



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)
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Changes for 2013

Non-legislative changes

Third-party designee — Authorizations for a third-party designee will no longer expire. An authorization will now continue until you revoke it, which you may do at any time by contacting the Tax Department. Authorizing a third-party designee to discuss questions about your tax return allows the department to process your return faster. You are not authorizing the designee to receive your refund, bind you to anything, or represent you before the Tax Department.

NAICS business code number and NYS principal business activity — You must now 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.

Additional filing requirements for Form CT-60-QSSS, *Affiliated Entity Information Schedule* — For tax years beginning in 2013, the filing requirements for this form and the title have changed. For more information, see this form and its instructions.

Form CT-500, *Corporation Tax Credit Deferral*, discontinued — Effective for tax years beginning on or after January 1, 2013, the temporary deferral of certain tax credits has expired. To claim your credits that were deferred for 2010, 2011, and 2012, complete Form CT-501, *Temporary Deferral Nonrefundable Payout Credit*, or CT-502, *Temporary Deferral Refundable Payout Credit*, or both, as applicable.

Legislative changes

Articles 9, 9-A, 32, and 33

Chapter 59, Laws of 2013

E-filing and e-payment mandate changes — The revised provisions for tax preparers established under section 23 of Part U of Chapter 61 of the Laws of 2011 that were set to expire on December 31, 2013, were extended through December 31, 2016.

For more information, see TSB-M-13(6)C, *Summary of Budget Bill Corporation Tax Changes Enacted in 2013 – Effective for Tax Years 2013 and After*.

Metropolitan transportation business tax (MTA surcharge) extender — The MTA surcharge was extended through tax years ending before December 31, 2018.

Article 9

Chapter 59, Laws of 2013

Alternative fuel vehicle refueling property and electric vehicle recharging property credit — For tax years beginning on or after January 1, 2013, and before January 1, 2018, there is a new credit for the installation of alternative fuel vehicle refueling property and electric vehicle recharging property. This credit applies to qualified property placed in service in New York State for any tax year beginning on or after January 1, 2013. For more information, see TSB-M-13(5)C, (3)l, *Credit for Alternative Fuel Vehicle Refueling Property and Electric Vehicle Recharging Property*, and Form CT-637, *Alternative Fuels and Electric Vehicle Recharging Property Credit*, and its instructions.

Article 9-A

Chapter 57, Laws of 2013

Veterans Remembrance and Cemetery Maintenance and Operation Fund — A new line was added to Forms CT-3 (line 91f), CT-3-A (line 93f), and CT-4 (line 41f), so that you may contribute to this fund. Your contributions to the fund will be used for the costs associated with the construction, establishment, expansion, improvement, support, operation, maintenance, and provision of perpetual care of veterans' cemeteries in New York State.

Chapter 59, Laws of 2013

Alternative fuel vehicle refueling property and electric vehicle recharging property credit — For tax years beginning on or after January 1, 2013, and before January 1, 2018, there is a new credit for the installation of alternative fuel vehicle refueling property and electric vehicle recharging property. This credit applies to qualified property placed in service in New York State for any tax

year beginning on or after January 1, 2013. For more information, see TSB-M-13(5)C, (3)I, *Credit for Alternative Fuel Vehicle Refueling Property and Electric Vehicle Recharging Property*, and Form CT 637, *Alternative Fuels and Electric Vehicle Recharging Property Credit*, and its instructions.

Empire State film production and post-production tax credits —

Several changes were made to these credits as follows:

- the extension and reallocation of credits;
- amended the definition of a qualified film adding the term *relocated television production*;
- an additional credit for both film production projects and post-production projects in upstate New York;
- post-production credit eligibility changes; and
- a post-production credit limitation.

For more information, see TSB-M-13(6)C. You may also visit the New York State Governor's Office for Motion Picture and Television Development Web site at www.nylovesfilm.com.

New York State Business Incubator and Innovation Hot Spot Support Act —

This act was created to support companies in New York State that are in the early stages of development. New Tax Law section 38 was added to provide for New York State innovation hot spot program tax benefits. Empire State Development (ESD) is authorized to designate five qualified New York State incubators as New York State innovation hot spots in state fiscal year 2013-14 and an additional five in state fiscal year 2014-15. These hot spots can certify certain clients as a qualified entity eligible for tax benefits under Tax Law section 38. These tax benefits are allowed for up to five tax years beginning with the first tax year a qualified entity becomes a tenant in (or as part of) a New York State innovation hot spot.

You may also be required to file Form CT-223, *Innovation Hot Spot Deduction*.

Rehabilitation of historic properties credit — This enhanced credit, previously scheduled to expire December 31, 2014, was extended to tax years beginning before January 1, 2020. To be eligible for the credit, all or part of a rehabilitation project must be located within a census tract that is identified as being at or below 100% of the state median family income.

For additional information, see TSB-M-13(4)C, (2)I, *Amendments to the Rehabilitation of Historic Properties Credit*, and Form CT-238, *Claim for Rehabilitation of Historic Properties Credit*, and its instructions.

Amendments to the related members royalty expense add-back and income exclusion provisions — Technical changes were made to the computation of net income that amend the related members royalty expense add-back and income exclusion. The income exclusion for royalty payments paid to related members was repealed and the related members' royalty expense add-back was amended.

Under the new law, a taxpayer that is not included in a combined report with a related member must now add back royalty payments directly or indirectly paid, accrued, or incurred in connection with one or more direct or indirect transactions with one or more related members during the tax year, to the extent deductible in calculating federal taxable income unless the taxpayer meets one of four exceptions.

In addition, the definition of a related member is now a related person as defined by IRC section 465(b)(3)(C), except that 50% is substituted for the 10% ownership threshold. For additional information, see TSB-M-13(6)C.

New York Youth Works Tax Credit Program — Several amendments to the Labor Law were made that expand and extend this tax credit program (administered by the NYS Department of Labor).

The amendments expand the program by reducing the city population threshold and administer a separate credit allocation for each of the additional program years. It extends the program so a tax credit may now be claimed for a qualified employee hired before January 1, 2018.

Article 13

Chapter 59, Laws of 2013

Amendments to the related members royalty expense add-back and income exclusion provisions — Technical changes were made to the computation of net income that amend the related members royalty expense add-back and income exclusion. The income exclusion for royalty payments paid to related members was repealed and the related members' royalty expense add-back was amended.

Under the new law, a taxpayer that is not included in a combined report with a related member must now add back royalty payments directly or indirectly paid, accrued, or incurred in connection with one or more direct or indirect transactions with one or more related members during the tax year, to the extent deductible in calculating federal taxable income unless the taxpayer meets one of four exceptions.

In addition, the definition of a related member is now a related person as defined by IRC section 465(b)(3)(C), except that 50% is substituted for the 10% ownership threshold. For additional information, see TSB-M-13(6)C.

Articles 32 and 33

Chapter 59, Laws of 2013

Rehabilitation of historic properties credit — This enhanced credit, previously scheduled to expire December 31, 2014, was extended to tax years beginning before January 1, 2020. To be eligible for the credit, all or part of a rehabilitation project must be located within a census tract that is identified as being at or below 100% of the state median family income.

For additional information, see TSB-M-13(4)C, (2)I, *Amendments to the Rehabilitation of Historic Properties Credit*, and Form CT-238, *Claim for Rehabilitation of Historic Properties Credit*, and its instructions.

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In addition, the definition of a related member is now a related person as defined by IRC section 465(b)(3)(C), except that 50% is substituted for the 10% ownership threshold. For additional information, see TSB-M-13(6)C.

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

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, 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.

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

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.