

# Instructions for Form NYC-2S



## Business Corporation Tax Returns For fiscal years beginning in 2024 or for calendar year 2024

### Highlights of Recent Tax Law Changes for Business Corporations

- Section 7 of Chapter 555 of the Laws of 2022 amended section 11-653 of the Administrative Code of the City of New York, creating economic nexus provisions for New York City, which have been updated by Finance Memorandum 24-2. For taxable years beginning on or after January 1, 2024, a corporation will be subject to the Business Corporation Tax if it derives \$1,128,000 or more of receipts from activity in New York City. A corporation that does not have \$1,128,000 of receipts, but derives at least \$11,000 of receipts from activity in the City and is part of a unitary group of corporations that meets the ownership test under §11-654.3, will be subject to the tax if the aggregate receipts of all members of such unitary group that derive at least \$11,000 of receipts from activity in the City, is \$1,128,000. Additionally, a corporation that is a credit card issuer that does not meet any of the thresholds set out in section 11-653(1)(c), but that has at least 10 customers, or locations, or customers and locations, as described in section 11-653(1)(c), and is part of a unitary group of corporations that meets the ownership test under section 11-654.3, will be subject to the tax if the aggregate number of customers, or locations, or customers and locations of all members of such unitary group that have at least 10 customers, or locations, or customers and locations, meets any of the threshold requirements set out in section 11-653(1)(c).
- Part II of Chapter 59 of the Laws of 2022, which is codified in New York City Administrative Code Sections 11-144, 11-503(q), 11-604(23) and 11-654(23), provides that businesses subject to the Unincorporated Business Tax, the General Corporation Tax and the Business Corporation Tax may qualify for a refundable tax credit for providing new or expanded child care services for their employees with respect to infants and toddlers in a permitted child care program. For more information, see Chapter 59 of Title 19 of the RCNY and the DOF website (<https://www.nyc.gov/site/finance/benefits/group-childcare-credit.page>). Taxpayers claiming this credit may not use this form.
- Local Law 166 of 2023 amended section 11-654(21) of the Ad. Code to renew a biotechnology credit for tax years beginning on or after January 1, 2023, and before January 1, 2026, for certain qualified emerging technology companies for certain costs and expenses incurred. Taxpayers claiming this credit may not use this form.
- Chapter 671 of the Law of 2023 added Ad. Code sections 11-506 (c)(13), 11-602(8)(a)(17) and 11-652(8)(a)(18) allowing the deduction against the Unincorporated Business Tax, the General Corporation Tax and the Business Corporation Tax, respectively, of an amount equal to the federal deduction disallowed by IRC section 280E, for business expenses incurred by taxpayers authorized by the New York Cannabis Law to engage in the sale, distribution, or production of adult-use cannabis products or medical cannabis. Taxpayers making this modification may not use this form.

### GENERAL INFORMATION

Subchapter 3-A of Chapter 6 of Title 11 of the Administrative Code of the City of New York (the “Ad. Code”) applies to tax years starting on or after January 1, 2015. This subchapter applies to corporations that were previously subject to the General Corporation Tax (“GCT”), Subchapter 2 of Chapter 6 of Title 11 of the Code, and the Banking Corporation Tax, Subchapter 3 of Title 11 of the Code, except that it does not apply to any corporation that is an S Corporation, or qualified subchapter S subsidiary, under subchapter S of the Internal Revenue Code of 1986, as amended (collectively, “S Corporations”). S Corporations continue to be subject to tax under the GCT and Banking Corporation Tax. Corporations subject to the Subchapter 3-A, Business Corporation Tax, must file this form unless they are required to file Form NYC-2 or are required or permitted to file as members of a combined group (Form NYC-2A).

### S CORPORATIONS

If subject to GCT, an S Corporation must file a GCT return (generally Form NYC-4S, Form NYC-4S-EZ or Form NYC-3L). If subject to Bank Tax, an S Corporation must file a Banking Corporation Tax return (generally Form NYC-1). Under certain limited circumstances, an S Corporation may be permitted or required to file a combined return (Form NYC-3A for GCT or Form NYC-1A for Bank Tax, whichever is applicable). See, e.g., *Finance Memorandum 99-3 for information regarding the treatment of qualified subchapter S subsidiaries*. For additional requirements see the instructions to those forms. An S Corporation may not file this return.

### CORPORATION DEFINED

Any entity that is an association taxable as a corporation for federal income tax purposes pursuant to IRC §7701(a)(3) is treated as a corporation for City tax purposes including an unincorporated entity that elects to be taxable as a corporation. Unincorporated entities that are taxable under the Business Corporation Tax are not

subject to the Unincorporated Business Tax. Eligible entities having a single owner disregarded as a separate entity under the “check-the-box” rules and treated as either a sole proprietorship or a branch for federal tax purposes will be similarly treated for City tax purposes. See *Finance Memorandum 99-1 for additional information*.

