



Department of Taxation and Finance

**Business Allocation Schedule****For business carried on both in and out of New York State  
(or the Metropolitan Commuter Transportation District (MCTD))****IT-203-A**  
(12/16)

Name as shown on return

Tax year ending (mmddyyyy)

Social security number

Submit this schedule with your Form IT-201 or IT-203; submit additional sheets if necessary.

**A** Business allocation for (see instructions) ..... NYS ☐ MCTD ☐**Schedule A – List all places, both in and out of New York State or the MCTD, where you carry on business**

| 1 – Street address | 2 – City and state | 3 – Description (see instructions) |
|--------------------|--------------------|------------------------------------|
|                    |                    |                                    |
|                    |                    |                                    |
|                    |                    |                                    |
|                    |                    |                                    |

☐ Income (or net earnings from self-employment) determined from books (see instructions)**Schedule B – Formula basis allocation, if books do not show the portion from New York State or MCTD sources**

| Items used as factors  |                                                                                                                        |    | Column A<br>Totals – in and out of<br>New York State (or MCTD) | Column B<br>New York State (or MCTD)<br>amounts | Column C<br>Percent<br>Column B<br>is of<br>Column A |
|------------------------|------------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------|
| Property<br>percentage | 1 Real property owned.....                                                                                             | 1  | .00                                                            | .00                                             |                                                      |
|                        | 2 Real property rented from others.....                                                                                | 2  | .00                                                            | .00                                             |                                                      |
|                        | 3 Tangible personal property owned.....                                                                                | 3  | .00                                                            | .00                                             |                                                      |
|                        | 3a Tangible personal property rented from others                                                                       | 3a | .00                                                            | .00                                             |                                                      |
|                        | 4 Property percentage (add lines 1 through 3a)                                                                         | 4  | .00                                                            | .00                                             | %                                                    |
|                        | 5 Payroll percentage (see instructions) .....                                                                          | 5  | .00                                                            | .00                                             | %                                                    |
|                        | 6 Gross income percentage (see instructions) .....                                                                     | 6  | .00                                                            | .00                                             | %                                                    |
|                        | 7 Total of percentages (add lines 4, 5, and 6, Column C) .....                                                         | 7  |                                                                |                                                 | %                                                    |
|                        | 8 Business allocation percentage (divide line 7 total by three, or by actual number of percentages if less than three) | 8  |                                                                |                                                 | %                                                    |

- 9 Allocation of business income to New York State** – Multiply each item of business income or loss reported on Form IT-203, *Federal amount* column, that is required to be allocated by the percentage from line 8. Use the following lines to compute the New York State amounts and then transfer these amounts to the proper lines on Form IT-203, *New York State amount* column.  
(If additional lines are needed, submit a schedule.)

Line number \_\_\_\_\_ \$ \_\_\_\_\_ .00 X \_\_\_\_\_ % (line 8) = \$ \_\_\_\_\_ .00

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Line number \_\_\_\_\_ \$ \_\_\_\_\_ .00 X \_\_\_\_\_ % (line 8) = \$ \_\_\_\_\_ .00

- 10 Allocation of net earnings from self-employment to the MCTD** – Multiply these net earnings from self-employment by the allocation percentage from line 8. Include this amount on line 54a of Form IT-201 or line 52b of Form IT-203.

Net earnings \$ \_\_\_\_\_ .00 X \_\_\_\_\_ % (line 8) = \$ \_\_\_\_\_ .00

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# Instructions

## General instructions

Business allocation for purposes of New York State income and net earnings from self-employment for the metropolitan commuter transportation mobility tax (MCTMT) is done using the same rules. Therefore, when reading these instructions for purposes of allocating to the Metropolitan Commuter Transportation District (MCTD), substitute *MCTD* for *New York State or state*; *net earnings from self-employment for New York income*, *business income*, or *income*; and *in and out of the MCTD* for *in and out of the state*.

Use this form if you carry on business both in and out of New York State (nonresidents only) or the MCTD.

Business is carried on out of the state if you have, maintain, operate, or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place where your business matters are systematically and regularly carried on outside New York State. An occasional or isolated business transaction out of the state will not permit an allocation of income. In addition, if you have no regular place of business out of the state, you may not allocate any income for business carried on out of the state even though you or your representatives may travel out of the state to perform duties connected with the trade or business and may make sales or perform services for out-of-state individuals or corporations.

If the New York income of the business cannot be determined from your books, you must determine income from business carried on both in and out of New York State in accordance with the statutory formula or an alternative method approved by the Commissioner of Taxation and Finance. Complete Schedules A and B following the specific instructions on this page. Even though Schedule B may not fairly reflect the income from New York and you use an alternative allocation method, you must complete Schedule B. Submit a detailed explanation of the alternative method used to determine New York income, together with full details of any modifications increasing or decreasing the amount of New York income computed by the alternate method. The modifications are described in the instructions for Form IT-201, Form IT-203, and Form IT-225, *New York State Modifications*.

