

**New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau**

TSB-M-83 (7)C
Corporation Tax
April 15, 1983

1982 Legislation
Metropolitan Transportation Business Tax Surcharge
on Insurance Corporations - Article 33

Chapter 931 of the Laws of 1982, as amended by Chapter 11 of the Laws of 1983, amended the Tax Law to include a new Section 1505-a which provides for a tax surcharge on insurance corporations in the Metropolitan Commuter Transportation District for taxable years ending on or after December 31, 1982, but before December 31, 1984.

The tax surcharge is imposed upon every corporation subject to tax under Article 33 for the privilege of exercising its corporate franchise, or of doing business, owning or leasing property, or of employing capital or of maintaining an office in the Metropolitan Commuter Transportation District.

The Metropolitan Commuter Transportation District consists of the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

The surcharge is in addition to taxes imposed by Article 33 of the Tax Law.

Surcharge Rates

18%

17%

Applicable Periods

Calendar year 1982 or fiscal years ending in 1983.

Calendar year 1983 or fiscal years ending in 1984.

The surcharge rate is applied to the tax, after the deduction of any tax credits, imposed under Article 33 attributable to the taxpayer's business activity carried on within the Metropolitan Commuter Transportation District.

The portion of taxpayer's business activities carried on within the Metropolitan Commuter Transportation District is determined by adding to nine times the ratio of the taxpayer's premiums allocated to the Metropolitan Commuter District to taxpayer's premiums allocated to the State of New York, the ratio of taxpayer's wages, salaries, personal service compensation and commissions of employees, agents and representatives within the Metropolitan Commuter Transportation District to its wages, salaries, personal service compensation and commissions of employees, agents and representatives within the State of New York and dividing the sum of such ratios by ten.

The tax surcharge imposed by Section 1505-a shall not be allowed as a deduction in the computation of the tax on income imposed by Section 1501 of Article 33. If the surcharge is deducted as an expense in the computation of federal taxable income, it must be added back to federal taxable income to arrive at New York State entire net income.

The credits otherwise allowable under Article 33, which include the Credit for taxes paid on Certain Fire Insurance Premiums, the Credit for Certain Taxes Payable to other Jurisdictions, the Eligible Business Facility Credit and the Mortgage Recording Tax Credit may not be applied against this surcharge.

No credit against reciprocal taxes imposed by this state under subdivision (b) of section fifteen hundred eleven of this article shall be allowed for taxes paid under this section. The credit for retaliatory taxes paid to other jurisdictions allowable under subdivision (c) of section fifteen hundred eleven of this article shall be computed without any credit for retaliatory taxes paid to another State due to the tax surcharge imposed by this section. Credits allowable under section 1511 of this article may not be allowed against the tax surcharge imposed by section 1505-a.

A three month extension for filing the Metropolitan Transportation Business Tax Surcharge Report (Form CT-33M) may be obtained by filing an Application for Three Month Extension (Form CT-12M) within two and one-half months of the close of the taxpayer's fiscal or calendar year accompanied by a payment of the surcharge for the period.

No declaration or payments of estimated surcharge are required.

For forms or publications, in New York City only, call 488-3608.
Elsewhere in New York State, call toll free 1-800-462-8100.
For areas outside New York State, call (518) 457-0111.

For information, in New York City only, call 488-3400.
Elsewhere in New York State, call toll free 1-800-342-3536.
From areas outside New York State, call (518) 457-0111.