



### Temporary increase in the mandatory first installment of estimated tax

The Tax Law was amended to provide a temporary increase in the mandatory first installment for corporations whose preceding year's tax, exclusive of the MTA surcharge, exceeds \$100,000. For tax years beginning on or after January 1, 2003, but before January 1, 2006, those corporations that formerly paid a mandatory first installment equal to 25% of the preceding year's tax will be required to pay a first installment equal to 30% of the preceding year's tax. A similar change applies to the mandatory first installment for the MTA surcharge. For tax years beginning on or after January 1, 2006, the mandatory first installment reverts to 25% of the preceding year's tax.

### Who must file a declaration of estimated tax and make quarterly installment payments

All general business corporations, banking, insurance, utility, and transportation and transmission corporations whose franchise tax, for the current tax year, can reasonably be expected to exceed \$1,000 must file a declaration of estimated franchise tax and make installment payments.

Any corporation doing business in the Metropolitan Commuter Transportation District that is required to make a declaration of estimated franchise tax must also make a declaration of estimated metropolitan transportation business tax (MTA surcharge) and make installment payments.

*Estimated tax* is the amount estimated to be the franchise tax and MTA surcharge for the current tax year minus the amount of estimated allowable tax credits for the current tax year.

Form CT-186-E filers: See *Computation of tax* on Form CT-186-E-I, *Instructions for Form CT-186-E*, for specific information about completing Form CT-400 or Form CT-400-MN.

### When to file a declaration of estimated tax

If you determine that the estimated franchise tax will exceed \$1,000 in the current tax year, file a declaration of estimated franchise tax and MTA surcharge on or before the 15th day of the sixth month of your tax year. If you determine, after that filing deadline, that you will have a tax liability of more than \$1,000, see 20 NYCRR 7-2.3.

See the chart on the back of this form if you need to determine your declaration of estimated tax and installment payment due dates.

### Amended declaration of estimated tax

If the estimated tax for the current year differs from the previous year's declaration, an amendment to the declaration may be made. This should be done on Form CT-400 and only on the installment due dates. For further information on declarations of estimated tax, see Subparts 7-2 and 7-3 of the regulations.

### Payment of estimated tax

**First installment** — If the franchise tax on your previous year's return or the tax shown on your application for extension of time for filing that return exceeds \$1,000, but does not exceed \$100,000, you must pay 25% of the tax with the return or extension. If the franchise tax on your previous year's return or the tax shown on your application for extension of time for filing that return exceeds \$100,000, you must pay 30% of the tax with the return or extension. **Life insurance companies:** If the franchise tax on your previous year's return or the tax shown on your application for extension of time to file exceeds \$1,000, you must pay 40% of the tax with the return or extension.

A 25% or 30% (40% for life insurance companies) first installment of the MTA surcharge is also required if your franchise tax is more than \$1,000.

**Second, Third, and Fourth Installments** — To determine the estimated tax amount due in these installments, subtract the amount of the first installment payment from the estimated tax due and divide the result by three.

Use Form CT-400 (or Form CT-400-MN) to make your second installment/declaration of estimated tax due on the 15th day of the sixth month of the current tax year. The third and fourth installments are due on the 15th day of the ninth and twelfth months of the current tax year.

### Penalties for underpayment of estimated tax

A penalty may be imposed if you fail to file a declaration of estimated franchise tax or fail to pay all or any part of an installment payment of estimated franchise tax.

### Exceptions to the underpayment penalty

You will not have to pay a penalty if you made all tax payments on time and they equal or exceed the amount that would have been required to be paid by each installment date if the estimated tax were an amount determined under any of the exceptions listed below.

Exceptions 1 and 2 **do not** apply to large corporations. A *large corporation* is one that had, or whose predecessor had, allocated entire net income of at least \$1 million for any of the three taxable years preceding the taxable year involved.

**Exception 1:** (*not to be used by large corporations*) This exception applies if the amount you paid is equal to or more than the tax reported on your prior year's return. You must have filed a franchise tax return showing a tax liability for the preceding tax year, and that year must have consisted of 12 months.

**Exception 2:** (*not to be used by large corporations*) This exception applies if the amount you paid is equal to or more than the tax computed by using the current year's rate, but based on the facts shown on the prior year's return and the law that applies to the prior year.

**Exception 3:** This exception applies if the estimated tax you paid was equal to or more than 91% (or 100% for large corporations) of the amount you would owe if your estimated tax were computed on annualized taxable income for the months preceding an installment date.

