
Important Notice

October 12, 2001

Reasonable Cause for Abatement of Late Filing and Late Payment Penalties for Corporate and Personal Income Taxpayers Affected by the Terrorist Attacks of September 11, 2001

This notice explains additional relief available for individual and corporate taxpayers that were affected by the terrorist attacks on September 11, 2001. This relief is in addition to that provided by New York State in our **Important Notice N-01-14, *Announcement Regarding the Terrorist Attacks of September 11, 2001***, and **Important Notice N-01-16, *Supplemental Announcement Regarding the Terrorist Attacks of September 11, 2001***, for taxpayers who were directly afflicted by the terrorist attacks on September 11.

The New York State Tax Department recognizes the difficulty created by the differences in the extended filing dates provided by the Internal Revenue Service (IRS) and New York State Tax Department disaster relief programs for filing **personal income tax and corporate franchise tax returns for general business corporations (Article 9-A), banking corporations (Article 32) and insurance corporations (Article 33)**. The information needed to file these New York tax returns is derived from the corresponding federal income tax return. Taxpayers may have difficulty filing their New York State tax returns by the New York due date if the disaster relief due date for the corresponding Federal tax return is later than the New York due date.

The New York State Tax Law provides for the waiver of late filing and late payment penalties when the late filing and late payment are due to reasonable cause rather than willful neglect. The Tax Department will consider the late filing of a New York State personal income tax return or corporate franchise tax return (Article 9-A, 32 or 33), and late payment of the tax on that return, to have been due to reasonable cause and not willful neglect if the due date for filing the corresponding Federal tax return under the IRS disaster provisions is later than the due date for the New York State tax return.

If you have reasonable cause under this Notice, late filing and late payment penalties (imposed under sections 685(a)(1), 685(a)(2), 1085(a)(1) and 1085(a)(2) of the Tax Law) that accrue between September 11, 2001 and the due date for your Federal income tax return under the IRS disaster relief provisions will be waived. **This notice only provides penalty relief. It does not provide an extension of time to file your New York return or pay tax.**

Please note that interest cannot be waived for reasonable cause and will accrue on any unpaid balance until the payment date. In addition, this penalty relief does not apply to the payment of any withholding taxes, the filing of withholding tax returns, or the payment of estimated tax.

Any election that was required to have been made on or before the due date of your New York return will be deemed to be timely if made on or before the due date for your corresponding federal tax return under the IRS disaster relief provisions.

Taxpayers that are **not** eligible for the relief provided in New York State Important Notices N-01-14 and N-01-16, but who are eligible for the penalty relief described in this Notice, should mark **WTC-Federal Extension** on the top center of the front page of any late filed return or document accompanying a late payment.

Taxpayers eligible for the relief provided in Important Notices N-01-14 and N-01-16 should mark **WTC** on the top center of the front page of any late filed return or document accompanying a late payment and include a brief explanation of the circumstances that affected their ability to meet tax deadlines. Important Notice N-01-14, provides that, for eligible taxpayers, returns and payments (among other things) due between September 11, 2001, and December 10, 2001, are due on December 10, 2001, and **penalty and interest** accruing between September 11, 2001, and December 10, 2001, is waived.

NEED HELP?



Telephone assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.

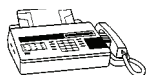
For business tax information and forms, call the New York State Business Tax

Information Center at: 1 800 972-1233

For general information: 1 800 225-5829

To order forms and publications: 1 800 462-8100

From areas outside the U.S. and Canada: (518) 485-6800



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



Hotline for the hearing and speech impaired:

1 800 634-2110 from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (TDD), 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, please call 1 800 225-5829.



If you need to write, address your letter to:

NYS TAX DEPARTMENT
TAXPAYER ASSISTANCE BUREAU
W A HARRIMAN CAMPUS
ALBANY NY 12227



Internet Access - www.tax.state.ny.us