



Instructions for Form CT-186-M

Utility Corporation MTA Surcharge Return

CT-186-M-1

For continuing section 186 taxpayers only (certain independent power producers)
Tax Law – Article 9, Section 186-b

Form CT-1, Supplement to Corporation Tax Instructions

See Form CT-1 for the following topics:

- Changes for the current tax year (general and by Tax Law Article)
- Business information (how to enter and update)
- Entry formats
 - Dates
 - Negative amounts
 - Percentages
 - Whole dollar amounts
- Are you claiming an overpayment?
- NAICS business code number and NYS principal business activity
- Limitation on tax credit eligibility
- Third-party designee
- Paid preparer identification numbers
- Is your return in processible form?
- Use of reproduced and computerized forms
- Electronic filing and electronic payment mandate
- Web File
- Form CT-200-V
- Collection of debts from your refund or overpayment
- Fee for payments returned by banks
- Reporting requirements for tax shelters
- Tax shelter penalties
- Voluntary Disclosure and Compliance Program
- Your rights under the Tax Law
- Need help?
- Privacy notification

Who must file

A taxpayer filing Form CT-186, *Utility Corporation Franchise Tax Return*, who does business or exercises a corporate franchise in the Metropolitan Commuter Transportation District (MCTD), must also file Form CT-186-M and pay a metropolitan transportation business tax (MTA surcharge) on business done in the Metropolitan Transportation Authority region. The MCTD includes the counties of New York, Bronx, Queens, Kings, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. If not, you do not have to file this form; however, **you must disclaim liability for the MTA surcharge on Form CT-186.**

When and where to file

Form CT-186-M is due on March 15, following the close of the calendar year. If March 15 falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day.

Mail your return to: **NYS CORPORATION TAX
PO BOX 15181
ALBANY NY 12212-5181**

Private delivery services

See Publication 55, *Designated Private Delivery Services*.

Extension of time for filing MTA surcharge return

You may request additional time to file an MTA surcharge return by filing Form CT-5.6, *Request for Three-Month Extension to File Form CT-186*, on or before the due date of the return for which the

extension is requested, and paying the MTA surcharge estimated to be due.

Amended return

If you are filing an amended return, mark an **X** in the *Amended return* box on page 1 of the return.

An amended New York State return requesting a credit or refund must be filed within three years of the time the original return was filed or within two years of the time the tax was paid, whichever is later; or, if no return was filed, within two years of the time the tax was paid. For additional limitations on credits or refunds, see Tax Law, Article 27, section 1087.

Employer identification number, file number, and other identifying information

For us to process your corporation tax forms, it is important that we have the necessary identifying information. Keep a record of that information and include it on each corporation tax form mailed. If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms.

Line instructions

Line A – Make your check or money order payable in United States funds. We will accept a foreign check or foreign money order only if payable through a United States bank or if marked **Payable in U.S. funds**.

Computation of Metropolitan Commuter Transportation District (MCTD) allocation percentage

Lines 1, 2, and 3 – Enter gross earnings from sources within the MCTD in column A.

Line 4 – Column A – Add lines 1, 2, and 3; **column B** – Enter the gross earnings within New York State from Form CT-186, line 25, column A. Use the same method of accounting to compute MCTD gross earnings (that is, the **accounting** rule allocation method or the **formula** rule allocation method) as you used to compute your New York State gross earnings.

Line 5 – Divide line 4, column A, by line 4, column B. This is your MCTD allocation percentage. If you do all of your New York State business within the 12 counties of the MCTD, enter **100** on line 5.

Computation of MTA surcharge

First installment of estimated MTA surcharge for the next period (Line 9a or 9b)

If, on your Form CT-186, you are required to make a first installment of estimated franchise tax for the next period, you must also make a first installment of the MTA surcharge for the next period.

Line 9b – Enter 25% (.25) of the amount on line 8 if:

- you did not file Form CT-5.6, **and**
- the franchise tax on Form CT-186, line 7 is more than \$1,000.

Enter **0** if you did not file Form CT-5.6 and the franchise tax on Form CT-186, line 7 is **not** more than \$1,000.

Line 13 – Form CT-222, *Underpayment of Estimated Tax by a Corporation*, is filed by a corporation to inform the Tax Department that the corporation meets one of the exceptions to reduce or

eliminate the underpayment of estimated tax penalty pursuant to Tax Law, Article 27, section 1085(d).

Line 14 – If you do not pay the MTA surcharge on or before the original due date (**without** regard to any extension of time for filing), you must pay interest on the amount of the underpayment from the original due date to the date you paid. Exclude from the interest computation any amount shown on line 9a or 9b.

Line 15 – Compute late filing and late payment penalties on the amount of MTA surcharge minus any payment you made on or before the due date (**with** regard to any extension of time for filing). Exclude from the penalty computation any amount shown on line 9a or 9b.

- A. If you do not file an MTA surcharge return when due or if the request for extension is invalid, add to the MTA surcharge 5% (.05) per month up to 25% (.25) (section 1085(a)(1)(A)).
- B. If you do not file a return within 60 days of the due date, the addition to the MTA surcharge in item A above cannot be less than the smaller of \$100 or 100% of the amount required to be shown as MTA surcharge (section 1085(a)(1)(B)).
- C. If you do not pay the MTA surcharge shown on a return, add to the MTA surcharge $\frac{1}{2}\%$ (.005) per month up to 25% (.25) (section 1085(a)(2)).
- D. The total of the additional charges in items A and C above may not exceed 5% (.05) for any one month, except as provided for in item 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, payment, or both (section 1085).

Note: You may compute your penalty and interest by accessing our Web site, or you may call and we will compute the penalty and interest for you (see *Need help?*).

Line 17 – If line 10 is less than line 11, subtract line 10 from line 11. This is the amount of overpayment. You may divide it on lines 18, 19, and 20 in any way you choose.

Composition of prepayments claimed on line 11

If you need additional space, enter all relevant prepayment information on a separate sheet, and write **see attached** in this section. Transfer the total to line 11, *Total prepayments*.

Signature

The return must be certified by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other officer authorized by the taxpayer corporation.

The return of an association, publicly traded partnership, or business conducted by a trustee or trustees must be signed by a person authorized to act for the association, publicly traded partnership, or business.

If an outside individual or firm prepared the return, all applicable entries in the paid preparer section must be completed, including identification numbers (see *Paid preparer identification numbers* in Form CT-1). Failure to sign the return will delay the processing of any refunds and may result in penalties.
