

AMENDMENTS TO ARTICLES 9-A, 32 AND 33 REGULATIONS
CONCERNING AN AUTOMATIC SIX-MONTH EXTENSION OF
TIME FOR FILING AN ANNUAL REPORT

On February 20, 1985 the Tax Commission approved regulations which permit certain taxpayers to request a automatic six-month extension of time for filing a report or return in lieu of an automatic three-month extension. These new regulations took effect on February 25, 1985 and will apply to applications for extension received after that date.

The automatic six-month extension does not replace the automatic three-month extension which may be used by taxpayers who do not qualify or who have not filed for a federal extension.

The amended regulations, section 6-4.4 and section 37.11 and a new regulation, section 99.1 of Title 20 NYCRR, allow general business corporations (CT-3, CT-3S or CT-4 filers), banks (CT-32 filers) and insurance corporations (CT-33 filers) to request an automatic six-month extension of time for filing a New York State franchise tax report or return.

Taxpayers who file the following corporation tax forms are not eligible for the automatic six-month extension. They will continue to receive a three-month extension.

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|--------|--------|---------|
| CT-13 | CT-184 | CT-186A |
| CT-13A | CT-185 | CT-186P |
| CT-183 | CT-186 | |

REQUIREMENTS FOR AN AUTOMATIC SIX-MONTH EXTENSION

An automatic six-month extension for filing an annual New York State franchise tax report or return will be granted when the following requirements are met:

- a) the taxpayer has filed federal Form 7004 (Application for Automatic Extension of Time to File Corporation Income Tax Return) and has met the requirements for a federal six-month extension, and
- b) the taxpayer files a New York State application for an automatic six-month extension (Form CT-5) on or before the due date of the report or return and pays the proper amount of estimated tax for the taxable period for which the extension is requested, and
- c) a copy of federal Form 7004 is attached to the New York State application for extension, Form CT-5.

INVALID AUTOMATIC SIX-MONTH EXTENSION

An application for an automatic six-month extension will be considered invalid for the following reasons: (1) the request for an extension is filed after the due date of the report, or (2) the tax paid with the extension is not properly estimated, or (3) the taxpayer fails to attach a copy of federal Form 7004 as proof it has a federal six-month extension.

If an application complies with requirements 1 and 2 above it will be considered as a valid three-month extension. If the taxpayer can show, at any time, that it has received a federal automatic six-month extension the New York State automatic six-month extension will be considered valid.

ADDITIONAL EXTENSIONS OF TIME FOR FILING A REPORT

No more than TWO additional three-month extensions of time may be granted to a taxpayer with a valid automatic six-month extension, which was not terminated prior to the 15th day of the sixth month following the close of the taxpayer's taxable year.

The request for an additional three-month extension (Form CT-5.1) must be filed on or before the expiration of the automatic six-month extension.

Taxpayers with a valid automatic three-month extension may continue to be granted three additional three-month extensions.

TERMINATION OF A FEDERAL AUTOMATIC SIX-MONTH EXTENSION

A taxpayer which has its automatic six-month extension for filing its federal income tax return terminated must notify the Tax Department prior to the effective date of the termination. Its New York State automatic six-month extension will terminate on the same day.

If the termination occurs on or before the 15th day of the sixth month following the close of its taxable year, the taxpayer's application for an automatic six-month extension will be deemed to be an application for an automatic three-month extension for New York State franchise tax purposes.

TERMINATION OF NEW YORK STATE AUTOMATIC SIX-MONTH EXTENSION

The Tax Commission may, in its discretion, at any time after the 15th day of the sixth month following the close of a taxpayer's taxable year, terminate the taxpayer's six-month extension by mailing to the taxpayer, or to the person who requested the extension for the taxpayer, a notice of termination. The notice will be mailed 10 days prior to the designated termination date.

COMBINED AND CONSOLIDATED REPORTS

An automatic six-month extension and additional three-month extensions may be granted to a group of corporations authorized to file a combined or consolidated report. In addition to the requirements listed on page 1, a list showing the corporate name, file classification number, taxable period and estimated tax for each corporate taxpayer properly included as part of the group must accompany the application. A schedule is provided on Form CT-5 for this information.

FORM TO USE

Until Form CT-5 can be revised and distributed, eligible taxpayers may use any available Form CT-5 to apply for an automatic six-month extension.

You must use a separate Form CT-5 for each tax report or return for which an extension is requested. (One CT-5 may be used by a combined or consolidated group to request an extension of time to file a tax report or return.)

If you have already filed for an automatic three-month extension you may receive additional three-month extensions by filing Form CT-5.1.

HOW TO FILE

1. File the application for extension on or before the due date of the report for the taxable period for which the extension is requested.
2. Pay any estimated tax due. The estimated tax payment must either:
 - a) equal or exceed the tax for the preceding taxable period (if it was a period of twelve months)

OR

- b) equal 90% of the tax as finally determined.
3. Attach a copy of federal Form 7004. A corporation, which is a member of a federal consolidated group, but taxed on a separate basis for New York State purposes, should attach a copy of the federal extension, Form 7004, used for the group.

METROPOLITAN TRANSPORTATION BUSINESS TAX SURCHARGE REPORTS (FORM CT-3M/4M, FORM CT-32M AND CT-33M)

All information in this memorandum also applies to applications for extension for filing a surcharge tax report except Step 2-a above. The total surcharge tax payment must equal 90% of the surcharge tax as finally determined.