



Instructions for Form MTA-505

MTA-505-I

Metropolitan Commuter Transportation Mobility Tax Group Return for Partners

General information

A partnership (including a limited liability partnership (LLP) and limited liability company (LLC) treated as a partnership) that is doing business within the Metropolitan Commuter Transportation District (MCTD), may be granted approval to make group estimated metropolitan commuter transportation mobility tax (MCTMT) payments and file a group MCTMT return on behalf of its qualified New York State **resident and nonresident** partners or members. A partnership, LLP, or LLC may file on a group basis only if the partnership, LLP, or LLC has two or more qualified partners or members who elect to file on a group basis for each year. In addition, all qualified partners who elect to participate in the group filing must have the same accounting period. Hereafter, partners and members will be collectively referred to as partners. Partnerships, including LLPs and LLCs treated as partnerships, will be collectively referred to as partnerships.

Group estimated MCTMT payments and group MCTMT returns are considered to be a group of individual estimated tax payments and returns that meet each partner's estimated MCTMT payment and filing requirement. Accordingly, if a qualified partner elects to participate in the group, the partner is not required to make individual estimated MCTMT payments or file an individual MCTMT return.

Approval to file on a group basis

A partnership that wishes to file on a group basis must request permission to do so by submitting an application on Form MTA-599, *Application for Permission to Make Metropolitan Commuter Transportation Mobility Tax Group Estimated Tax Payments and File a Group Return*. Form MTA-599 must be submitted to: **NYS Tax Department, Taxpayer Contact Center – MTA Group Return, W A Harriman Campus, Albany NY 12227**. Form MTA-599 must be filed no later than 45 days before the due date of the first required **estimated MCTMT payment** for the tax year. See *Need help?* on page 4 for information on how to get forms.

After receipt of a properly completed Form MTA-599, the Tax Department will determine whether permission will be granted and will notify the partnership accordingly. If approval is granted, the partnership will be issued a special MCTMT identification number to be used only for making the group estimated MCTMT payments and filing the group MCTMT return. The Tax Department's approval to file on a group basis is contingent upon the receipt of the group return for the applicable tax year (for example, 2009), and is subject to revocation upon audit. An approval to file on a group basis will remain in effect unless it is revoked. Annual approval is not required. However, see *Reinstatement*, below.

You must obtain prior approval to file on a group basis. If you file on a group basis without receiving the special MCTMT identification number that must be entered on the group estimated tax payments and group return, the group estimated tax payments and group return will not be processible, and the participating partners could be subject to underpayment, late filing, and late payment penalties.

Reinstatement

If a partnership that has received permission to file on a group basis decides not to file on a group basis for a particular tax year, it must notify the Tax Department of its decision in writing at the address previously stated for filing Form MTA-599. The notice must show the name and address of the partnership and the special MCTMT identification number. In addition, if the partnership wishes to file on a group basis for a subsequent tax year, it must submit a request for reinstatement of its approval to file on a group basis using Form MTA-599. Form MTA-599 must be submitted no later than March 15 of the first tax year for which reinstatement is requested.

Group agent and powers of attorney

A partnership that requests approval to file on a group basis must appoint one partner as the *group agent*. The group agent must have legal authority to act as an agent in matters relating to the group estimated MCTMT payments and group MCTMT return for all partners participating in the group. The group agent is required to maintain records relating to the portion of the total estimated tax paid on behalf of each partner and to sign the group return. Any communications from the Tax Department will be sent to the group agent. Any notices required by law (for example, a notice of deficiency or a notice and demand) will be sent to the group agent as well as to the individual partner involved. The group agent will be personally liable for only those penalties relating to making or signing an erroneous, false, or fraudulent return, but only if the agent was actually responsible for the error.

Form MTA-599 must be accompanied by an individual power of attorney for each qualified partner (however, see *Note* below for filing Form DTF-350, *Group Affidavit*) the group agent knows, at the time of application, will be participating in the group. The power of attorney must authorize the group agent to represent the participating partner in making group estimated tax payments and filing the group return. If, after the application date, an additional partner elects to participate in the group (or subsequent year's group filing), a power of attorney for that partner must be attached to the first group return on which the partner is included. If a partnership requests reinstatement of approval to file on a group basis (see *Reinstatement*, above), the partnership must also resubmit powers of attorney as previously described.

If the partnership changes its group agent, it must notify the Tax Department immediately at the previously-stated address. The notice must also be accompanied by new powers of attorney for all participating partners (however, see *Note* below).

Note: Instead of individual powers of attorney, you may submit other evidence, if acceptable to the Tax Department, that establishes the group agent's authority to act as an agent in making, executing, and filing the group estimated tax payments and group return for the qualified electing partners. If you wish to submit other evidence, attach a statement to Form MTA-599 describing the evidence you wish to submit; the Tax Department will notify you whether or not it is acceptable. Form DTF-350, filed in accordance with the instructions for that form, is acceptable evidence that may be submitted instead of individual powers of attorney.