### **Corporations required to file Form NYC-2S or NYC-2.**

Corporations, other than S Corporations, doing business, employing capital, owning or leasing property, maintaining an office or deriving receipts from activity, in the City are required to file Form NYC-2S or NYC-2. A corporation is considered to be deriving receipts in the City if it has receipts within New York City of \$1,128,000 or more in a tax year. “Receipts” means the receipts that are subject to the allocation rules under §11-654.2, and the term “receipts within the City” means the receipts included in the numerator of the receipts fraction determined under §11-654.2. Also, receipts from processing credit card transactions

for merchants include merchant discount fees received by the corporation. Pursuant to section 21 of Chapter 201 of the Laws of 2009, for tax years beginning on or after January 1, 2011, the Banking Corporation Tax was amended to provide criteria by which banking corporations, engaged in the business of credit card transactions and not otherwise doing business in New York City, would be subject to tax if they met certain criteria regarding credit card customers or merchant customer contracts in the City. Some of these criteria were carried over and incorporated into the Business Corporation Tax. Pursuant to these criteria, a corporation is doing business in the city if (1) it has issued credit cards (bank, credit, travel and entertainment) to one thousand or more customers who have a mailing address in the city as of the last day of its taxable year, (2) it has merchant customer contracts with merchants and the total number of locations covered by those contracts equals one thousand or more locations in the city to whom the corporation remitted payment for credit card transactions during the taxable year, or (3) the sum of the number of customers described in (1) plus the number of locations covered by its contracts describe in (2) equal one thousand or more.

**Corporate Partners**

- If a partnership is doing business, employing capital, owning or leasing property, maintaining an office or deriving receipts from activity, in New York City, then a corporation that is a general partner in that partnership is subject to tax and must file Form NYC-2 or NYC-2A unless the corporation is eligible to file Form NYC-2S.
- If a partnership is doing business, employing capital, owning or leasing property, maintaining an office or deriving receipts from activity, in New York City, then a corporation that is a limited partner of that partnership may be subject to tax pursuant to the regulations promulgated by the Commissioner of Finance.

**CORPORATIONS REQUIRED TO FILE FORM NYC-2**

A corporation must file Form NYC-2 and not Form NYC-2S if:

- 1) it carries on business both inside and outside New York City;
- 2) it has investment income as defined in Ad. Code Section 11-652(5) or other exempt income as defined in Ad. Code Section 11-652(5-a) and is required to file Form NYC-2.1;

- 3) it claims a prior net operating loss and is required to file Form NYC-2.3 or a net operating loss and/or is required to file Form NYC-2.4 even if no net operating loss is being claimed for the current year;
- 4) it claims a subtraction modification for qualified banks and other qualified lenders and is required to file a Form NYC-2.2;
- 5) it is required to adjust entire net income to reflect the optional deductions for depreciation previously allowed pursuant to Section 11-652(8)(g) of the Ad. Code;
- 6) it claims a modification with respect to gain arising on the sale of certain property, as provided in Section 11-652(8)(h) of the Ad. Code;
- 7) it is a real estate investment trust qualified under Sections 856 and 857 of the Internal Revenue Code;
- 8) it entered into a “safe harbor” lease transaction under provisions of Section 168(f)(8) of the Internal Revenue Code as it was in effect for agreements entered into prior to January 1, 1984;
- 9) it claims a credit for increased real estate tax payments made to a landlord in connection with the relocation of employment opportunities to New York City, as provided in Section 11-654(13) of the Ad. Code;
- 10) it claims a credit for certain costs or expenses incurred in relocating employment opportunities to New York City, as provided in Section 11-654(14), 11-654(17), 11-654(17-b) or 11-654(19) of the Ad. Code. See Instructions to Forms NYC-9.5, NYC-9.6 and NYC-9.8;
- 11) it claims a modification with respect to wages and salaries disallowed as a deduction for federal income tax purposes (work incentive/jobs credit provisions), as provided in Section 11-652(8)(a)(7) of the Ad. Code;
- 12) either separately or as a member of a partnership, it is engaged in an insurance business as a member of the New York Insurance Exchange;
- 13) it is a Regulated Investment Company as defined in Section 851 of the Internal Revenue Code;
- 14) it is a Domestic International Sales Corporation (DISC);

- 15) it claims a credit for New York City Unincorporated Business Tax paid by a partnership in which it is a partner as provided in Section 11-654.18 of the Ad. Code;
- 16) it will be included in a combined report, Form NYC-2A;
- 17) it is required to add back payments for the use of intangibles made to related members as required by Ad. Code section 11-652(8)(n);
- 18) it has business capital directly attributable to a corporation that is or would be taxable as a utility (but not as a vendor of utility services) under the Utility Tax or a corporation that would have been taxable as an insurance corporation under the former City Insurance Corporation Tax. (See part IV, title R, chapter 46 of the former version of the Administrative Code as in effect on June 30, 1974.);
- 19) it claims the Beer Production Credit available under Ad. Code section 11-654(22);
- 20) it is a Financial Corporation as defined in Ad. Code section 11-654(1)(e)(1)(i);
- 21) for federal purposes, a portion of its business interest expense deduction is disallowed under IRC §163(j);
- 22) for federal purposes, it reports income under IRC §§951A or 965;
- 23) it is eligible for a deduction pursuant to IRC section 250(a)(1)(A), i.e., FDII;
- 24) For New York City purposes, it is required to modify federal taxable income with respect to amounts invested in Qualified Opportunity Funds under Section 1400Z-2 of the Internal Revenue Code. See Sections 11-652(8)(a)(16) and 11-652(8)(b)(23) of the Ad. Code;
- 25) it was part of a combined group that has for this taxable year revoked the previously made election under Ad. Code section 11-654.3(3);
- 26) it excludes from entire net income the amount of any grant received through either the COVID-19 Pandemic Small Business Recovery Grant program or the New York City Small Business Resilience

Grant program to the extent the amount of either such grant is included in federal taxable income;

- 27) it claims the Child Care Center tax credit under Ad. Code section 11-654(23);
- 28) it claims the biotechnology credit under Ad. Code section 11-654(21); or
- 29) it claims a modification with respect to business expenses incurred by taxpayers authorized by the New York Cannabis Law to engage in the sale, distribution, or production of adult-use cannabis products or medical cannabis that were disallowed as a federal deduction by reason of IRC section 280E.

