

## Up-to-date information affecting your tax return

Visit our website 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)
- Business information (how to enter and update)
- Entry formats
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## Changes for 2019

The following form was **created** this year:

**CT-227, *New York State Voluntary Contributions*** – The lines to report your voluntary contributions are now on this new form. These lines were previously on Forms CT-3 (lines 12a through 12k), CT-3-A (lines 12a through 12k), and CT-3-S (lines 44a through 44k). For more information, see Form CT-227 and our website (see *Need help?*) and search: *CT-227*.

The following forms (and separate instructions, as applicable) were **discontinued** this year:

**CT-639, *Minimum Wage Reimbursement Credit***

**CT-639-ATT, *Eligible Employee Information for the Minimum Wage Reimbursement Credit***

**CT-396, *Report of Annual License Fee, Rural Electric Cooperative Corporations***

**CT-397, *Report of Annual License Fee, Agricultural Cooperative Marketing or Financing Corporations and District Heating/Cooling Cooperatives***

## Article 9-A

**Global intangible low-taxed income (GILTI)** – The following information may affect your tax computation as it pertains to GILTI:

- For tax years beginning on or after January 1, 2019, exempt controlled foreign corporation (CFC) income includes 95% of the GILTI that was required to be included in federal gross income, without regard to the deduction allowed under Internal Revenue Code (IRC) section 250. Therefore, the amount of GILTI included in business income will generally be 5% of the amount of GILTI required to be included in federal gross income, without regard to the deduction allowed under IRC section 250. For New York C corporations, 5% of the GILTI income is included in the denominator, but not in the numerator, of the business allocation factor (BAF).
- For tax years beginning on or after January 1, 2019, New York State does **not** conform to the GILTI deduction allowed under IRC section 250(a)(1)(B)(i). Therefore, the subtraction modification S-512 has been removed from Forms CT-225-I, *Instructions for Form CT-225*, and CT-225-A-I, *Instructions for Forms CT-225-A and CT-225-A/B*

## Decouple from IRC federal basis for New York State manufacturing test

– For tax years beginning on or after January 1, 2018, the test for determining whether a manufacturer is a qualified New York manufacturer changed from using federal adjusted basis to New York adjusted basis. For additional information, see TSB-M-19(5)C, (6)I, *New York State Adjusted Basis for Qualified New York Manufacturers*.

**Clean heating fuel credit** – This credit was extended through December 31, 2022. See Form CT-241, *Claim for Clean Heating Fuel Credit*, and its instructions.

## Empire State film production and film post-production credits

– These credits were extended through December 31, 2024. See Form CT-248, *Claim for Empire State Film Production Credit*, Form CT-261, *Claim for Empire State Film Post-Production Credit*, and their instructions.

**Workers with disabilities tax credit** – This credit was extended through December 31, 2022. See Form CT-644, *Workers with Disabilities Tax Credit*, and its instructions.

**Empire State commercial production credit** – Beginning in tax year 2019, the credit allocation and computation have changed along with the definition of *qualified commercial* and *qualified commercial production company*. See Form CT-246, *Claim for Empire State Commercial Production Credit*, and its instructions.

**Employee training incentive program tax credit** – Beginning on April 12, 2019, businesses may now receive the employee training incentive program tax credit if they conduct their own training and are otherwise eligible. Also, the definition of eligible training was expanded to include an internship program in software development or clean energy. See Form CT-646, *Employee Training Incentive Program Tax Credit*, and its instructions.

**Farm workforce retention credit** – Beginning in tax year 2019, the definition of *farming* for purposes of the farm workforce retention credit was expanded and the definition of an eligible farm employee was amended. See Form CT-647, *Farm Workforce Retention Credit*, and its instructions.

## Articles 9-A and 33

**Contributions to the capital of a corporation** – Effective for tax years beginning on or after January 1, 2018, Tax Law Articles 9-A and 33 were changed to allow for deductions in computing entire net income (ENI) for contributions to a corporation's capital made by any governmental entity or civic group (other than a contribution made by a shareholder). For federal purposes such contributions made to a corporation's capital are included in gross income under IRC section 118(b)(2).

