



Important Notice

July 2006

Announcement Regarding the Flooding in the Last Week of June 2006

Governor Pataki has directed Commissioner Eristoff to postpone certain tax filing and payment deadlines for taxpayers who were adversely affected by the flooding in the last week of June 2006 (hereinafter, the June floods). The relief provided for in this notice applies to taxpayers affected by the flooding in the following counties: Broome, Chenango, Delaware, Herkimer, Montgomery, Oneida, Orange, Otsego, Schoharie, Sullivan, Tioga, and Ulster.

This notice provides that tax filing, payment, and other deadlines for the period beginning on or after June 26, 2006, and ending on or before September 5, 2006, have been postponed to September 5, 2006, for all taxpayers eligible for the relief provided by this notice, except for remittances of income tax withheld by employers required to be made using Form NYS-1 or through the PromptTax system. The relief provided in this notice will apply to remittances of income tax withheld required to be made during the period beginning on or after June 26, 2006, and ending on or before July 14, 2006, as long as the remittance is made by July 14, 2006. Taxpayers adversely affected by this disaster do not need to apply for a waiver or an extension. If your due date for filing a return (including extensions) or making a tax payment (except for withholding remittances described above) falls on or after June 26, 2006, and on or before September 5, 2006, you may file and pay any tax due on or before September 5, 2006. When filing, write **June Flood** on the top center of the front page of any late filed return, extension, declaration of estimated tax, estimated tax voucher, or other document.

Also, include a brief explanation of the circumstances that adversely affected your ability to meet the tax deadline. Do not write this information on your envelope.

Returns filed or tax payments made in accordance with these rules will not be subject to any late filing, late payment, or underpayment penalties or interest for the period from June 26, 2006, through September 5, 2006 (or July 14, 2006, in the case of the withholding remittances described above).

Taxpayers who were adversely affected by the June floods and are therefore eligible for the relief provided by this notice include:

- victims of the June floods;
- all workers assisting in the relief activities in the areas of the June floods;
- any taxpayer whose records necessary to meet tax filing, paying or other deadlines are not available due to the June floods;
- taxpayers who have difficulty in meeting tax filing, payment or other deadlines because of disruptions in the transportation and delivery of documents by mail or private delivery services, or due to disruptions in communications services, (e.g., telephone, facsimile, or electronic mail), resulting from the June floods; and
- taxpayers whose tax practitioners were unable to complete work to meet tax filing, payment, and other deadlines on behalf of their clients due to the June floods.

Partners, S corporation shareholders, and beneficiaries of trusts and estates use information reported to them on Schedule K-1 by their partnerships, corporations, trusts, or estates to prepare their own income tax return. A taxpayer that is a partner, shareholder, or beneficiary of a partnership, S corporation, trust or estate adversely affected by the June floods is also an adversely affected taxpayer eligible for the relief provided by this notice.

Commissioner Eristoff has postponed deadlines for the period beginning on or after June 26, 2006, and ending on or before September 5, 2006, for:

- filing any returns, including, but not limited to, those for personal income tax, withholding taxes, sales and use taxes, corporate taxes, quarterly combined withholding, wage reporting, and unemployment returns;
- filing any requests for extensions or additional extensions of time to file;
- paying any tax or installment of tax, except for withholding tax, including installment payments of estimated income taxes and sales and use taxes;
- filing for credit or refund, or for re-determination of a deficiency, or application for review of a decision;
- allowing a credit or a refund;
- assessing tax;
- giving or making a notice or demand for payment of tax;
- collecting tax by levy or otherwise;
- bringing suit by New York State for any tax liability;
- making of elections; and
- any other act required or permitted under the Tax Law or specified in the New York State Tax Regulations.

All deadlines for performance of the above required acts for the period on or after June 26, 2006, and on or before September 5, 2006, have been postponed to September 5, 2006. Interest at the appropriate underpayment rate must be paid on tax payments received after September 5, 2006.

Personal income tax filers – Taxpayers whose due date for filing a return or making a tax payment falls within the period on or after June 26, 2006, and on or before September 5, 2006, that cannot meet the filing date of September 5, may apply for an extension of time to file by filing Form IT-370, *Application for Automatic Six-month Extension of Time to File for Individuals*, or Form IT-370-PF, *Application for Automatic Six-month Extension of Time to File for Partnerships and Fiduciaries*, as appropriate, on or before September 5, 2006, together with payment of the properly estimated amount of tax due.

