New York State Department of Taxation and Finance

Instructions for Form CT-3M/4M

General Business Corporation MTA Surcharge Return

CT-3M/4M-I

General Information

Who Must File This Form and Pay This Surcharge

A taxpayer filing Form CT-3, CT3-A or CT-4 under Article 9-A, that does business, employs capital, owns or leases property or maintains an office in the Metropolitan Commuter Transportation District (MCTD) must also file Form CT-3M/4M and pay a metropolitan transportation business tax surcharge on business done in the Metropolitan Transportation Authority region (MTA surcharge). The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

A corporation is not subject to the MTA surcharge if (1) its activities are limited to solicitation of orders, by the corporation's representatives or independent contractors, for sales of tangible personal property, (2) the orders are sent outside the district for approval or rejection, and, (3) the orders, if approved, are filled by shipment or delivery from a point outside the district.

Estimated MTA Surcharge

Any corporation doing business in the MCTD that is required to make a declaration of estimated franchise tax and state tax surcharge must also make a declaration of estimated MTA surcharge and make quarterly installment payments on Form CT-400, *Estimated Tax for Corporations*. For additional information see the instructions for line 5b and Form CT-400-I.

MTA Surcharge Rate

The MTA surcharge rate is 17% for calendar years 1995 and 1996 or fiscal years beginning on or after January 1, 1995 and ending before December 31, 1997.

When and Where to File

File this return and pay the amount of MTA surcharge due within 2½ months after the end of your reporting period.

If you cannot meet the filing deadline, ask for a six-month extension of time by filing Form CT-5 or CT-5.3. Mail your return to: NYS Corporation Tax, Processing Unit, PO Box 1909, Albany, NY 12201-1909.

Extension of Time for Filing MTA Surcharge Return

You may request additional time to file an MTA surcharge return. File Form CT-5 or CT-5.3 on or before the due date of the return for which the extension is requested and pay the MTA surcharge estimated to be due. The payment must equal or exceed either 100% of the MTA surcharge shown on your return (adjusted to correct errors in computation) for the preceding year (if it was for a period of twelve months) calculated at the MTA surcharge rate in effect for the current period covered by the extension, or 90% of the MTA surcharge for the current year as finally determined.

Identifying Information

To assist us in processing your corporation tax forms as quickly and efficiently as possible, it is important that we have the necessary identifying information from your preprinted label. **Keep a record of the label information for future use.** Please be certain to include your employer identification number and file number on each corporation tax form mailed. This will facilitate processing of your return to the correct account. Without this information, we may not be able to process your return.

If you use a paid preparer or accounting firm, make sure they use the mailing label information when completing all forms prepared for you.

Change of Business Information

If there have been any changes in your business name, identification number, mailing address, business address, telephone number or owner/officer information and you have not previously notified us, complete Form DTF-95, *Change of Business Information*. If you don't have a form, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073 to request one.

Line Instructions

Reporting Period

If you are a calendar year filer, check the box in the upper right corner on the front of the form.

If you are a fiscal year filer, complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

Computation of MTA Surcharge

Line 1 Enter your franchise tax, before the addition of any state tax surcharge computed on your tax return:

Form CT-3, line 77 — Form CT-3-A, line 82
Form CT-4, line 23

Line 2 Complete the appropriate part of Schedule A and enter your MCTD allocation percentage from either line 35 or line 43.

Line 5b Enter 25% (.25) of the amount on line 4, if:
- — you did not file Form CT-5 or CT-5.3, and,
- — the franchise tax plus the state tax surcharge on Form CT-3 or CT-3-A is more than $1,000.

Enter "0" if:
- — you did not file Form CT-5 or CT-5.3, and,
- — the franchise tax plus the state tax surcharge on Form CT-3, CT-4 or Form CT-3-A is not more than $1,000.

Line 9 If you underpaid your estimated MTA surcharge, use Form CT-222, *Underpayment of Estimated Tax by a Corporation*, to compute the penalty. Attach Form CT-222, check the box and enter the amount of penalty on this line. If no penalty is due, enter "0".

Line 13 You may divide your overpayment in any way you choose on lines 14, 15 and 16. If you are requesting a refund on line 14, check the refund box on the front of your return, just above line A.

Schedule A — Computation of MCTD Allocation Percentage

- If you do all of your New York State business within the 12 counties of the MCTD, enter 100% on line 2. Do not complete Schedule A.
- If you do part of your business outside of the MCTD, but not outside of New York State, compute your MCTD allocation by completing this schedule. Use the same instructions used in Form CT-3-I, *Instructions for Form CT-3*, Schedule A, Parts I and II or CT-3-A-I, *Instructions for Forms CT-3-A, CT-3-A/ATT and CT-3-A/B*, lines 120 through 162 of Form CT-3-A. When reading the instructions, substitute *New York State* for *Everywhere* and *MCTD* for *New York State*.
- If you claimed a business allocation percentage on Form CT-3, Schedule A, or CT-3-A, enter the New York State figures from that form in Schedule A, Column B, of Form CT-3M/4M. When reading the instructions, substitute *New York State* for *Everywhere* and *MCTD* for *New York State*.

Part I – The MCTD allocation is determined by averaging the percentages of the corporation's property, receipts and wages that apply to the MCTD.

Part II – The MCTD allocation is determined by averaging the percentages of the corporation's arrivals and departures, revenue tons handled and originating revenue that apply to the MCTD.