



Important Notice

July 2004

Additional Instructions for the 2004 Form CT-2658-I, *Instructions for Form CT-2658*, and 2004 Form IT-2658-I, *Instructions for Form IT-2658*

Additional instructions for 2004 Form CT-2658, *Report of Estimated Tax for Corporate Partners*, and 2004 Form IT-2658, *Report of Estimated Tax for Nonresident Individual Partners and Shareholders*, are being provided concerning the notification to be given to partners and shareholders of the amount of estimated tax paid on their behalf by partnerships or New York S corporations. The Tax Department has become aware that some partnerships and New York S corporations are improperly using federal form W-2 to report these payments to partners and shareholders. The additional instructions are as follows:

- Additional instructions for Form CT-2658-I, *Instructions for Form CT-2658*.

The following new instructions (in italics) have been added to page 1:

Notification to partners - Every partnership required to pay estimated tax on behalf of its partners must issue a statement to the partners showing the amount of estimated taxes paid on their behalf. The statement must be furnished within 30 days after the estimated tax is paid. There is no specific form for this notification process. The partnership may choose the method of notifying its partners of the payment. *However, the partnership cannot use federal form W-2 or any other form or document that would indicate that the payment is income tax withheld. The statement must show that the payment is to be treated as a payment of estimated tax when the partners file their New York returns.*

- Additional instructions for Form IT-2658-I, *Instructions for Form IT-2658*.

The following instructions (in italics) have been added to page 1:

Notification to partners and shareholders- Every partnership or New York S corporation required to pay estimated tax on behalf of its partners or shareholders must issue a statement to the partners or shareholders showing the amount of estimated taxes paid on their behalf. The statement must be furnished within 30 days after the estimated tax is paid. There is no specific form for this notification process. The partnership or S corporation may choose the method of notifying its partners or shareholders of the payment. *However, the partnership or New York S corporation cannot use federal form W-2 or any other form or document that would indicate that the payment is income tax withheld. The statement must show that the payment is to be treated as a payment of estimated tax when the partners or shareholders file their New York returns.*