Income and deductions from the rental of real property and gain or loss from the sale, exchange, or other disposition of real property are not subject to allocation. They are considered to be entirely derived from or connected with the place in which the property is located.

The business allocation percentage is to be applied to business income loss, farm income loss, or income from intangible personal property (such as annuities, dividends, interest, and gains from the disposition of intangible personal property) if such property is used in or connected with a business carried on both in and out of New York State.

## Specific instructions

If you carried on more than one business for which an allocation is required, prepare a separate Form IT-203-A for each business.

**Line A** – If you are required to allocate for both New York State and MCTMT purposes, complete one Form IT-203-A if all of your in-state business is carried on in the MCTD. However, if you carry on business both in and out of the MCTD and out of New York State, you must complete separate Forms IT-203-A.

**Schedule A** – In columns 1 and 2, list the exact locations at which you carry on business both in and out of New York State. In column 3, describe the places listed in columns 1 and 2 (e.g., branch office, agency, factory, warehouse, etc.) and state whether you rent or own these places. If you need additional space, submit a separate sheet(s) with your Form IT-203-A with the same format as Schedule A that clearly shows the information for columns 1 through 3.

If you carry on business both in and out of New York State and maintain accounts clearly showing income from the New York business, mark an **X** in the box for **Income (or net earnings from self-employment) determined from books**. Do not complete Schedule B. For MCTMT, include the amount of net earnings from self-employment allocated to the MCTD on line 54a of Form IT-201 or line 52b of Form IT-203.

**Schedule B** – Complete this schedule if business is carried on both in and out of New York State and you do not maintain accounts clearly reflecting the New York operations of the business.

**Property percentage** – Complete lines 1 through 4 of Schedule B to determine the average value of real and tangible personal property of the business.

**Lines 1 and 3 (property owned)** – To determine the average value of the property owned, add its adjusted basis at the beginning of the tax year to its adjusted basis at the end of the tax year, and divide the result by two.

Enter the average value of all property owned by the business in Column A and the average value of property that is located in New York State in Column B.

**Lines 2 and 3a (property rented)** – The fair market value of property rented by the business is generally eight times the gross rent payable during the tax year for which the return is filed. Gross rent includes:

- any amount payable for the use or possession of property, or any part of it, whether designated as a fixed sum of money or as a percentage of sales, profits, or otherwise;
- any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other agreement; and
- a proportionate part of the cost of any improvement to property made by or on behalf of the business which reverts to the owner or lessor upon termination of a lease or other arrangement. However, if a building is erected on leased land by or on behalf of the business, the value of the building is determined in the same manner as if it were owned by the business.

Enter the value of all property rented in Column A and the value of property rented that is located in New York State in Column B.

**Line 4** – Add lines 1 through 3a in Columns A and B, and enter the totals on line 4.

Divide the Column B total by the Column A total. Round the result to the fourth decimal place and enter it as a percentage in Column C. For example, .3333 should be entered as 33.33.

**Line 5 Payroll percentage** – Enter wages, salaries, and other personal service compensation paid only to **employees** of the business. Do not include payments to independent contractors, independent sales agents, etc. Enter in Column A the total compensation paid to employees during the tax year in connection with business operations carried on both in and out of New York State. Enter in Column B the amount paid in connection with operations carried on in New York State. The compensation paid for services is in connection with operations carried on in New York State if the employee works in or travels out of an office or other place of business located in New York State.

Divide the Column B amount by the Column A amount. Round the result to the fourth decimal place and enter it as a percentage in Column C. For example, .3333 should be entered as 33.33.

**Line 6 Gross income percentage** – Enter in Column A total gross sales made or charges for services performed by the proprietor or by employees, agents, agencies, or independent contractors of the business in and out of New York State. Enter in Column B the portion of total gross sales or charges which represents sales made, or services performed, by or through an agency in New York State. This includes sales made or services performed by employees, agents, agencies, or independent contractors situated at, connected with, or sent out from offices of the business (or its agencies) located in New York State. For example, if a salesman working out of the New York office of the business covers New York, New Jersey and Pennsylvania, **all** sales made by him are to be allocated to New York State and included in Column B on line 6.

Divide the Column B amount by the Column A amount. Round the result to the fourth decimal place and enter it as a percentage in Column C. For example, .3333 should be entered as 33.33.

**Line 7 Total of percentages** – Add lines 4, 5, and 6 in Column C and enter the total.

**Line 8 Business allocation percentage** – Divide line 7 by three (or by the actual number of percentages if less than three). Round the result to the fourth decimal place and enter the result as a percentage.

If allocating business income to New York State, continue with line 9. If allocating net earnings from self-employment to the MCTD, continue with line 10.

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