

Instructions for Form CT-33M

Metropolitan Transportation Business Tax Surcharge Report
Article 33, Section 1505-a

1987**Who Must File**

Every corporation doing business in New York State that is subject to Article 33 of the New York State Tax Law must file Form CT-33M. This includes all taxpayers that file Form CT-33 and Form CT-33A.

Specific Instructions

Answer "Yes" or "No" to the question preceding Schedule Q. It is essential that corporations not doing business in the Metropolitan Commuter Transportation District disclaim liability for the tax surcharge by answering "No."

Who Must Pay the Tax Surcharge

If a corporation does insurance business in the Metropolitan Commuter Transportation District, it must 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.

Tax Rate

The tax rate is 17% for calendar year 1987 or fiscal year ending in 1988.

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.

Time for Filing

File the return within 2½ months after the end of the taxable year.

Payment of Tax Surcharge

The entire tax surcharge must be paid on or before the original due date of the report.

Extension of Time for Filing Tax Surcharge Report

Use Form CT-5 to request an extension of time to file a tax surcharge report.

Requirements for a valid extension for all Metropolitan Transportation Business (MTB) tax surcharge reports are as follows:

- a. A separate application for extension and any estimated tax surcharge payments that may be due must be filed on or before the due date of the report for the taxable period for which this extension is requested.

AND

- b. The total tax surcharge payment for the period for which this extension is requested must equal at least 90% of the tax surcharge as finally determined.

Schedule Q – Computation of Tax Surcharge

- Line 1. Enter your New York State franchise tax from your franchise tax report, Form CT-33, Schedule A, line 12.
- Line 2. Enter your MCTD allocation percentage from Schedule R, line 21.
- Line 5. Enter retaliatory surcharge tax credit from Schedule S, line 24.
- Line 7a. Enter any payment made with Form CT-5, Application for Six-Month Extension.
- Line 7b. You can apply an overpayment of franchise tax made on your franchise tax report, Form CT-33. Enter the form number, period in which the overpayment occurred (use 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 Metropolitan Transportation Business tax surcharge.
- Line 9. 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.
- Line 10. 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 a return is not filed when due or if the application for extension is invalid, add to the tax 5% per month up to 25% (Section 1085(a)(1)(A)).
 - b. If a return is not filed within 60 days of the prescribed 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. In case of failure to pay the tax shown on a return, add to the tax ½% 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)).

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).

**Schedule R – 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 21 of Schedule R and on line 2 of Schedule Q.

If you do part of your business outside of the MCTD, compute your MCTD allocation by completing this schedule.

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 15. Divide premiums allocated to the MCTD by premiums allocated to New York State.
- Line 16. Multiply the resulting percentage by nine.
- Line 19. Divide wages allocated to the MCTD by wages allocated to New York State.
- Line 20. Add the percentages resulting from the calculations on lines 16 and 19.
- Line 21. Divide the sum of the percentages from line 20 by ten.

**Schedule S – Computation of Surcharge
Retaliatory Tax Credit**

Insurance corporations organized or domiciled in New York State must complete Schedule S to claim a tax credit 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 1987 tax year. To claim credit for such retaliatory taxes paid in subsequent periods based on the 1987 MTB tax surcharge, use Form CT-33R. Form CT-33R should also be used to claim credit for any retaliatory taxes based on each previous year's MTB tax surcharge.

- A. 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.
- B. 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.
- C. Submit a detailed statement with the credit claim to identify the source and amount(s) of retaliatory taxes paid for the claim year as a result of the imposition of the MTB tax surcharge.