



Important Notice

August 27, 1999

New York S corporations: Change in filing criteria for the 1998 Form CT-4-S

This notice affects only 1998 fiscal year taxpayers with tax years beginning **after June 30, 1998**. Calendar-year 1998 taxpayers and fiscal-year taxpayers with tax years beginning before July 1, 1998, are not affected. Taxpayers filing the long form, Form CT-3-S, are not affected.

The reduction in tax rates and fixed dollar minimum taxes enacted in 1998 has caused the filing criteria for Form CT-4-S to change. The following instructions on the 1998 Form CT-3-S/4-S-I are incorrect:

- page 2, **Which Form to File**;
- page 6, **Line 9**; and
- page 6, **Line 10**.

Which Form to File: The first two conditions required to file Form CT-4-S should be replaced with new conditions.

The two conditions **deleted** are:

- your entire net income is \$200,000 or less;
- your gross payroll is \$1,000,000 or less.

The **new** conditions are:

- for tax years beginning **before July 1, 1998**, your entire net income is \$200,000 or less and your gross payroll is \$1,000,000 or less; or
- for tax years beginning **after June 30, 1998**:
 - your entire net income is \$80,000 or less,
 - your gross payroll is \$250,000 or less, and
 - your tax year is a 12-month year.

Line 9: The instructions for line 9 are deleted and replaced with the following:

- Subtract line 8 from line 5. This is your entire net income.
- If your entire net income for tax years beginning **before July 1, 1998**, is over \$200,000, do not continue; you must use Form CT-3-S.
 - If your entire net income for tax years beginning **after June 30, 1998**, is over \$80,000, do not continue; you must use Form CT-3-S.

Line 10: The instructions for line 10 are deleted and replaced with the following:

- The fixed dollar minimum tax is determined by gross payroll:
- for tax years beginning **before July 1, 1998**, if your gross payroll is \$1,000,000 or less, the fixed dollar minimum tax is \$325. If your gross payroll is over \$1,000,000, do not continue; you must file Form CT-3-S; or
 - for tax years beginning **after June 30, 1998**, if your gross payroll is \$250,000 or less, the fixed dollar minimum tax is \$100. If your gross payroll is over \$250,000, do not continue; you must file Form CT-3-S.
- Foreign authorized corporations: If your tax is less than \$300, you must increase your payment to satisfy the \$300 maintenance fee requirement.