**Transferability of low-income housing credit** – For tax years beginning on or after January 1, 2019, Public Housing Law section 22(8)(a) allows a taxpayer (owner) of a building that received an allocation of low-income housing credit on or after May 12, 2018, to transfer the credit, in whole or in part, to another person or entity (transferee). Transfer of the credit will not affect the period for claiming the credit. A transferee may **not** transfer any portion of its credit. Transfer of the credit **must** be pre-authorized by the Division of Housing and Community Renewal.

**Empire zone (EZ) capital tax credit** – The recapture provision expired, and the credit form is now used for carry forward claims only. See Form CT-602, *Claim for EZ Capital Tax Credit*.

## Article 33

**Stock life insurance company** – Effective for tax years beginning on or after January 1, 2018, and before January 1, 2025, an amendment was made so that a stock life insurance company **must** include in ENI one-eighth of the balance in an existing policyholders surplus account, as such balance is determined as of the close of such company's last tax year beginning before January 1, 2018.

**Modifications to ENI** – As the insurance tax treatment of GILTI has changed for tax years beginning on or after January 1, 2019, new modifications for Forms CT-225 and CT-225-A were added. For more details, see CT-225-I, *Instructions for Form CT-225*, and CT-225-A-I, *Instructions for Forms CT-225-A and CT-225-A/B*.

## License fee on certain co-ops

Cooperative Corporations Law section 77(3) and Rural Electric Cooperative Law section 66 were amended to make the \$10 annual fee not payable after January 1, 2020.

## 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 website (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 website 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, unless instructed otherwise.

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

**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 each New York State corporation tax return.

**Note:** New overpayment calculation lines and rules have been added to many forms. See the chart below to verify the proper line(s) to use; also see the instructions for the particular form you are filing.

Form	Line number	Form	Line number
CT-3	Part 2, line 24c	CT-183	12
CT-3-A	Part 2, line 25c	CT-183-M	12
CT-3-M	13c	CT-184	15c
CT-3-S	Part 2, line 47	CT-184-M	13c
CT-13	23		
CT-33	22c	CT-186	16
CT-33-A	27c	CT-186-E	13f
CT-33-C	20c	CT-186-M	17
CT-33-M	23c	CT-186-P	18c
CT-33-NL	16c	CT-186-P/M	15c

## 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.

## 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 website (see *Need help?*).

## 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, email address, 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 a power of attorney (for example, Form POA-1, *Power of Attorney*).

## Paid preparer identification numbers

**Paid preparer's responsibilities** – Under the law, all paid preparers must sign and complete the paid preparer section of the return. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

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. If you are not required to have a NYTPRIN, enter in the *Excl. code* box one of the specified 2-digit codes listed below that indicates why you are exempt from the registration requirement. You **must** enter a NYTPRIN or an exclusion code. (Information on the New York State Tax Preparer Registration Program is available on our website (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](http://www.irs.gov).)

Code	Exemption type	Code	Exemption type
01	Attorney	02	Employee of attorney
03	CPA	04	Employee of CPA
05	PA (Public Accountant)	06	Employee of PA
07	Enrolled agent	08	Employee of enrolled agent
09	Volunteer tax preparer	10	Employee of business preparing that business' return

See our website for more information about the tax preparer registration requirements.

**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.

## Online services

### Create an Online Services account and log in to:

- make payments
- view your filing and payment history
- get email notifications for refunds, bills, and notices
- respond to bills and notices

Access is available 24 hours a day, 7 days a week.

For more information, visit our website (search: *Online Services*).

## Web File

You can Web File Forms CT-400, *Estimated Tax for Corporations*, and CT-300, *Mandatory First Installment (MFI) of Estimated Tax for Corporations*, on our website (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-5.6, *Request for Three-Month Extension to File Form CT-186 (for utility corporation franchise tax return, MTA surcharge return, or both)*
- Form CT-5.9, *Request for Three-Month Extension To File (for certain Article 9 tax returns, MTA surcharge, or both)*
- Form CT-5.9-E, *Request for Three-Month Extension to File Form CT-186-E (for telecommunications tax return and utility services tax return)*

Benefits of Web filing include:

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

For more information, visit our website 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 website.

## 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 website or by calling (see *Need help?*).

### Need help?



Visit our website at [www.tax.ny.gov](http://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) or TDD equipment users	Dial 7-1-1 for the New York Relay Service

## 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 for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, 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.