Qualified partner

A *qualified partner* is a partner who is a New York State **resident or nonresident** individual who meets both of the following conditions:

- The partner must have no net earnings from self-employment allocated to the MCTD other than (1) the partner's net earnings from self-employment allocated to the MCTD from the partnership, or (2) net earnings from self-employment allocated to the MCTD from another partnership where the partner is included in that partnership's MCTMT group filing.
- The partner must waive the \$10,000 net earnings from self-employment allocated to the MCTD income threshold for imposing the tax.

If the partnership has a grantor trust as a partner, the grantor of the trust may elect to participate in the group filings if the grantor meets the conditions to be a qualified partner.

Electing to participate in the group

A qualified partner elects to participate in the group estimated MCTMT payments and group MCTMT return by informing the group agent that he or she wishes to participate and by executing a power of attorney as described on page 1. The election must be made by the thirtieth day of the fourth month following the close of the tax year for which the election is made. However, a partner who has made any individual estimated MCTMT payments for that tax year cannot be included on the group return for that tax year. In addition, if a qualified partner is a partner in another partnership that conducts business in the MCTD, the partner must be included in both partnerships' group MCTMT filings. The partner's inclusion in the group filing constitutes notice to the Tax Department that the partner is electing to participate in the group filing.

A partner who elects to participate in the group filing may not change that election after the thirtieth day of the fourth month after the close of the tax year. However, if it is later determined that a partner included in the group filing did not meet the definition of a qualified partner for the tax year, the partner must file an individual MCTMT return.

Estimated MCTMT payments

The group estimated MCTMT payments are filed using Form MTA-5, *Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher*. The group estimated tax payments are due on April 30, July 31, and October 31 of the tax year, and January 31 of the following year. Form MTA-5 must show the name and address of the partnership and the special MCTMT identification number assigned to the partnership. The form must also show the total MCTMT paid on behalf of the group. However, the group agent must maintain records to show the portion of the total that is paid on behalf of each participating partner.

Special rule for tax year 2009 — The initial estimated MCTMT payment is due by November 2, 2009 (due to October 31, 2009, falling on a Saturday) and must include each partner's total estimated tax due for the period January 1, 2009, through September 30, 2009.

For the partner to avoid a penalty for underpayment of the MCTMT for the tax year, the partner's total amount of MCTMT payment(s) must be:

- at least 90% (66 2/3% for farmers and fisherman) of the amount of the partner's MCTMT due for the tax year; or
- 100% of the MCTMT reported for the partner for the prior tax year (110% of that amount if the partner is not a farmer or a fisherman and the partner's net earnings from

self-employment allocated to the MCTD for the prior year are more than \$150,000). However, this rule does not apply for tax year 2009.

There will be no penalty for the underpayment of estimated tax for periods before October 31, 2009, if the partner's total estimated tax due for the period January 1, 2009, through September 30, 2009, is included in the October 31 payment.

If a qualified partner or partners who were included in the group estimated tax payments decide not to participate in the group return, the group agent should notify the Tax Department no later than March 1 of the year in which the return is due. This notification must contain the following information for each partner:

- the name and address of the partnership;
- the special MCTMT identification number assigned to the partnership;
- the partner's name, address, and social security number;
- the amount of MCTMT paid on the partner's behalf; and
- a request that the payment or payments be switched to an individual estimated MCTMT account in the partner's name.

If the partnership subsequently decides not to file a group return for the tax year, the above partner information should be provided for each partner no later than March 1 of the year in which the return is due. The **notification** must be mailed to: **NYS Tax Department, Estimated MCTMT Unit, W A Harriman Campus, Albany NY 12227-0125.**

This transfer of estimated tax payments could take two to three weeks to become effective. If the partner files an individual MCTMT return before the transfer becomes effective, the partner will not get credit for these payments when the return is processed, and a tax due notice will be issued to the partner. Therefore, the partner may wish to request an extension of time to file the partner's individual MCTMT return to ensure that the estimated tax payments made on the partner's behalf have been properly credited to the partner's individual MCTMT estimated tax account before the partner's individual return is filed.

Amended return

To amend a previously filed MCTMT group return, complete new Forms MTA-505 and MTA-505-ATT using the corrected information, and mark an **X** in the *Amended return* box on Form MTA-505 and the *Amended* box on Form MTA-505-ATT.

An amended group MCTMT return must be filed if an amended federal return is filed by the partnership that changes any items used in calculating net earnings from self-employment allocated to the MCTD reported on the original group return. An amended group return must also be filed if a federal audit of the partnership changes any items used in calculating net earnings from self-employment allocated to the MCTD reported on the original group return. An amended group return must be filed within 90 days of the date the federal amended partnership return is filed, or, in the case of a federal audit, within 90 days after the final determination of the change. Attach a copy of the federal report of examination changes and a signed statement by the group agent indicating you concede the federal audit changes. If the partnership does **not** concede the federal audit changes, attach a signed statement explaining why.

