



Instructions for Form CT-400

Estimated Tax for Corporations

CT-400-I

Form CT-1, Supplement to Corporation Tax Instructions

See Form CT-1 for the following topics:

- Business information (how to enter and update)
- Entry formats
 - Dates
 - Negative amounts
 - Percentages
 - Whole dollar amounts
- Are you claiming an overpayment?
- NAICS business code number and NYS principal business activity
- Limitation on tax credit eligibility
- Third-party designee
- Paid preparer identification numbers
- Is your return in processible form?
- Use of reproduced and computerized forms
- Electronic filing and electronic payment mandate
- Online services
- Web File
- Form CT-200-V
- Collection of debts from your refund or overpayment
- Fee for payments returned by banks
- Reporting requirements for tax shelters
- Tax shelter penalties
- Voluntary Disclosure and Compliance Program
- Your rights under the Tax Law
- Need help?
- Privacy notification

General information

Who must file a declaration of estimated tax and make quarterly installment payments

Corporations subject to tax under Articles 9, 9-A, and 33 whose franchise, excise, or gross receipts tax can reasonably be expected to exceed \$1,000 for the current tax year must file a declaration of estimated franchise, excise, or gross receipts tax and make installment payments.

Any corporation subject to the metropolitan transportation business tax (MTA surcharge) that is required to make a declaration of estimated franchise, excise, or gross receipts tax must also make a declaration of estimated MTA surcharge and make installment payments.

Estimated tax is the amount estimated to be the franchise, excise, or gross receipts tax and MTA surcharge for the current tax year minus the amount of estimated allowable tax credits for the current tax year.

Form CT-186-E filers: See *Installments of estimated tax* in Form CT-186-E-I, *Instructions for Form CT-186-E*, for specific information about completing Form CT-400.

When to file a declaration of estimated tax

If you determine that the estimated franchise, excise, or gross receipts tax will exceed \$1,000 in the current tax year, file a declaration of estimated franchise, excise, or gross receipts tax and MTA surcharge on or before the 15th day of the sixth month of your current tax year. If you determine, after that filing deadline, that you will have a tax liability of more than \$1,000, see Tax Law section 213-a.

Note: See the *Payment due dates for Articles 9 (sections 184, 186, 186-a, and 186-e), 9-A, and 33 taxpayers* chart if you need to determine your declaration of estimated tax and installment payment due dates.

The third and fourth installments are due on the 15th day of the ninth and twelfth months of the current tax year.

Web File

You can Web File Form CT-400 at www.tax.ny.gov. To get started, log in to your Online Services account (or create one). From the *Services* menu, under *Corporation tax*, select *Make estimated or MFI payment*. You can pay directly from your bank account or by ACH credit.

Benefits include:

- automatic calculation of amounts due
- scheduled payments (up to the due date)
- instant filing confirmation

Where to file

File and pay through your *Online Services* account at www.tax.ny.gov or mail Form CT-400 and payment to:

NYS ESTIMATED CORPORATION TAX
PO BOX 15200
ALBANY NY 12212-5200

Private delivery services – See Publication 55, *Designated Private Delivery Services*.

Amended declaration of estimated tax

If you determine that the estimated tax for the current year differs from your most recent declaration, an amendment to the declaration may be made. This should be done on Form CT-400 and only on the installment due dates. For further information on declarations of estimated tax, see 20 NYCRR sections 7-2 and 7-3.

Payment of estimated tax

Mandatory first installment (MFI) – If the franchise, excise, or gross receipts tax for your second preceding year exceeds \$1,000, but does not exceed \$100,000, you must pay 25% (.25) of such tax with Form CT-300, *Mandatory First Installment (MFI) of Estimated Tax for Corporations*. If the second preceding year's tax exceeds \$100,000, you must pay 40% (.40) of such tax with Form CT-300. Do not use Form CT-400 to make your MFI payment.