Extension requests filed on or before September 5, 2006, will have the same effective date as if they had been filed on the original due date for that extension. The tax due on any return filed under such extension will not be subject to any late filing or late payment penalties or interest for the period on and after June 26, 2006, and on and before September 5, 2006.

Filing Corporate/Franchise Tax Returns – Taxpayers whose due date for filing a return or making a tax payment falls within the period on or after June 26, 2006, and on or before September 5, 2006, that cannot meet the filing date of September 5, may apply for extension of time to file by filing the applicable request on or before September 5, 2006. Taxpayers whose extended due date for filing a return or making a tax payment falls within the period on or after

June 26, 2006, and on or before September 5, 2006, that cannot meet the filing date of September 5, may apply for an additional extension of time by filing the applicable form on or before September 5, 2006.

Extension requests filed on or before September 5, 2006, will have the same effective date as if they had been filed on the original due date for that extension. The tax due on any return filed under such extension will not be subject to any late filing or late payment penalties or interest for the period on or after June 26, 2006, and on or before September 5, 2006.

Fuel Use Tax (IFTA) – Taxpayers who were adversely affected and cannot meet filing deadlines during the period on or after June 26, 2006, and on or before September 5, 2006, and whose IFTA reports are due during the period on or after June 26, 2006, and on or before September 5, 2006, may file and pay any tax on or before September 5. Interest will not be due on any fuel use tax due to New York State for the period on or after June 26, 2006, and on or before September 5, 2006. However, interest may be due on tax due to other jurisdictions.

New York is in the process of contacting the other IFTA jurisdictions to get permission to waive any interest that may be due to them as a result of the late filing of a report. Upon their approval, New York will waive interest due to other jurisdictions. If the interest due on a late-filed report is waived by a jurisdiction, no interest will be imposed for the period on or after June 26, 2006, and on or before September 5, 2006. However, if the report is filed after September 5, interest at the rate of 1% a month must be paid, calculated from September 5, 2006, to the date of payment. If the interest due on a late-filed report is not waived by a jurisdiction, interest will be imposed on the tax due to that jurisdiction calculated to the date of payment.

Estate Tax – Taxpayers who cannot meet the due date of September 5, 2006 for filing and/or paying the estate tax may apply for an additional extension of time by filing Form ET-133, *Application for Extension of Time to File and/or Pay Estate Tax*, on or before September 5, 2006. The granting of an extension of time to file the estate tax return beyond this special extension does not further extend the time for payment of the estate tax. Any extension of time to pay the estate tax beyond September 5, 2006, will bear interest from September 5, to the date of payment. Interest at the appropriate underpayment rate must be paid on all payments received after September 5, 2006.

Sales and Use Taxes, Withholding taxes and other returns and reports required by employers, and all other Miscellaneous Taxes and Reports (including Withholding Tax, Wage Reporting, Unemployment Insurance Returns, New Hire Reporting, Alcoholic Beverages Tax, Cigarette Tax, Tobacco Products Tax, Motor Fuel Tax, Diesel Motor Fuel Tax, Petroleum Business Tax, Highway Use Tax, Fuel Use Tax, Real Estate Transfer Tax, Mortgage Recording Tax, and Stock Transfer Tax) - Taxpayers who were adversely affected and cannot meet tax filing, payments, and other deadlines (including any extended due date) during the period on or after June 26, 2006, and on or before September 5, 2006, may file and pay any tax due (except remittances of withholding tax as described in this notice) on or before September 5. Interest and penalty will not be due to New York State for the period on and after June 26, 2006, and on and before September 5, 2006.

Abatements of penalties on all other late filings of returns or late payments not made by the date required by law and not covered by this announcement will be handled on a case-by-case basis.

Electronic Funds Transfer (Promptax) Payments – Promptax filers who wish to avail themselves of the special filing and payment provisions presented above should call the Helpline at 1-800-338-0054.

Taxpayers may obtain forms, instructions, and other information from the Tax Department's Web site at www.nystax.gov or from the department's Fax-on-Demand service at 1 800 748-3676.