



Instructions for Form CT-5.4

Request for Six-Month Extension to File New York S Corporation Franchise Tax Return

Changes for 2009

Increase in the mandatory first installment (MFI) of estimated tax — The Tax Law was amended to provide an increase in the MFI for taxpayers, other than life insurance corporations filing Form CT-33, *Life Insurance Corporation Franchise Tax Return*, or CT-33-A, *Life Insurance Corporation Combined Franchise Tax Return*, and continuing section 186 taxpayers filing Form CT-186, *Utility Corporation Franchise Tax Return*, whose preceding year's tax, exclusive of the metropolitan transportation business tax (MTA surcharge), exceeded \$100,000. For tax years beginning on or after January 1, 2010, those taxpayers are required to pay a first installment equal to 40% of the preceding year's tax. Additionally, taxpayers who are required to pay their MFI at the 40% rate and are subject to the MTA surcharge are also required to calculate their estimated tax for the MTA surcharge at 40% of the preceding year's MTA surcharge. The remaining three estimated tax payments are to be adjusted so that the total payments do not exceed 100% of the estimated tax due. The MFI of estimated tax and estimated MTA surcharge remains at 25% of the preceding year's tax and tax surcharge, respectively, for those taxpayers whose preceding year's tax exceeded \$1,000, but was less than or equal to \$100,000.

Fee for payments returned by banks — A new law allows the Tax Department to charge a \$50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department won't charge the fee. If your payment is returned, we will send a separate bill for \$50 for each return or other tax document associated with the returned payment.

General information

Requirements for a valid New York State extension

- 1) You must file Form CT-5.4 and pay the properly estimated franchise tax on or before the original due date of the tax return for which this extension is requested.
- 2) The properly estimated franchise tax must either:
 - equal or exceed the franchise tax shown on your tax return for the preceding tax year (if the preceding tax year was a tax year of 12 months); **or**
 - equal or exceed 90% of the franchise tax as finally determined for the tax year for which this extension is requested (this is the 90% rule).

The *franchise tax* is the amount of franchise tax computed after the deduction of any tax credits.

The *preceding tax year* is the tax year occurring immediately before the tax year for which this extension is requested.

The franchise tax for the preceding tax year must be adjusted as necessary to correct errors in computation or in the application of tax rate or tax base.

Extensions of time for filing returns

A six-month extension of time for filing a franchise tax return will be granted if Form CT-5.4 is properly filed and the properly estimated tax is paid on or before the original due date of the return.

No late filing or late payment penalties will be imposed if you file your return by the extended due date and pay the balance of the tax due with your return.

Interest applies to any tax not paid by the original due date of the return. A New York S corporation shareholder penalty may be

imposed if the return is filed after the due date or valid extended due date, regardless if the tax is paid on time.

If applicable, you must also pay the mandatory first installment of estimated tax for the next tax year shown on line 2 on or before the original due date of the tax return.

Who may file Form CT-5.4

A general business corporation (Article 9-A) that has elected to be a New York S corporation by filing Form CT-6, *Election by a Federal S Corporation to be Treated As a New York S Corporation*, or that is a federal S corporation that has not made the New York S election but meets the requirements of Tax Law section 660(i) (and is therefore deemed to be a New York S corporation) must file Form CT-5.4 to request a six-month extension of time to file Form CT-3-S, *New York S Corporation Franchise Tax Return*.

A banking corporation (Article 32) that has elected to be a New York S corporation by filing Form CT-6 must file Form CT-5.4 to request one six-month extension of time to file Form CT-32-S, *New York Bank S Corporation Franchise Tax Return*. Additional extensions beyond six months will not be granted to New York S corporations.

When to file

File Form CT-5.4 on or before the due date of your tax return (2½ months following the end of the tax year).

Where to file

If you have enclosed payment, mail to:

**NYS CORPORATION TAX
PROCESSING UNIT
PO BOX 22094
ALBANY NY 12201-2094**

If you have not enclosed payment, mail to:

**NYS CORPORATION TAX
PROCESSING UNIT
PO BOX 22102
ALBANY NY 12201-2102**

Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to mail in your form and tax payment. However, if, at a later date, you need to establish the date you filed or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services*. See *Need help?* for information on obtaining forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your form, contact that private delivery service for instructions on how to obtain written proof of the date your form was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, send the forms covered by these instructions to: State Processing Center, 431C Broadway, Albany NY 12204-4836.

Employer identification number, file number, and other identifying information

For us to process your corporation tax forms, it is important that we have the necessary identifying information. Keep a record of that information and include it on each corporation tax form mailed.

If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms.

Reporting period

Use this tax form for calendar year 2009 and fiscal years that begin in 2009 and end in 2010.

You can also use the 2009 form if:

- you have a tax year of less than 12 months that begins and ends in 2010, **and**
- the 2010 form is not yet available at the time you are required to file the form.

In this case you must show your 2010 tax year on the 2009 form and take into account any tax law changes that are effective for tax years beginning after December 31, 2009.

All filers must complete the beginning and ending tax year boxes in the upper right corner on page 1 of the form.

Entering dates

Unless you are specifically directed to use a different format, enter dates in the *mm-dd-yy* format (using dashes and not slashes).

Specific instructions

Line A - Make your check or money order payable in United States funds. We will accept a foreign check or foreign money order only if payable through a United States bank or if marked **Payable in U.S. funds**.

Line 1 - To determine the properly estimated tax, enter the amount determined under (a) or (b) below. However, if your S corporation was not subject to tax for the preceding tax year, or if the preceding tax year was less than 12 months, skip (a) and use the amount determined under (b).

- 100% of the franchise tax (computed after the deduction of any special additional mortgage recording tax credit) shown on your franchise tax return for the preceding year if it was a tax year of 12 months. Do not include any tax amount of a qualified subchapter S subsidiary (QSSS) that previously filed a separate franchise tax return.
- Determine the estimated franchise tax (computed after the deduction of any special additional mortgage recording tax credit) for the tax year for which this extension is requested. If you are the parent of a QSSS, include all items of income, deduction, and other economic activity related to the QSSS, but only if the QSSS is to be included on your tax return (you have attached a Form CT-60-QSSS, *Qualified Subchapter S Subsidiary Information Schedule*). Multiply the estimated franchise tax by an amount not less than 90%.

Line 2 - If the total franchise tax on line 1 exceeds \$1,000, you must pay a first installment of estimated tax for the next tax year. Multiply the amount on line 1 by 25% (.25) and enter the result on line 2.

If you are not required to pay the first installment of estimated tax for the next tax year, enter **0** on line 2.

Line 8 - Include overpayments credited from prior years. You may also include from last year's return any amount of refundable tax credits you chose to be credited as an overpayment.

Need help?



Internet access: www.nystax.gov
(for information, forms, and publications)



Fax-on-demand forms: 1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

Corporation Tax Information Center: (518) 485-6027
For in-state callers without free long distance: 1 888 698-2908
To order forms and publications: (518) 457-5431
For in-state callers without free long distance: 1 800 462-8100

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): 1 800 634-2110



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, call the information center.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.