You may annualize income as follows:

- For the first 3, 4, or 5 months of the taxable year, in the case of the installment required to be paid in the sixth month.
- For the first 6, 7, or 8 months of the taxable year, in the case of the installment required to be paid in the ninth month.
- For the first 9, 10, or 11 months of the taxable year, in the case of the installment required to be paid in the twelfth month.

To annualize, multiply taxable income for the period by **12** and divide the result by the number of months in the period (3, 4, 5, 6, 7, etc.).

**Exception 4:** This exception applies if you have recurring seasonal income. Under this exception, you may annualize income by assuming that income earned in the current year is earned in the same seasonal pattern as in the three preceding tax years.

To avoid underpayment penalties, you must make up a reduction in estimated taxes resulting from using annualized income or seasonal income by increasing the amount of the next installment determined under any other exception method by the amount of such reduction.

For additional information about computing seasonal income, see Article 27, section 1085(d)(4).

### Specific instructions

There are two versions of the estimated tax form. Complete the version that was mailed to you, according to the following instructions.

#### Preprinted version — Form CT-400

In addition to your name, address, and business identification numbers, an installment due date is printed on each of the Form CT-400s you receive. Please use the form with the proper due date for the payment you are making. Use an enclosed label to mail the completed form with your check. If you do not have a label, mail your form and payment to the address listed under *Where to mail your return* on the back.

#### Manual version — Form CT-400-MN

In the appropriate spaces provided on the form, enter your business information. You may obtain the file number, article, report type, and industry code from your last New York State franchise tax return. Enter the date your reporting period ends in the *Period ending* box. Use the chart on the back of these instructions to determine your installment due date.

#### Both versions

- Box 1 Enter the amount of your installment payment for your franchise tax.
- Box 2 Enter the amount of your installment payment for your metropolitan transportation business tax (MTA surcharge).
- Box 3 Add the amounts in Boxes 1 and 2. Make your check for this amount payable to: **New York State Corporation Tax**. Write your employer identification number on your check.
- Box 4 Enter the amount of your estimated franchise tax for the current tax year.
- Box 5 Enter the amount of your estimated metropolitan transportation business tax (MTA surcharge) for the current tax year.

**Where to mail your return**

Mail your return and payment to: **NYS ESTIMATED CORPORATION TAX PROCESSING UNIT  
PO BOX 22109  
ALBANY NY 12201-2109**

**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 this page for information on ordering forms and publications.) 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.**

**Change of business information**


If there have been any changes in your business name, identification number, mailing or business address, telephone number, or owner/officer information, you must report any changes on Form DTF-95, *Business Tax Account Update*. If only your business address has changed, you may use Form DTF-96, *Report of Address Change for Business Accounts*. You can get these forms by fax, phone, or from our Web site. See *Need help?* on this page for the phone number and Web address.


**Need help?**

 **Telephone assistance** is available from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday.  
Business tax information: 1 800 972-1233  
Forms and publications: 1 800 462-8100  
From areas outside the U.S. and outside Canada: (518) 485-6800  
Fax-on-demand forms: 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8 a.m. to 5:55 p.m., eastern time).

 **Internet access:** [www.tax.state.ny.us](http://www.tax.state.ny.us)

 **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 1 800 225-5829.

 **If you need to write,** address your letter to: NYS Tax Department, Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227.

Record of estimated tax payments					
Installment payment number	Date	Check number	A Amount	B Overpayment from last year	C Total column A + column B
1*					
2					
3					
4					
<b>Total</b> .....					

\* Paid with prior year tax return or extension

**Return and payment due dates for Articles 9 (sections 184, 186, and 186-a), 9-A, 32, and 33 taxpayers**

If the due date falls on a Saturday, Sunday, or legal holiday, the payment and/or return are due on the next business day.

If your year ends on:	Your tax return and first installment are due on:	Subsequent payments and installment payments are due on:		
		Second installment	Third installment	Fourth installment
January 31	April 15	July 15	October 15	January 15
February 28	May 15	August 15	November 15	February 15
March 31	June 15	September 15	December 15	March 15
April 30	July 15	October 15	January 15	April 15
May 31	August 15	November 15	February 15	May 15
June 30	September 15	December 15	March 15	June 15
July 31	October 15	January 15	April 15	July 15
August 31	November 15	February 15	May 15	August 15
September 30	December 15	March 15	June 15	September 15
October 31	January 15	April 15	July 15	October 15
November 30	February 15	May 15	August 15	November 15
December 31	March 15	June 15	September 15	December 15

**Note:** All Article 9 (sections 184, 186, and 186-a) taxpayers file on a calendar-year basis and **must** file tax returns and declarations of estimated tax based on the calendar year, regardless of their federal tax filing period.