The following are NOT required to file a Business Corporation Tax Return (Form NYC-2 or Form NYC-2S):

- a) A dormant corporation that did not at any time during its taxable year engage in any activity or hold title to real property located in New York City.
- b) A nonstock corporation, organized and operated exclusively for nonprofit purposes and not engaged in substantial commercial activities, that has been granted an exemption by the Department of Finance.
- c) Corporations subject to taxation under Chapter 11, Title 11 (Utility Corporations) of the NYC Administrative Code are not required to file Business Corporation Tax returns. However, corporations that are subject to tax under Chapter 11 as vendors of utility services are subject to the Business Corporation Tax in accordance with section 11-653(4) of the Ad. Code and must file a return.

**WIRELESS TELECOMMUNICATIONS SERVICE PROVIDERS.** Entities who receive eighty percent or more of their gross receipts from charges for the provision of mobile telecommunications services to customers will be taxed as if they were regulated utilities for purposes of the New York City Utility Tax. Thus, such entities will be subject to only the New York City Utility Tax. The amount of gross income subject to tax has been redefined to conform to the Federal Mobile Telecommunications Sourcing Act of 2000. In addition, partners in any such entity will not be subject to General Corporation Tax or Business Corporation Tax on their distributive share of the income of any such entity.

- d) A limited profit housing corporation organized and operating pursuant to the provisions of Article Two of the Private Housing Finance Law.
- e) Insurance corporations.
- f) A Housing Development Fund Company (HDFC) organized and operating pursuant to the provisions of Article 11 of the Private Housing Finance Law.
- g) Organizations organized exclusively for the purpose of holding title to property as described in Sections 501(c)(2) or (25) of the Internal Revenue Code.
- h) An entity treated as a Real Estate Mortgage Investment Conduit (REMIC) for federal income tax purposes. (Holders of interests in a REMIC remain taxable on such interests or on the income thereon.)
- i) Corporations principally engaged in the conduct of a ferry business and operating between any of the boroughs of the City under a lease granted by the City.
- j) A corporation principally engaged in the conduct of an aviation, steamboat, ferry or navigation business, or two or more such businesses, provided that all of the capital stock of the corporation is owned by a municipal corporation of New York.
- k) Corporations principally engaged in the operation of marine vessels whose activities in the City are limited exclusively to the use of property in interstate or foreign commerce.
- l) Foreign corporations that are exempt under the provisions of Public Law 86- 272.
- m) Alien Corporations - An alien corporation (a corporation organized under the laws of a country, or any political subdivision thereof, other than the United States, or organized under the laws of a possession, territory or commonwealth of the United States) is not deemed to be doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in the city if the activities in the city are limited to:
  - investing or trading in stocks and securities for its own account within the meaning of IRC §864(b)(2)(A)(ii);
  - investing or trading in commodities for its own account within the meaning of IRC §864(b)(2)(B)(ii); or

- any combination of these activities. See Ad. Code §11-653(2-a). An alien corporation that under any provision of the IRC is not treated as a domestic corporation as defined under IRC section 7701 and has no effectively connected income for the tax year is not subject to tax pursuant to clause three of the opening paragraph of Ad. Code §11-652(8).

- n) An entity that would otherwise meet the definition of a corporation but that was subject to the Unincorporated Business Tax (“UBT”) for its taxable year beginning in 1995 and that made an election not to be characterized as a corporation under the General Corporation Tax, will also not be a corporation under the Business Corporation Tax (Subchapter 3-A) unless and until it revokes its election.

**NOTE:** A corporation that has an officer, employee, agent or representative in the City and that is not subject to the Business Corporation Tax is not required to file a Form NYC-2 but must file a Form NYC-245 (Section 11-655 of the Ad. Code). A corporation shall not be deemed to be doing business, employing capital, owning or leasing property, maintaining an office or deriving receipts from activity, in the city by reason of:

- The maintenance of cash balances with banks or trust companies in the city;
- The ownership of shares of stock or securities kept in the city if kept in a safe deposit box, safe, vault, or other receptacle rented for the purpose or, if pledged as collateral security, or if deposited with one or more banks or trust companies, or with brokers who are members of a recognized security exchange, in safekeeping or custody accounts;
- The taking of any action by any such bank or trust company or broker, which is incidental to the rendering of safekeeping or custodian service to the corporation;
- The maintenance of an office in this city by one or more officers or directors of the corporation who are not employees of the corporation if the corporation otherwise is not doing business in the city, and does not employ capital or own or lease property in the city;

- The keeping of books or records of a corporation in the city if such books and records are not kept by employees of the corporation and the corporation does not otherwise do business, employ capital, own or lease property, or maintain an office in the city; or
- Any combination of the activities listed above.

#### WHEN AND WHERE TO FILE

The due date for filing is on or before April 15, 2025 or, for fiscal year taxpayers, on or before the 15th day of the 4th month following the close of the fiscal year.

**Special short-period returns:** If this is NOT a final return and your federal return covered a period of less than 12 months as a result of your joining or leaving a federal consolidated group or as a result of a federal IRC §338 election, this return generally will be due on the due date for the federal return and not on the date noted above.

