



CT-33-M-I Instructions for Form CT-33-M

Metropolitan Transportation Business Tax Surcharge Return

Article 33, Section 1505-a

Who Must File

If a corporation filing Form CT-33 and/or CT-33-A does insurance business in the Metropolitan Commuter Transportation District, it must file Form CT-33-M and pay a business tax surcharge. The MCTD includes the counties of New York, Bronx, Queens, Kings, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. If you do not do business within the MCTD you no longer need to file this form.

When and Where to File

File your return and pay the surcharge within 2½ months after the end of the taxable year. If you are reporting for the 1988 calendar year, file your return on or before March 15, 1989.

Mail this return with any payment due to:

**NYS Corporation Tax
Processing Unit
P.O. Box 1909
Albany, NY 12201-1909**

Tax Rate

The tax rate is 17% for calendar year 1988 or fiscal year ending in 1989.

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

Extension of Time for Filing Tax Surcharge Return

You may request additional time to file a tax surcharge return. File Form CT-5 on or before the due date of the return for which the extension is requested and pay the tax surcharge estimated to be due. The payment must equal or exceed 90% of the actual tax surcharge as finally determined.

Specific Instructions

Computation of MCTD Allocation Percentage

If you do all of your New York State business within the 12 counties of the MCTD, skip lines 1 through 8 and enter 100% on line 9.

If you do part of your business outside of the MCTD, compute your MCTD allocation by completing lines 1 through 8.

Corporations taxable under Article 33 that are filing on a combined basis must use a combined MCTD allocation percentage.

To determine the portion of business activities carried on within the Metropolitan Commuter Transportation District:

Line 3. Divide premiums allocated to the MCTD by premiums allocated to New York State.

Line 4. Multiply the percentage on line 3 by nine.

Line 7. Divide wages allocated to the MCTD (line 6) by wages allocated to New York State (line 5).

Line 8. Add the percentages on lines 4 and 7.

Line 9. Divide the sum of the percentages on line 8 by ten.

Computation of Tax Surcharge

Line 10. Enter your New York State franchise tax from your franchise tax return, Form CT-33, line 12.

Line 11. Multiply the amount on line 10 by the percentage on line 9.

Retaliatory Tax Surcharge Credit

Insurance corporations organized or domiciled in New York State may claim a tax credit on line 13 for 90% of retaliatory taxes paid to other states for the privilege of doing business in those states, which resulted from the imposition of the MTB tax surcharge for the 1988 tax year. To claim credit for such retaliatory taxes paid in subsequent periods based on the 1988 MTB tax surcharge, use Form CT-33-R. Form CT-33-R should also be used to claim credit for any retaliatory taxes based on each previous year's MTB tax surcharge.

The credit may not exceed the tax surcharge payable pursuant to section 1505-a of the Tax Law for the taxable year for which the retaliatory taxes were paid.

You can only claim credit for the taxable year for which the retaliatory taxes were paid. Any unused tax credit cannot be refunded or carried over to other tax periods.

Submit a detailed statement with the credit claim to identify the source and amount of retaliatory taxes paid for a claim year as a result of the imposition of the MTB tax surcharge.

Line 13. Enter the smaller of 90% of retaliatory taxes paid in 1988 attributable to 1988 tax surcharge or the amount of the metropolitan business tax surcharge shown on line 12. Enter zero if no retaliatory tax credit is claimed.

Line 14. Subtract line 13 from line 12.

Line 15a. Enter any payment made with Form CT-5, *Application for Six-Month Extension*.

Line 15b. You can apply an overpayment of franchise tax from Form CT-33 to this surcharge. Enter the form number, period in which the overpayment occurred (month and year) and amount to be applied. On the overpayment line of your Form CT-33, indicate the amount of money to be applied to the MTB tax surcharge.

Line 18. If you do not pay the tax on or before the due date (without regard to any extension of time), you must pay interest on the amount of the underpayment from the due date to the date paid. Determine the interest rate in accordance with Part 603 of the Tax Regulations.

Compute the interest on the line 17 amount.

Line 19. Additional charges for late filing are computed on the amount of tax required to be shown on the return after deduction of any payment made on or before the due date.

a. If you do not file a return when due or if your application for extension is invalid, add to the tax 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 tax cannot be less than the smaller of \$100 or 100% of the amount required to be shown as tax (section 1085(a)(1)(B)).

c. If you do not pay the tax shown on a return, add to the tax $\frac{1}{2}\%$ per month up to 25% (section 1085(a)(2)).

d. The total of the additional charges in a and c may not exceed 5% for any one month except as provided for in b above (section 1085(a)).

Compute these charges on the line 17 amount.

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

Line 21. If line 14 is smaller than line 16, subtract line 14 from line 16. This is the amount of overpayment. You may apply all or part of your overpayment to your New York State franchise tax. Indicate on lines 22 and 23 the amount you want applied to your tax and the amount you want refunded.