



Instructions for Form CT-240

Foreign Corporation License Fee Return

General instructions

A foreign corporation must pay a license fee for the privilege of exercising its corporate franchise or carrying on its business in New York State. This fee is in addition to the annual franchise tax and is payable only once, unless the capital share structure changed or the amount of capital stock employed in New York State increased since the last license fee return was filed. Some changes in capital share structure are as follows:

- stock split
- issuance of authorized stock
- change of par value stock to no-par value stock
- change of no-par value stock to par value stock

Who must file — All foreign corporations (**except** banking corporations as defined in section 1452(a), paragraphs 1 - 8; insurance corporations; limited liability companies (LLCs); limited liability partnerships (LLPs); and publicly traded partnerships taxed as corporations under the Internal Revenue Code) that do business in New York State must file Form CT-240. This includes foreign corporations that have elected to be New York State S corporations.

A foreign corporation that is subject to the New York State franchise tax under Article 32, section 1452(a)(9), or a foreign bank holding company that is included in a combined return under Article 32, section 1462(f), **is required** to file a license fee return. However, a foreign corporation or bank holding company that would not otherwise be taxable in New York State, except for its inclusion in a combined return under Article 9-A or Article 32 **is not required** to file a license fee return.

All foreign corporations included in a combined return under Article 9-A or Article 32 that would be taxable in New York State if they filed separate returns are required to file the license fee return and compute the license fee on an individual basis.

When and where to file — File Form CT-240 with the first franchise tax return, within 2½ months after the end of the fiscal or calendar year, **and** whenever a change is made in the capital share structure of the corporation or whenever the amount of capital stock employed in New York State has increased since the last license fee return was filed. When filing Form CT-240 other than with your franchise tax return, mail to:

**NYS CORPORATION TAX
PROCESSING UNIT
PO BOX 22038
ALBANY NY 12201-2038**

Private delivery services — If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return and pay tax. However, if, at a later date, you need to establish the date you filed your return or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services*. See *Need help?* on the back for information on ordering forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your return, contact that private delivery service for instructions on how to obtain written proof of the date your return was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, address your return to: State Processing Center, 431C Broadway, Albany NY 12204-4836.

License fee rates — The license fee rate is five cents on each share of no-par value stock and 1/20 of 1% of the value of par value stock. The minimum license fee is \$10.

When the license fee is recomputed, the amount of any license fee previously paid may be taken as a credit against the recomputed license fee. However, no credit for license fees previously paid will be allowed for a foreign corporation that merges or reincorporates in another state. Refunds will not be made to a corporation when a recomputed fee is less than the fee previously paid.

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.

Negative amounts — Show any negative amounts with a minus (-) sign.

Percentages — When computing allocation percentages, convert decimals into percentages by moving the decimal point two spaces to the right. Carry percentages to four decimal places.

Example: $5,000/7,500 = 0.6666666 = 66.6667\%$.

Specific instructions

Computation of license fee

Line 1 — Enter the total face value of issued par value stock. **Do not include treasury stock.**

Line 4 — Enter the total number of shares of no-par value stock issued. **Do not include treasury stock.**

Line 8 — Enter total license fee paid with prior license fee returns. **Do not include interest or additional charges paid with prior returns.**

Line 10 — If you do not pay the license fee on or before the due date of the return, you must pay interest on the amount of the underpayment from the due date to the date paid. (See *Note* below.)

Line 11 — Late filing and late payment penalties

Compute charges for late filing and late payment on the amount of the fee minus any payment made on or before the due date (**with** regard to any extension of time for filing).

- A If you do not file a return when due, add to the fee 5% per month up to 25% (section 1085(a)(1)(A)).
- B If you do not file a return within 60 days of the due date, the addition to the fee in item A above cannot be less than the smaller of \$100 or 100% of the amount required to be shown (section 1085(a)(1)(B)).
- C If you do not pay the fee shown on a return, add to the fee ½% per month up to 25% (section 1085(a)(2)).
- D The total of the additional charges in items A and C above may not exceed 5% for any one month, except as provided for in item B above (section 1085(a)).

If you think you are **not** liable for these additional charges, attach a statement to your return explaining the delay in filing or payment (section 1085).

Note: You may compute your penalty and interest by accessing our Web site at www.nystax.gov and clicking on *Electronic Services*, or you may call 1 800 972-1233, and we will compute the penalty and interest for you.

Schedule A — Foreign corporations (including S corporations and corporations included in a combined return) taxable under Tax Law, Article 9-A

Add the allocated New York State business capital, allocated New York State investment capital, and the allocated New York State subsidiary capital, then divide the result by total capital.

Example:	<i>Allocated NYS capital</i>	<i>Capital everywhere</i>
<i>Business capital</i>	\$750,000	\$1,000,000
<i>Investment capital</i>	5,000	50,000
<i>Subsidiary capital</i>	<u>100,000</u>	<u>100,000</u>
	\$855,000	\$1,150,000

License fee allocation percentage: 74.3478% (855,000 ÷ 1,150,000)

Combined filers: If you file Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*, calculate your allocated business and investment capital and total capital, as if you were filing on a separate basis, on Form CT-3, *General Business Corporation Franchise Tax Return*, and your allocated subsidiary capital on Form CT-3-ATT, *Schedules B, C, and D — Attachment to Form CT-3*. If you file Form CT-3-S-A, *New York S Corporation Combined Franchise Tax Return*, calculate these capital items, as if you were filing on a separate basis, on Form CT-3-S-ATT, *Schedules A, B, C, D, and E — Attachment to Form CT-3-S*.

Line 13 — Enter the amount from Form CT-3, line 39, or add the amounts from Form CT-3-S-ATT, lines 41 and 42, and enter the total, whichever is applicable.

Line 14 — Enter the amount from Form CT-3-ATT, line 29, or Form CT-3-S-ATT, line 43, whichever is applicable.

Line 16 — Enter the amount from Form CT-3, line 32, or Form CT-3-S-ATT, line 36, whichever is applicable.

Schedule B — Foreign corporations taxable under Tax Law, Article 9

Compute your license fee allocation percentage by dividing assets employed in New York State by total assets. Do not include cash or U.S. obligations as part of assets.

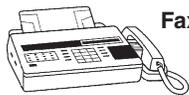
Schedule C — Foreign corporations taxable under Tax Law, Article 32

Add together business capital and subsidiary capital allocated to New York State and divide the result by total capital. Foreign corporations taxable under section 1452(a)(9), and foreign bank holding companies included in a combined return under section 1462(f), are required to compute the license fee allocation in the same manner as the issuer's allocation percentage. The computation of the issuer's allocation percentage is described in the instructions for Form CT-32, *Banking Corporation Franchise Tax Return*.

Need help?



Internet access: www.nystax.gov
(for information, forms, and publications)



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.
To order forms and publications: 1 800 462-8100
Business Tax Information Center: 1 800 972-1233
From areas outside the U.S. and outside Canada: (518) 485-6800



Hotline for the hearing and speech impaired:

If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, 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, please call 1 800 972-1233.