*Mail all returns, except refund returns:*

**NYC Department of Finance  
P.O. Box 5564  
Binghamton, NY 13902-5564**

**Remittances – Pay online with Form NYC-200V at [nyc.gov/eservices](http://nyc.gov/eservices), or Mail payment and Form NYC-200V only to:**

NYC Department of Finance  
P.O. Box 3933  
New York, NY 10008-3933

*Mail returns claiming refunds:*

NYC Department of Finance  
P.O. Box 5563  
Binghamton, NY 13902-5563

#### AUTOMATIC EXTENSIONS

An automatic extension of six months for filing this return will be allowed if, by the original due date, the taxpayer files with the Department of Finance an application for automatic extension on Form NYC-EXT and pays the amount properly estimated as its tax. See the instructions for Form NYC-EXT for information regarding what constitutes a proper estimated tax for this purpose. Failure to pay a proper estimated amount will result in a denial of the extension. A taxpayer with a valid six-month automatic extension filed on Form NYC-EXT may request up to two additional three-month extensions by filing Form NYC-EXT.1. A separate Form NYC-EXT.1 must be filed for each additional three-month extension.

Forms NYC-EXT and EXT.1 may be submitted electronically via the Department's Website or mailed to the address indicated on those forms.

#### FINAL RETURNS

If a corporation ceases to do business in New York City, the due date for filing a final Business Corporation Tax Return is the 15th day after the date of the cessation (Ad. Code Section 11-655). Corporations may apply for an automatic six-month extension for filing a final return by filing Form NYC-EXT, Application for Automatic 6-Month Extension of Time to File Business Income Tax Return on or before that date. Any tax due must be paid with the final return or the extension, whichever is filed earlier.

#### AMENDED RETURNS

If you are filing an amended return for any purpose, mark an X in the Amended return box on page 1 of the return. If you file an amended federal or state return, you must file an amended New York City return within 90 days (or 120 days if filing an amended combined return thereafter).

You must file using the correct year's return for the tax year being amended. Do not use the most current year's return if the current year is not the year being amended. If you file on the wrong year's return, it may cause the amended return to be rejected, or may cause a delay in receiving any tax benefits being claimed.

The Business Corporation Tax is effective January 1, 2015 and does not apply to any tax return filed for a tax year commencing prior to January 1, 2015.

#### FOR AMENDED RETURNS BASED ON CHANGES TO FEDERAL OR STATE TAXABLE INCOME OR OTHER TAX BASE

For taxable years beginning on or after January 1, 2015, changes in taxable income or other tax base made by the Internal Revenue Service ("IRS") and/or New York State Department of Taxation and Finance ("DTF") will no longer be reported on form NYC-3360. Instead, taxpayers must report these federal or state changes to taxable income or other tax base by filing an amended return. This amended return must include a tax worksheet that identifies each change to the tax base ("Tax Base Change") and shows how each such Tax Base Change affects the taxpayer's calculation of its New York City tax. Templates for the tax worksheets are available on the DOF website at [nyc.gov/finance](http://nyc.gov/finance). This amended return must also include a copy of the IRS and/or DTF final determination, waiver, or notice of carryback

allowance. Taxpayers that have federal and state Tax Base Changes for the same tax period may report these changes on the same amended return that includes separate tax worksheets for the IRS Tax Base Changes and the DTF Tax Base Changes. Note that for taxable years beginning on or after January 1, 2015, DTF Tax Base Changes may include changes that affect income or capital allocation.

The Amended Return checkbox on the return is to be used for reporting an IRS or DTF Tax Base Changes, with the appropriate box for the agency making the Tax Base Changes also checked. Taxpayers must file an amended return for Tax Base Changes within 90 days (120 days for taxpayers filing a combined report) after (i) a final determination on the part of the IRS or DTF, (ii) the signing of a waiver under IRC §6312(d) or NY Tax Law §1081(f), or (iii) the IRS has allowed a tentative adjustment based on a NOL carryback or a net capital loss carryback.

If the taxpayer believes that any Tax Base Change is erroneous or should not apply to its City tax calculation, it should not incorporate that Tax Base Change into its City tax calculation on its amended return. However, the taxpayer must attach: (i) a statement to its report that explains why it believes the adjustment is erroneous or inapplicable; (ii) the explanatory tax worksheet that identifies each Tax Base Change and shows how each would affect its City tax calculation; and (iii) a copy of the IRS and/or DTF final determination, waiver, or notice of carryback allowance.

For more information on federal or state Tax Base Changes, including a more expansive explanation of how taxpayers must report these changes as well as sample tax worksheets to be included within the amended return, see Finance Memorandum 17-5, revised and dated October 10, 2018, "*Reporting Federal and New York State Changes.*"

#### ACCESSING NYC TAX FORMS

By Computer - Download forms from the Finance website at [nyc.gov/finance](http://nyc.gov/finance). By Phone - Order forms by calling 311. If calling from outside of the five NYC boroughs, please call 212-NEW-YORK (212-639-9675).

#### OTHER FORMS YOU MAY BE REQUIRED TO FILE

**FORM NYC-EXT** - Application For Automatic 6-Month Extension of Time to File Business Income Tax Return. File it on or before the due date of the return.

**FORM NYC-EXT.1** - Application for Additional Extension is a request for an additional three months of time to file a return. A corporation with a valid six month extension is limited to two additional extensions.

**FORM NYC-300** - Mandatory First Installment (MFI) by Business C Corporations. This form is to be submitted with respect to the MFI. The MFI on this form is equal to 25% of the second preceding year's tax. The due date of the form is 2-1/2 months after the close of the previous fiscal year, not the due date of the return or extension for the previous year. For a calendar year taxpayer, the due date is March 15th.