New York S corporations: If your preceding year's franchise tax under Article 9-A exceeds \$1,000, but does not exceed \$100,000, you must pay 25% (.25) of such tax with your Form CT-3-S, *New York S Corporation Franchise Tax Return*, or Form CT-5.4, *Request for Six-Month Extension to File New York S Corporation Franchise Tax Return*, for such preceding tax year. If your preceding year's franchise tax under Article 9-A exceeds \$100,000, you must pay 40% (.4) of such tax with your Form CT-3-S, or Form CT-5.4, for such preceding tax year.

Life insurance companies: If the franchise tax for your second preceding year exceeds \$1,000, you must pay 40% of such tax with Form CT-300.

Tax Law section 186 filers: If your preceding year's franchise tax under Article 9 exceeds \$1,000, you must pay 25% (.25) of such tax with your Form CT-186, *Utility Corporation Franchise Tax Return*, or Form CT-5.6, *Request for Three-Month Extension to File Form CT-186*, for such preceding tax year.

MTA surcharge: A 25% (40% for life insurance companies) first installment of the MTA surcharge is also required if your franchise, excise, or gross receipts tax is more than \$1,000 and you are subject to the MTA surcharge. A 40% first installment of the MTA surcharge is required if your franchise, excise, or gross receipts tax exceeds \$100,000. Form CT-186-M filers always use 25%.

Second, third, and fourth installments – To determine the estimated tax amount due in these installments, subtract the amount of the MFI payment made, as described above, from the estimated tax due and divide the result by three.

Corporate partners: Reduce the amount of each installment due by the amount of estimated tax that was paid on your behalf by a partnership on or before the installment due date.

Penalties for underpayment of estimated tax

We will impose a penalty on you if you do not file a declaration of estimated tax or do not timely pay the entire amount of an installment payment that is due. To avoid this penalty, the estimated tax is the tax, less allowable credits, shown on the return for the year for which the estimated tax payments were made (or if no return was filed, the tax for that year), unless one of the exceptions under *Exceptions to the underpayment penalty* applies. For complete details, see Form CT-222, *Underpayment of Estimated Tax by a Corporation*.

Exceptions to the underpayment penalty

You will not have to pay a penalty if you made all tax payments on time and **each** installment equals or exceeds the amount that would have been required to be paid by each installment date if the estimated tax were an amount determined under any of the exceptions listed below.

Exceptions 3 and 4 **do not** apply to large corporations. A *large corporation* is one that had, or whose predecessor had, business income or allocated business income of at least \$1 million for any of the three tax years immediately preceding the tax year involved.

Note: Article 9 taxpayers are never considered *large corporations*.

A *large corporation*, for a **non-life** insurance corporation subject to tax under Tax Law, Article 33, section 1502-a, is one that had direct premiums subject to the premiums tax under Tax Law, Article 33, section 1502-a exceeding \$3.75 million for any of the three immediately preceding tax years.

A *large corporation*, for a **life** insurance corporation subject to tax under Article 33, is one that had, or whose predecessor had, entire net income (ENI), or allocated ENI, of at least \$1 million for any of the three tax years immediately preceding the tax year involved.

Exception 1: This exception applies if you have recurring seasonal income. For additional information about computing seasonal income, see Article 27 section 1085(d)(4).

Exception 2: This exception applies if the estimated tax you paid was equal to or more than 91% (or 100% for large corporations) of the amount you would owe if your estimated tax were computed on annualized taxable income for the months preceding an installment date.

You may annualize income as follows:

- a. for the first 3, 4, or 5 months of the tax year, in the case of the installment required to be paid in the sixth month
- b. for the first 6, 7, or 8 months of the tax year, in the case of the installment required to be paid in the ninth month
- c. for the first 9, 10, or 11 months of the tax year, in the case of the installment required to be paid in the twelfth month

Note: The use of 4, 7, and 10 months or 5, 8, and 11 months requires an election to be filed by the due date of the declaration of estimated tax. For more information, see Form CT-222.1, *Election to Use Different Annualization Periods for Corporate Estimated Tax*.

