

CT-247 INSTRUCTIONS

Section 1-3.4(b)(6) of the Article 9A regulations exempts from tax corporations organized other than for profit which do not have stock, shares or certificates for stock or for shares.

Generally, a corporation, or an organization treated as a corporation, must meet all of the following requirements to be tax exempt:

- (1) It must be organized and operated as an other than for profit organization
- (2) It must not have stock, shares, or certificates for stock or for shares
- (3) No part of the net earnings may inure to the benefit of any officer, director, or member
- (4) It must be exempt from federal income taxation pursuant to subsection (a) of section 501 of the Internal Revenue Code.

If the organization meets all of the above criteria, it will be presumed to be exempt from tax under Article 9A of the Tax Law. An organization denied exemption from taxation under the Internal Revenue Code will be presumed to be subject to tax under Article 9A of the Tax Law. Not for profit corporations which issue stock are taxable under Article 9A.

Not for profit, non stock organizations which are subject to the federal tax on unrelated business income, are taxable under Article 13 of the New York State Tax Law, if those unrelated business activities are pursued in New York. Form CT-13 must be filed to report those activities.

Organizations which are required to file federal Form 1120 are taxable under Article 9A of the Tax Law and are required to file Form CT-3 or CT-4.

All documents granting or denying exemption from tax by the Internal Revenue Service should be submitted when filing Form CT-247. Any changes in federal tax status must be promptly reported to the Department of Taxation and Finance.

Any exemption granted by the filing of Form CT-247 is strictly for New York State corporation franchise tax purposes only.

MAIL TO:

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