**FORM NYC-222** - Underpayment of Estimated Tax by Corporations will help a corporation determine if it has underpaid an estimated tax installment and, if necessary, compute the penalty due.

**FORM NYC-245** - Activities Report of Corporations must be filed by a corporation that has an officer, employee, agent or representative in the City but disclaims liability for the Business Corporation Tax.

**FORM NYC-399** - Schedule of New York City Depreciation Adjustments is used to compute the allowable New York City depreciation deduction if a federal ACRS or MACRS depreciation deduction is claimed for certain property placed in service after December 31, 1980.

**FORM NYC-399Z** - Depreciation Adjustments for Certain Post 9/10/01 Property may have to be filed by taxpayers claiming depreciation deductions for certain sport utility vehicles or "qualified property," other than "qualified New York Liberty Zone property," "qualified New York Liberty Zone leasehold improvements" and "qualified resurgence zone property" placed in service after September 10, 2001, for federal or New York State tax purposes. See Finance Memorandum 24-1, "Application of IRC §280F Limits to Sports Utility Vehicles."

**FORM NYC-400** - Declaration of Estimated Tax by Business Corporations and Subchapter S General Corporations must be filed by any corporation whose New York City tax liability can reasonably be expected to exceed \$1,000 for any calendar or fiscal tax year.

**FORM NYC-CR-A** - Commercial Rent Tax Annual Return must be filed by every tenant that rents premises for business purposes in Manhattan south of the center line of 96th Street and whose annual or annualized gross rent for any premises is at least \$200,000. (Effective June 1, 2001.)

**FORM NYC-RPT** - Real Property Transfer Tax Return must be filed when the corporation acquires or disposes of an interest in real property, including a leasehold interest; when there is a partial or complete liquidation of the corporation that owns or leases real property; or when there is a transfer of a controlling economic interest in a corporation, partnership or trust that owns or leases real property.

## OVERVIEW OF BUSINESS CORPORATION TAX

### Tax Bases and Rates

Under the Business Corporation Tax, the business income base is the primary tax base, with the business capital and fixed dollar minimum tax bases as alternatives. For more on the tax rate applicable to the business income base, see Schedule E and accompanying instructions.

### Tax on Business Income

The tax on the business income base is computed on Schedule B.

### Tax on Business Capital

The tax on the business capital base is computed on Schedule C.

### Fixed Dollar Minimum Tax.

The fixed dollar minimum tax is determined by the corporation's New York City receipts. To avoid an erroneous assessment or a delay in your refund, you must enter an amount on Form NYC-2S, Schedule A, line 3. Because you may only file this form if you do not do business outside New York City, all your gross receipts are considered New York City receipts.

Failure to make an entry on this line may result in an assessment of tax, or reduction of your refund or credit.

### Requirement to be Included in a Combined Report under the Business Corporation Tax:

Subchapter 3-A adopts a combined reporting regime under which corporations that meet a more than 50% ownership or control test generally must file a combined return if they conduct a unitary business or elect to file on a combined basis. For more information, please refer to the instructions for Form NYC-2A.

### ESTIMATED TAX

If the tax for the period following that covered by this return is expected to exceed \$1,000, a declaration of estimated tax and installment payments are required. Form NYC-400 is to be used for declarations and installment payments of estimated tax. If the tax on this return exceeds \$1,000, submit Form NYC-400 which is avail-

able on the Department of Finance's website. If, after filing a declaration, your estimated tax substantially increases or decreases as a result of a change in income, deduction or allocation, you must amend your declaration on or before the next date for an installment payment. Mail the amended declaration, using Form NYC-400, along with your check to:

**NYC Department of Finance  
P.O. Box 3922  
New York, NY 10008-3922**

If the amendment is made after the 15th day of the 9th month of the taxable year, any increase in tax must be paid with the amendment.

These payments can also be made online at [nyc.gov/eservices](http://nyc.gov/eservices).

For more information regarding estimated tax payments and due dates, see Form NYC-400.

### PENALTY FOR UNDERSTATING TAX

If there is a substantial understatement of tax (i.e., if the amount of the understatement exceeds the greater of 10% of the tax required to be shown on the return or \$5,000) for any taxable year, a penalty will be imposed in an amount equal to 10% of the amount of the understated tax.

The amount of understated tax on which you pay the penalty can be reduced by subtracting any item for which (1) there is or was substantial authority for the way in which the item was treated on the return, or (2) there is adequate disclosure of the relevant facts affecting the item's tax treatment on the return or in a statement attached to the return.

### CHANGE OF BUSINESS INFORMATION

If there have been any changes in your business name, identification number, billing or mailing address or telephone number, complete Form DOF-1, Change of Business Information. You can obtain this form by calling 311. If calling from outside of the five NYC boroughs, please call 212-NEW-YORK (212-639-9675). You can also logon to [nyc.gov/finance](http://nyc.gov/finance).

### HOW TO FILL OUT YOUR TAX RETURN

Important identifying information: When preparing your corporation tax return, be sure to accurately complete the corporation's identifying information (employer identification number (EIN)) including the current address. Keep a record of the corporation's identifying information for future use. Check all the boxes on the front of the return that apply.

**SIGNATURE**

This report must be signed by an officer authorized to certify that the statements contained herein are true. If the taxpayer is a publicly-traded partnership or another unincorporated entity taxed as a corporation, this return must be signed by a person duly authorized to act on behalf of the taxpayer.