To annualize, multiply taxable income for the period by **12** and divide the result by the number of months in the period (3, 4, 5, 6, 7, etc.).

Exception 3 (not to be used by large corporations): This exception applies if the amount you paid is equal to or more than the tax reported on your prior year's return. You must have filed a franchise, excise, or gross receipts tax return showing a tax liability for the preceding tax year, and that year must have consisted of 12 months.

Exception 4 (not to be used by large corporations): This exception applies if the amount you paid is equal to or more than the tax computed by using the current year's rate, but based on the facts shown on the prior year's return and the law that applies to the prior year.

To avoid underpayment penalties, you must make up a reduction in estimated taxes resulting from using annualized income or seasonal income by increasing the amount of the next installment determined

under any method, other than the annualized income or seasonal income method, by the amount of such reduction.

Specific instructions

In the appropriate spaces provided on the form, enter your business information. You may obtain the file number and return type (form number) from your last New York State franchise, excise, or gross receipts tax return, or enter the state franchise, excise, or gross receipts tax return form number you expect to file, if different. Do not enter slashes or dashes when entering the form number in the *Return type* box. Enter the month, day, and 4-digit year (in *mm-dd-yyyy* format) that your tax year begins and ends in the *Beginning* and *Ending* boxes under *Tax year*. Use the *Payment due dates for Articles 9 (sections 184, 186, 186-a, and 186-e), 9-A, and 33 taxpayers* chart to determine your installment due date and enter it in the box.

Note: To avoid delays in processing your estimated tax, you **must** enter a form number in the *Return type* box.

Line instructions

Line A – Add the amounts on lines 1 and 2 and enter the result. Make your check or money order for this amount payable in U.S. funds. We will accept a foreign check or money order only if payable through a United States bank or if marked **Payable in U.S. funds**.

Installment payment amount

Line 1 – Enter the amount of your installment payment for your franchise, excise, or gross receipts tax.

Line 2 – Enter the amount of your installment payment for your MTA surcharge, if applicable.

Declaration of estimated tax

Line 3 – Enter the amount of your estimated franchise, excise, or gross receipts tax for the current tax year.

Line 4 – Enter the amount of your estimated MTA surcharge for the current tax year.

Record of estimated tax payments

| Installment payment number | Date | Check number | A Amount | B Overpayment from last year | C Total <i>(column A + column B)</i> |
|-----------------------------------|-------------|---------------------|---------------------|---|---|
| 1* | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| Total | | | | | |

* Paid with Form CT-300 (except for Form CT-186 and Form CT-3-S filers who pay with the prior year tax return or extension)

Payment due dates for Articles 9 (sections 184, 186, 186-a, and 186-e), 9-A, and 33 taxpayers

If the due date falls on a Saturday, Sunday, or legal holiday, the payment is due on the next business day.

| If your year ends on: | Your MFI is due on: | Subsequent payments and installment payments are due on: | | |
|------------------------------|----------------------------|---|--------------------------|---------------------------|
| | | Second installment | Third installment | Fourth installment |
| January 31 | April 15 | July 15 | October 15 | January 15 |
| February 28/29 | May 15 | August 15 | November 15 | February 15 |
| March 31 | June 15 | September 15 | December 15 | March 15 |
| April 30 | July 15 | October 15 | January 15 | April 15 |
| May 31 | August 15 | November 15 | February 15 | May 15 |
| June 30 | September 15 | December 15 | March 15 | June 15 |
| July 31 | October 15 | January 15 | April 15 | July 15 |
| August 31 | November 15 | February 15 | May 15 | August 15 |
| September 30 | December 15 | March 15 | June 15 | September 15 |
| October 31 | January 15 | April 15 | July 15 | October 15 |
| November 30 | February 15 | May 15 | August 15 | November 15 |
| December 31 | March 15 | June 15 | September 15 | December 15 |

Note: All Article 9 (sections 184, 186, 186-a, and 186-e) taxpayers file on a calendar-year basis and **must** file tax returns and declarations of estimated tax based on the calendar year, regardless of their federal tax filing period.