



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)
- Business information (how to enter and update)
- Entry formats
 - Dates
 - Negative amounts
 - Percentages
 - Whole dollar amounts
- 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
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- Collection of debts from your refund or overpayment
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- Tax shelter penalties
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Changes for 2011

Non-legislative changes

Online Account Summary — As part of our expansion into electronic communication, the Tax Department is offering new online services. Our *Online Account Summary* allows corporations to:

- receive e-mail alerts and reminders about your tax account, including notification of your refund
- view a comprehensive, customized summary of your account
- respond to department notices
- update account information

For additional information, see our Web site.

More forms added to Web File — This year we've added Forms CT-5.3, *Request for Six-Month Extension to File (for combined franchise tax return, or combined MTA surcharge return, or both)*, and CT-5.9-E, *Request for Three-Month Extension to File Form CT-186-E or Form CT-186-EZ (short form)*, to the list of forms that you can Web File. For a complete list, see *Web File*.

Legislative changes

Articles 9, 9-A, 13, 32, and 33

Chapter 61, Laws of 2011

Filing fee due date change — The annual filing fee due date for every subchapter K limited liability company (LLC), every LLC that is a disregarded entity for federal income tax purposes, and every partnership that has any income derived from New York sources was changed from 30 to 60 days after the last day of the tax year.

E-filing and e-payment mandates — Effective for 2011 there are new penalty and interest provisions, including changes that impact paid preparers.

- If you don't electronically file a mandated tax return or extension, you'll be subject to a:
 - \$50 penalty for each return or extension that isn't electronically filed, even if your tax preparer filed the return
 - \$50 penalty for failing to electronically pay any balance due (this penalty was already in effect)
 - penalty for failure to file a return or report

You'll also be ineligible to receive interest on an overpayment claimed on a paper tax return. (Interest on any refund will not commence until the later of the department's deadline to issue a refund interest free or the electronic filing of the return.)

- Tax return preparers who prepare more than five original tax documents during any calendar year beginning on or after January 1, 2011, and in a succeeding year prepare one or more authorized returns using tax software, must electronically file all authorized tax documents in that succeeding tax year and each tax year thereafter. This requirement must be used to determine whether any authorized tax document must be e-filed on or after January 1, 2012.

Additional information about the above provisions is available on our Web site (see *Need help?*).

Electronic communications for online services account holders

— Effective March 31, 2011, new Tax Law, Article 1, section 35 provides that the Tax Department may use electronic means of communication to deliver certain documents to online services account holders who have authorized the department to do so. For more information, visit our Web site (see *Need help?*).

Extension of tax shelter disclosure and penalty provisions

— The reporting requirements and related administrative provisions regarding the disclosure of certain federal and New York State reportable transactions and related information regarding tax shelters were extended to July 1, 2015. For more information, see TSB-M-11(5)C, *Extension of Tax Shelter Disclosure and Penalty Provisions*.

Lottery prizes applied against tax liabilities — Effective August 1, 2011, Tax Law, Article 34, section 1613-c was added to allow the Director of Lottery and the Commissioner of Taxation and Finance to enter into an agreement to permit a match of the names of those owing tax liabilities to New York against the names of those winning lottery prizes in excess of \$600. If a lottery prize winner owes taxes administered by the Tax Department, we may apply the lottery prize against the tax liability.

Chapter 432, Laws of 2011

20-year limit on time to collect tax liabilities — Effective August 17, 2011, new Tax Law, Article 8, section 174-b provides for a 20-year statute of limitations on the time to collect tax liabilities for taxes administered by the Tax Department. A tax liability will not be enforceable and will be extinguished after 20

years from the first date a warrant could be filed by the department. The department and the taxpayer can consent in writing to extend the time period during which tax warrants may be collected.

This new law applies to tax liabilities that could have been warranted before August 17, 2011, as well as tax liabilities that can first be warranted on or after that date. Therefore, the 20-year time limit starts from the first date a warrant could be filed for a tax liability, regardless of when the tax liability was assessed (that is, before or after the effective date).

Chapter 469, Laws of 2011

Offer-In-Compromise Program — Tax Law, Article 8, section 171 (Fifteenth) and (Eighteenth-a) were amended to reform the Offer-In-Compromise Program. New standards will allow more taxpayers to be eligible to participate. Additional information is available on our Web site (see *Need help?*).

Chapter 521, Laws of 2011

Reversal of tax overpayment credited to estimated tax —

A taxpayer may request that the Tax Department reverse an overpayment of tax claimed as a credit to estimated tax for the succeeding tax year. The request must be made on or before the due date, or extended due date, of the return for the succeeding tax year. If good cause is shown, the request will be granted and the overpayment may be credited against a tax liability or refunded without interest. However, the taxpayer will not be relieved of liability for any penalty imposed because of a consequent underpayment of estimated tax for the succeeding tax year. The decision to grant or deny the request is final and is not subject to further administrative or judicial review.

Article 9

Chapter 60, Laws of 2011

Power for Jobs Program — The Power for Jobs credit was extended through December 31, 2012. This credit is available to qualified electric corporations and is claimed on Forms CT-186-P, *Utility Services Tax Return - Gross Income*, and CT-186-E, *Telecommunications Tax Return and Utility Services Tax Return*.