**TAX PREPARERS**

Anyone who prepares a return for a fee must sign the return as a paid preparer and enter his or her Social Security Number or PTIN. (See Finance Memorandum 00-1.) Include the company or corporation name and Employer Identification Number, if applicable.

**Preparer Authorization:** If you want to allow the Department of Finance to discuss your return with the paid preparer who signed it, you must check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Preparer's Use Only" section of your return. It does not apply to the firm, if any, shown in that section. By checking the "Yes" box, you are authorizing the Department of Finance to call the preparer to answer any questions that may arise during the processing of your return.

**Also, you are authorizing the preparer to:**

- give the Department any information missing from your return
- call the Department for information about the processing of your return or the status of your refund or payment(s), and
- respond to certain notices that you have shared with the preparer about math errors, offsets, and return preparation. (These notices will not be sent to the preparer).

You are **not** authorizing the preparer to receive any refund check, bind you to any statement, act or legal position (including any additional tax liability), or otherwise represent you before the Department. The authorization cannot be revoked; however, the authorization will automatically expire no later than the due date (without regard to any extensions) for filing next year's return. Failure to check the box will be deemed a denial of authority.

**SPECIFIC INSTRUCTIONS**

**Period Covered**

File the 2024 return for calendar year 2024 and fiscal years that begin in 2024 and end in 2025. For a fiscal or short tax year return, fill in the tax year space at the top of the form. The 2024 Form NYC-2S also can be used if:

- You have a tax year of less than 12 months that begins and ends in 2025, and
- The 2025 Form NYC-2S is not available at the time you are required to file the return.

You must show the 2025 tax year on the 2024 Form NYC-2S and take into account any tax law changes that are effective for tax years beginning after December 31, 2024.

**September 11, 2001 Related Benefits**

Check the appropriate box on page 1 of this form ("Claim any 9/11/01-related federal tax benefits") if, on your federal return: (i) you reported bonus depreciation and/or a first year expense deduction under IRC §179 for "qualified New York Liberty Zone property," "qualified New York Liberty Zone leasehold improvements," or "qualified Resurgence Zone property," regardless of whether you are required to file form NYC-399Z, or (ii) you replaced property involuntarily converted as a result of the attacks on the World Trade Center during the five (5) year extended replacement period. You must attach federal forms 4562, 4684 and 4797 to this return. See instructions for Schedule B, lines 6 and 9 for more information.

**Filing your final return**

Mark an X in the Final return box on page 1 of the return if the corporation has ceased doing business, employing capital, or owning or leasing property in New York City. Do not mark an X in the Final return if you are only changing the type of return that you file. Do not mark an X in the Final return box in the case of a merger or consolidation. Include the full profit from any installment sale made in your final tax year on your final return. Also include on your final return any remaining profit not yet received from a prior year's installment sale.

**S Corporation Termination Year:** If an S Corporation is terminating its federal S election on a day other than the first day of the tax year, the tax year is divided into two tax periods (an S short year and a C short year). The taxpayer must file a GCT or Bank Tax return for the S Corporation short year and a Form NYC-2, NYC-2S or Form NYC-2A for the C Corporation short year. The due date of the S Corporation short year return is the same as the C Corporation short year, even though they are treated as separate short tax years. See Finance Memorandum 15-2, "Transitional Filing Provisions for Taxpayers Affected by Corporate Reform Legislation."

**Special Condition Codes**

Check the Finance website for applicable special condition codes. If applicable, enter the two

character code in the box provided on the form.

**SCHEDULE A**

**Computation of Balance Due or Overpayment**

**LINE 3 – MINIMUM TAX**

Enter the amount of New York City Receipts and the Minimum Tax amount from the following table. You are only eligible to file your Business Corporation Tax return on Form NYC-2S if 100% of your business income is to be allocated to the City. If you are using this form to file, you must enter the total amount of your business receipts, which should be the same as the amount that you would have had to enter on Schedule F, Part 1, Column A, line 1, or Part 2, Column A, line 2a of Form NYC-2 if you had been required to complete that line.

**TABLE - FIXED DOLLAR MINIMUM TAX**

For a corporation with New York City receipts of:

Not more than \$100,000.....	\$ 25
More than \$100,000 but not over \$250,000.....	\$ 75
More than \$250,000 but not over \$500,000.....	\$ 175
More than \$500,000 but not over \$1,000,000.....	\$ 500
More than \$1,000,000 but not over \$5,000,000.....	\$1,500
More than \$5,000,000 but not over \$25,000,000.....	\$3,500
More than \$25,000,000 but not over \$50,000,000.....	\$5,000
More than \$50,000,000 but not over \$100,000,000.....	\$10,000
More than \$100,000,000 but not over \$250,000,000.....	\$20,000
More than \$250,000,000 but not over \$500,000,000.....	\$50,000
More than \$500,000,000 but not over \$1,000,000,000.....	\$100,000
Over \$1,000,000,000 .....	\$200,000

**Short Periods - Fixed Dollar Minimum Tax**

Compute the New York City receipts for short periods (tax periods of less than 12 months) by dividing the amount of New York City receipts by the number of months in the short period and multiplying the result by 12. Once this annualized amount is calculated (do not replace your NYC receipts on Line 3 with this annualized amount) use the table above to determine the fixed dollar minimum tax based on the annualized amount. The resulting fixed dollar minimum tax may be reduced for short periods as indicated below. Enter the reduced amount on line 3 (if applicable).

