this filing, and
- the status of your return or refund.

This authorization will not expire but will only cover matters relating to this return. If you decide to revoke this designee's authority at any time, call us (see *Need help?*).

You are not authorizing the designee to receive your refund, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Department. If you want someone to

represent you or perform services for you beyond the scope of the third-party designee, you must designate the person using another method such as Form DTF-280, *Tax Information Authorization*, or a power of attorney.

Paid preparer identification numbers

New York State Tax Law requires certain paid tax return preparers and facilitators of refund anticipation loans (RALs) and refund anticipation checks (RACs) to register electronically with the Tax Department. When completing the paid preparer section, you must enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. (Information on the New York State Tax Preparer Registration Program is available on our Web site (see *Need help?*.) In addition, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number (SSN). (PTIN information is available at www.irs.gov.)

Important reminder to file a complete return: You must complete all required schedules and forms that make up your return, and include **all pages** of those forms and schedules when you file. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Is your return in processible form?

Returns must be prepared in a manner that will permit their routine handling and processing and include all pages. We will not pay interest on an overpayment of taxes until a return is in a processible form which includes a required signature.

Use of reproduced and computerized forms

Photocopies of returns are acceptable if they are of good quality and have an original signature in the proper place. We will accept computer-produced corporation tax returns if they meet our printing specifications. For more information, see Publication 76, *Specifications for Reproduction of New York State Corporation Tax Forms*.

General information

Electronic filing and electronic payment mandate

Certain tax preparers using tax software to prepare tax documents, and certain taxpayers preparing their own tax documents using tax software, must, for the applicable calendar year and all succeeding calendar years, e-file all documents authorized by the Commissioner to be e-filed. Any tax liability or other amount due required to be paid with a tax document that must be e-filed may also be required by the Commissioner to be e-paid. Where e-pay is required, payment must be made via electronic means.

Web File

You can Web File Form CT-400, *Estimated Tax for Corporations*, on our Web site (see *Need help?*). You will need to create an *Online Services* account or log into your existing one, and select the corporation tax estimated payment option.

You can also Web File the following extension requests:

- Form CT-5, *Request for Six-Month Extension to File (for franchise/business taxes, MTA surcharge, or both)*
- Form CT-5.3, *Request for Six-Month Extension to File (for combined franchise tax return, or combined MTA surcharge return, or both)*

- Form CT-5.4, *Request for Six-Month Extension to File New York S Corporation Franchise Tax Return*
- Form CT-5.9, *Request for Three-Month Extension To File (for Article 9 tax return, MTA surcharge, or both)*
- Form CT-5.9-E, *Request for Three-Month Extension to File Form CT-186-E*

Benefits of Web filing include:

- direct payment from your bank account or by ACH credit
- instant confirmation

For more information, visit our Web site and select the corporation tax Web File option.

Form CT-200-V, Payment Voucher for E-Filed Corporation Tax Returns and Extensions

This form is a payment voucher for taxpayers who e-file their forms but cannot e-pay and need to pay with a paper check or money order. Form CT-200-V is for use only for returns or extensions that were e-filed and should never accompany a paper-filed return.

Collection of debts from your refund or overpayment

We will keep all or part of your refund or overpayment if you owe a past-due, legally enforceable debt to a New York State agency, or if you owe a New York City tax warrant judgment debt. We may also keep all or part of your refund or overpayment if you owe a past-due legally enforceable debt to another state, provided that state has entered into a reciprocal agreement with New York State. If we keep your refund or overpayment, we will notify you.

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 or apply as an overpayment any amount over your debt.

The Tax Department is authorized to charge the taxpayer, as part of the taxpayer's tax debt, any cost or fee imposed or charged by the United States, or any state, for the payment or remittance of a taxpayer's overpayment to satisfy a New York State tax debt.

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

For New York State tax liabilities only, call (518) 457-5434 or write to: NYS Tax Department, Civil Enforcement Division, W A Harriman Campus, Albany NY 12227-4000.

More collection options for New York State

If you owe unpaid debt to New York State, we may collect your debt by taking money from, or offsetting, payments owed you by the federal government or by another state. Reciprocal offset agreements also allow the federal government, as well as other states, to collect delinquent non-tax debt by offsetting payments owed you by New York State.

Lottery prizes applied against tax liabilities — As a result of matching names of those owing tax liabilities to New York against the names of those winning lottery prizes in excess of \$600, the Tax Department may automatically apply all or part of the lottery prize against any outstanding liabilities for taxes we administer.

Fee for payments returned by banks

The law allows the Tax Department to charge a \$50 fee when a check, money order, or electronic payment is returned by a bank

for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department will not charge the fee. If your payment is returned, we will send a separate bill for \$50 for each return or other tax document associated with the returned payment.

Reporting requirements for tax shelters

The Tax Law requires taxpayers to report information about transactions that present the potential for tax avoidance (tax shelters). There are separate reporting requirements for those who use tax shelters and for those who promote the use of tax shelters. For the most recent information on these reporting requirements, visit our Web site.

Tax shelter penalties

The Tax Law provides penalties for failure to disclose certain transactions and related information regarding tax shelters and for the underpayment of taxes due to participation in these shelters. For more information, refer to TSB-M-05(2)C, *Disclosure of Certain Transactions and Related Information Regarding Tax Shelters*.

Voluntary Disclosure and Compliance Program

The Voluntary Disclosure and Compliance Program provides relief from certain penalties and criminal prosecution to eligible taxpayers who come forward and reveal previously undisclosed liabilities. For more information, see TSB-M-08(11)C, *Voluntary Disclosure and Compliance Program*.

Your rights under the Tax Law

The Taxpayer Bill of Rights requires, in part, that the Tax Department advise you, in writing, of your rights and obligations during an audit, when you appeal a departmental decision, and when your appeal rights have been exhausted and you need to understand enforcement capabilities available to the department to obtain payment. For a complete copy of the information contained in all of these statements, you may obtain Publication 131, *Your Rights and Obligations Under the Tax Law*, by visiting our Web site or by calling (see *Need help?*).

Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Telephone assistance

Corporation Tax Information Center: (518) 485-6027

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at (518) 485-5082. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



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, call the information center.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.