Chapter 61, Laws of 2011

Excelsior Jobs Program Act — Effective March 31, 2011, the benefit period of the Excelsior Jobs Program was extended from five to ten years. Several other administrative changes were made to the program, and to how the credit is computed. For more information on the Excelsior Jobs Program, see TSB-M-11(6)C, *Summary of Budget Bill, Corporation Tax Changes Enacted in 2011*, and visit the Empire State Development (ESD) Web site at www.esd.ny.gov.

Economic Transformation and Facility Redevelopment Program — Effective March 31, 2011, Economic Development Law, Article 18 was amended and a new Tax Law, Article 1, section 35 was created to provide for an Economic Transformation and Facility Redevelopment Program. This new program provides tax incentives to businesses to stimulate redevelopment in targeted communities where certain correctional or juvenile facilities are closed (economic transformation areas). For more information, see TSB-M-11(6)C.

Article 9-A

Chapter 61, Laws of 2011

Investment tax credit (ITC) for the financial services industry extended — This credit is now available for property placed in service before October 1, 2015. For more information, see Form CT-44, *Claim for Investment Tax Credit for the Financial Services Industry*, and its instructions.

Low-income housing credit — Effective March 31, 2011, the Public Housing Law was amended to increase the statewide aggregate dollar amount of low-income housing credits that may be used for qualifying low-income housing projects from \$28 million to \$32 million.

Excelsior Jobs Program Act — Effective March 31, 2011, the benefit period of the Excelsior Jobs Program was extended from five to ten years. Several other administrative changes were made to the program, as well as changes to how the credit is computed. For more information on the Excelsior Jobs Program, see TSB-M-11(6)C, *Summary of Budget Bill, Corporation Tax Changes Enacted in 2011*, and visit the Empire State Development (ESD) Web site at www.esd.ny.gov.

Transitional provisions for the federal Gramm-Leach-Bliley (GLB) Act — The transitional provisions for financial holding companies contained in Tax Law, Article 32, section 1452(m) were extended for two years so they now expire for tax years beginning on or after January 1, 2013. In addition, the combined reporting requirements of the transitional provisions contained in Tax Law, Article 32, section 1462(f)(2)(iv) were also extended for two years. For more information, see TSB-M-02(1)C, *Summary of Legislative Changes Enacted in 2001*, page 6 and TSB-M-08(1)C, *Summary of Corporation Tax Legislative Changes Enacted in 2007 and Expiring Tax Law Provisions*, page 7.

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Chapter 591, Laws of 2011

Clean heating fuel credit extended — This credit is now available for purchases of bioheat made before January 1, 2017. For more information, see Form CT-241, *Claim for Clean Heating Fuel Credit*.

Article 32

Chapter 61, Laws of 2011

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Franchise tax on banking corporations — The provisions of the bank tax relating to the taxation of commercial banks that were scheduled to expire for tax years beginning on or after January 1, 2011, were made permanent.

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Article 33**Chapter 61, Laws of 2011****Investment tax credit (ITC) for the financial services industry**

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Chapter 62, Laws of 2011

Merger of banks and insurance departments — References to the *insurance department* within Tax Law, Article 1, section 11 in relation to certified capital companies were amended. In general, the term *department* now means the Department of Financial Services. The term *superintendent* now means the Superintendent of Financial Services. However, with regard to any application, certification, report, submission, filings, or other actions required or governed by New York State Tax Law section 11 occurring on or after August 1, 2011, these terms will mean the Department of Economic Development and Commissioner of Economic Development, respectively.

Article 33-A**Chapter 61, Laws of 2011****Federal conformity to the Dodd-Frank Wall Street Reform and Consumer Protection Act**

— For taxable insurance contracts that have an effective date on or after July 21, 2011, the excess lines provisions in the Insurance Law and Tax Law, Article 33-A, *Tax on Independently Procured Insurance* were amended to conform to the federal Nonadmitted and Reinsurance Reform Act (NRRA) of 2010. The amendments limit the imposition of this tax to persons whose home state is New York. For more information, see TSB-M-11(7)C, *Changes to Article 33-A, Tax on Independently Procured Insurance*.

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: $5,000/7,500 = 0.6666666 = 6.6667\%$.

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.

Third-party designee

If you want to authorize another person (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 that may arise during the processing of your return. You are also authorizing the designee to:

- give the Tax Department any information that is missing from your return;
- call the Tax Department for information about the processing of your return or the status of your refund or payment(s); and
- respond to certain Tax Department notices that you shared with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

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 the designee to perform those services for you, you must file Form POA-1, *Power of Attorney*, making that designation with the Tax Department. Copies of statutory tax notices or documents (such as a *Notice of Deficiency*) will only be sent to your designee if you file Form POA-1.

You cannot change the PIN. The authorization will automatically end on the due date (without regard to extensions) for filing your next year's tax return.

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 must also be e-paid.

Web File

You can Web File Form CT-400, *Estimated Tax for Corporations*, on our Web site (see *Need help?*). You'll 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 or Form CT-186-EZ, (short form)*

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, Collections and Civil Enforcement Division, W A Harriman Campus, Albany NY 12227.

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.

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 won't 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

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.