**Period Reduction**

Not more than 6 months .....50%  
 More than 6 months  
 but not more than 9 months .....25%  
 More than 9 months.....None

**LINE 5 - PREPAYMENTS**

Enter the sum of all estimated tax payments made for this tax period, the payment made with the extension request, if any, and both the carry-over credit and the first installment reported on the prior tax period's return. This figure should be obtained from the Composition of Prepayments Schedule at the bottom of page 1 of Form NYC-2S. Use line G of the Prepayment Schedule for original returns; use line H in case of an amended return. See the instructions to the Prepayments Schedule.

**LINE 8a - LATE PAYMENT - INTEREST**

If the tax is not paid on or before the due date (determined without regard to any extension of time), interest must be paid on the amount of the underpayment from the due date to the date paid. For information as to the applicable rate of interest, call 311. If calling from outside of the five NYC boroughs, please call 212-NEW-YORK (212-639-9675) or log on to [nyc.gov/finance](http://nyc.gov/finance).

**LINE 8b - LATE PAYMENT OR LATE FILING/ADDITIONAL CHARGES**

- a) A late filing penalty is assessed if you fail to file this form when due, unless the failure is due to reasonable cause. For every month or partial month that this form is late, add to the tax (less any payments made on or before the due date) 5%, up to a total of 25%.
- b) If this form is filed more than 60 days late, the above late filing penalty cannot be less than the lesser of
  - (1) \$100 or
  - (2) 100% of the amount required to be shown on the form (less any payments made by the due date or credits claimed on the return).
- c) A late payment penalty is assessed if you fail to pay the tax shown on this form by the prescribed filing date, unless the failure is due to reasonable cause. For every month or partial month that your payment is late, add to the tax (less any payments made) 1/2%, up to a total of 25%.
- d) The total of the additional charges in a) and c) may not exceed 5% for any one month except as provided for in b). If you claim not to be liable for these additional charges,

attach a statement to your return explaining the delay in filing, payment or both.

**LINE 8c - PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX**

A penalty is imposed for failure to file a declaration of estimated tax or for failure to pay each installment payment of estimated tax due. (For complete details, refer to Form NYC-222, Underpayment of Estimated Tax by Corporations.). If you underpaid your estimated tax, use Form NYC-222 to compute the penalty. Attach Form NYC-222. If no penalty is due, enter "0" on line 8c.

**LINE 11b - AMOUNT CREDITED TO ESTIMATED TAX**

Note: Any amount reported on line 11b will be credited to the following year's estimated tax. That amount will be deemed to have been paid towards the tax for the following year and no claim for credit or refund of such overpayment shall be allowed for the taxable year for which the overpayment arose. See Ad. Code section 11-677(2) and Statement of Audit Procedure #PP-2008-22, 4/14/08.

**LINE 12 - TOTAL REMITTANCE DUE**

If the amount on line 6 is greater than zero or the amount on line 10 is less than zero, enter on line 12 the sum of line 6 and the amount, if any, by which line 9 exceeds the amount on line 7. If filing and *paying* electronically, enter the amount of your remittance on Line A. If not paying electronically, leave Line A blank. All remittances must be payable in U.S. dollars drawn on a U.S. bank. Checks drawn on foreign banks will be rejected and returned. Remittances must be made payable to the order of NYC Department of Finance.

**LINE 13 - NEW YORK CITY RENT**

Enter on this line total rent paid on business premises located inside New York City and deducted on the federal return.

**LINE 14 - GROSS RECEIPTS**

The amount entered on line 14 should be the same amount entered on line 1c of the taxpayer's federal Form 1120 (Gross receipts or sales less returns and allowances).

For interest calculations and account information, call 311. If calling from outside of the five NYC boroughs, please call 212-NEWYORK (212-639-9675).

You can also visit the Finance website at [nyc.gov/finance](http://nyc.gov/finance)

**PREPAYMENTS SCHEDULE**

Enter the payment date and the amount of all prepayments made for this tax period.

**LINE H (Amended Returns Only) -**

This line should reflect the total amount of payments that is applicable to the taxable year covered by this return, including those made with the original return (less any amounts that were carried forward and applied to a subsequent period and any refunds received) and any subsequent payments made prior to the filing of this amended return. Do not include payments being made with this return. Attach a schedule listing the payments, credits and refunds included on this line.

**Example** - Taxpayer listed payments of \$6,000 on the Composition of Prepayments Schedule on the original return. The tax liability as reflected on the original return was \$5,000. The taxpayer requested and received a refund of \$1,000. A year later, the taxpayer files an amended return showing a new tax liability for the same period of \$1,000. Because of the refund, the amount of the prepayment is now \$5,000, which should be entered on this line and on line 5 of Schedule A. Attach a schedule showing all payments (including those made prior to the filing of the original return) and the refund.

**SCHEDULE B**

*Computation of Tax on Business Income Base. Business income is ENI minus exempt income.*

**Note: If you have investment income or other exempt income, you may not file this form and must use Form NYC-2.**

ENI is:

- Federal Taxable Income (FTI) for non-alien corporations or alien corporations that are treated as domestic corporations; or
- Income effectively connected with the conduct of a trade or business within the United States, as determined under IRC section 882, for an alien corporation that under any provision of the IRC is not treated as a domestic corporation as defined in IRC 7701; or
- FTI that would have been reported to the IRS in the case of a corporation which is exempt from federal income tax (other than tax on unrelated business income imposed under IRC section 511) but is taxable under Subchapter 3-A, plus or minus certain New York City modifications. The sum of investment income and other exempt income must not exceed ENI;

**plus** or **minus** certain New York City modifications.

### LINE 1

Enter your federal taxable income (before net operating loss and special deductions) as required to be reported to the U.S. Treasury Department.