Specific instructions / Form MTA-505

Name and address

Enter in the spaces at the top of the return the legal name, trade name (if any), address, and employer identification number (EIN) of the partnership exactly as these items will appear on its New

York State partnership return, Form IT-204, *Partnership Return*. In addition, enter the special MCTMT identification number in the box indicated.

Note: You must complete **Form MTA-505-ATT** before you can complete lines 1 through 5 of Form MTA-505.

Line 4 — If you owe more than one dollar, attach your payment to the front of this return. Make your check or money order payable in U.S. funds to **Commissioner of Taxation and Finance**, and write your special MCTMT identification number and **2009 MTA-505** on it. Do not send cash. See *Where to file* below.

Fee for payments returned by banks — A new law allows the Tax Department to charge a \$50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department won't charge the fee. If your payment is returned, we will send a separate bill for \$50 for each return or other tax document associated with the returned payment.

Line 5 — The amount overpaid will automatically be applied to your 2010 estimated MCTMT. This amount **cannot** be refunded to you.

A partnership filing a group return must attach to its Form IT-204 a list showing the name (in alphabetical order) and social security number of each partner who will be included on the group MCTMT return.

Third-party designee

Do you want to authorize another person (third-party designee) to discuss this 2009 tax return with the New York State Tax Department?

If **No**, mark an **X** in the **No** box.

If **Yes**, mark an **X** in the **Yes** box. Print the designee's name, phone number, and any five numbers the designee chooses as his or her personal identification number (PIN). If you want to authorize the paid preparer who signed this return to discuss it with the Tax Department, print the preparer's name and phone number in the spaces for the designee's name and phone number (you do not have to provide a PIN).

If you mark the **Yes** box, you are authorizing the Tax Department to discuss with the designee any questions that arise during the processing of this return. You are also authorizing the designee to:

- give the Tax Department any information that is missing from this return;
- call the Tax Department for information about the processing of this return or the status of the refund or payment(s); and
- respond to certain Tax Department notices that you share with the designee about math errors, offsets, and return preparation. We will not send notices to the designee.

You are not authorizing the designee to bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Department. If you want the designee to perform those services for you, you must file Form POA-1, *Power of Attorney*. Copies of statutory tax notices or documents (such as a *Notice of Deficiency*) will only be sent to your designee if you file Form POA-1.

The authorization will end automatically one year after the later of the return due date (including any extension) or the date you filed the 2009 MCTMT return.

Signature

This form must be signed by the group agent on behalf of the participating partners. If you use a paid preparer, he or she must also sign the return and complete the other information in the paid preparer's section of the return.

Paid preparer's responsibilities

Under the law, all paid preparers must sign and complete the paid preparer section of the return. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number.

When to file

File your 2009 Form MTA-505 on or before April 30, 2010. If you file late, you may have to pay penalties and interest.

Extension of time to file

If you cannot meet the filing deadline, you may request an extension of time to file the group return using Form MTA-7, *Application for Automatic Six-Month Extension of Time to File a Metropolitan Commuter Transportation Mobility Tax Return*. Form MTA-7 must show the special MCTMT identification number assigned to the partnership. The partnership must also attach to Form MTA-7 a list showing each participating partner's name (in either alphabetical or social security number order), address, and social security number.

Where to file

Mail the completed group return to:

**MCTMT PROCESSING CENTER
PO BOX 4141
BINGHAMTON NY 13902-4141**

Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to mail in your form and tax payment. However, if, at a later date, you need to establish the date you filed 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 page 4 of these instructions for information on obtaining forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your form, contact that private delivery service for instructions on how to obtain written proof of the date your form was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, send the forms covered by these instructions to: JPMorgan Chase, MCTMT Processing Center—505, 33 Lewis Road, Binghamton, NY 13905-1040.

Specific instructions / Form MTA-505-ATT

If you are filing a group MCTMT return, you must complete Form MTA-505-ATT and attach it to Form MTA-505. Use as many copies of Form MTA-505-ATT as you need to list all qualified partners participating in the MCTMT group return. (If a partner is a grantor trust, enter the name and social security number of the grantor that is participating in the group MCTMT filings. Do not enter the name or EIN of the grantor trust.) Enter the grand totals from all sheets on the last Form MTA-505-ATT.

Completing Form MTA-505-ATT

Column C — Enter in column C the net earnings from self-employment allocated to the MCTD for each participating partner from Form IT-204-IP, *New York Partner's Schedule K-1*, line 29b multiplied by ten-twelfths.

Note: If you are filing a group return on behalf of partners in a fiscal-year partnership, compute the amount to be entered in column C using the 2009 instructions for Form IT-204.

Column E — Enter each partner's estimated MCTMT paid and/or amount paid with Form MTA-7.

Column H — Mark an **X** in this column if the partner is participating in another group MCTMT return.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?



Internet access: www.nystax.gov
(for information, forms, and publications)



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.
MCT Mobility Tax Information Center: (518) 485-2392
In-state callers without free long distance: 1 866 579-2498
To order MCTMT forms: (518) 485-2392
In-state callers without free long distance: 1 866 579-2498



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at 1 800 634-2110. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



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, call the information center.