



## **Change in Procedure for Requesting Discretionary Adjustments to the Method of Allocation**

This TSB-M explains recent changes in procedures for requesting a discretionary adjustment to the method of allocation for purposes of the Business Corporation Franchise Tax and the Franchise Tax on Banking Corporations.

Amendments to sections 4-6.1 and 19-8.4 of the Business Corporation Franchise Tax and the Franchise Tax on Banking Corporations regulations update the administrative procedure for requesting a discretionary adjustment to the method of allocation. The effective date of the amendments is April 13, 2011.

These amendments direct a taxpayer to submit its request in writing separate and apart from the filing of its report. The written request must set forth the full information on which the request is based. A taxpayer's request may be submitted either before or after the filing of its report. Prior to these amendments, taxpayers were directed to make the requests with the filing of their reports.

If consent is granted before the taxpayer files its report, the taxpayer may file using the approved methodology. Otherwise, the taxpayer must file its report and compute its tax in accordance with the statutory formulas. If a taxpayer receives consent after filing its report, the taxpayer may then amend the report to reflect the approved method.

The requests should be sent to:

New York State Department of Taxation and Finance  
Office of the Commissioner  
Building 9  
W.A. Harriman Campus  
Albany, New York 12227

The full text of the amendments may be obtained at the Tax Department's Web site:  
[www.tax.ny.gov/rulemaker](http://www.tax.ny.gov/rulemaker).

**NOTE:** A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.