- If you file federal Form 1120, use the amount from line 28.
- If you file federal Form 1120-H or Form 1120-POL, use the amount from line 19.
- If you are exempt from federal income tax but subject to New York City Business Corporation Tax, you must determine the amount you would have had to report as FTI, before NOL and special deductions, as if you were not exempt. Attach a separate sheet showing how you determined the amount. Note: If you have any NOL balances and are required to file Form NYC-2.4, you are required to file Form NYC-2 and may not use this form.
- If you have an amount of excess inclusion as a result of having a residual interest in a real estate mortgage investment conduit (REMIC), you must properly reflect this income in FTI.

### LINE 3 - INCOME TAXES

Enter any taxes on or measured by income or profit paid or accrued to the United States, any of its possessions, which were deducted in computing federal taxable income on line 1.

### LINES 4 AND 5 - STATE AND LOCAL BUSINESS TAXES

On line 4 enter the amount deducted on your federal return for business taxes paid or accrued to any state, any political subdivision of a state or to the District of Columbia if they are on or measured by profits or income or include profits or income as a measure of tax, including taxes expressly in lieu of any of the foregoing taxes. Include the New York State Metropolitan Transportation Business Tax surcharge and the MTA Payroll Tax (New York State Tax Law, Art. 23). Attach a schedule listing each locality and the amount of all those taxes deducted on your federal return. On line 5, enter the amount of New York City General Corporation Tax, Banking Corporation Tax and Business Corporation Tax deducted on your federal return.

### LINE 6 - ACRS DEPRECIATION

The federal bonus depreciation allowed for

"qualified property", as defined in the Job Creation and Worker Assistance Act of 2002 is not allowed for Business Corporation Tax purposes except for such deductions allowed with respect to "qualified New York liberty zone property", "qualified New York liberty zone leasehold improvements" and "qualified property" placed in service in the Resurgence Zone (generally the area in the borough of Manhattan south of Houston Street and north of Canal Street). For City tax purposes, depreciation deductions for all other "qualified property" must be calculated as if the property was placed in service prior to September 11, 2001.

### Recent Federal Legislation Effecting Depreciation.

Section 143 of the Protecting Americans from Tax Hikes Act of 2015, Pub. L. No. 114-113, Div Q (December 18, 2015) ("2015 PATH Act") extended bonus depreciation so that it is available for property acquired and placed in service during 2015-2019; bonus depreciation was extended through 2020 for certain property with a longer production period. Under the 2015 PATH Act, the bonus depreciation is 50% for property placed in service during 2015-2017, 40% for property placed in service during 2018, and 30% for property placed in service during 2019. The first year depreciation for passenger automobiles under IRC §280F(a)(1)(A) is increased by \$8,000 for the 2015 tax year and the 2016 calendar tax year for certain qualified property. However, in the case of a passenger automobile placed in service after December 2016, the first year additional depreciation is phased down to \$6,400 in the case of an automobile placed in service during 2018 and to \$4,800 in the case of automobile placed in service during 2019.

Most recently, section 13201(b) of the Tax Cuts and Jobs Act of 2017 ("TCJA") extended the bonus depreciation deduction to cover property placed in service before January 1, 2027 (except for aircraft and log-production period property had to be placed into service before January 1, 2028.) Pursuant to section 13201(a) of the TCJA, for property placed in service after September 27, 2017, the bonus depreciation rate was raised to 100% with the phase-down to begin in 2023. See IRC §168(k)(6). The taxpayer can elect to apply a 50% depreciation rate for property placed in service in the taxpayer's first tax year ending after September 27, 2017. The phase-down of the bonus depreciation enacted under the 2015 PATH is still applicable for property acquired before September 28, 2017. Thus, for property acquired before September 28, 2017

and placed in service in service in 2018, the bonus depreciation is 40% and 30% for property placed in service in 2019 with no bonus depreciation for property placed in service after 2019.

Under the TCJA, the first year depreciation limit increase of \$8,000 for passenger automobiles under §280F(a)(1)(A) is extended to include automobiles placed in service on or before December 31, 2026. Prior to that, in order to qualify for the \$8,000 increase in bonus depreciation, the passenger automobile would have had to be placed into service on or before December 31, 2019. This extension of the placed in service deadline only applies to automobiles acquired on or after September 28, 2017. However, if the passenger automobile was acquired before September 28, 2018, the first year additional depreciation is phased down to \$6,400 in the case of an automobile placed in service during 2018 and to \$4,800 in the case of automobile placed in service during 2019.

The Administrative Code limits the depreciation for "qualified property" other than "Qualified Resurgence Zone property" and "New York Liberty Zone property" to the deduction that would have been allowed for such property had the property been acquired by the taxpayer on September 10, 2001, and therefore, except for Qualified Resurgence Zone property, as defined in the Administrative Code and "New York Liberty Zone property," the City has decoupled from the federal bonus depreciation provision. Qualified Resurgence Zone property is qualified property described in section 168(k)(2) of the IRC substantially all of the use of which is in the Resurgence Zone (which is generally in the borough of Manhattan south of Houston Street and north of Canal Street), is in the active conduct of a trade or business by the taxpayer in such zone, and the original use of which in the Resurgence Zone commences with the taxpayer after September 10, 2001. The Administrative Code also requires appropriate adjustments to the amount of any gain or loss included in entire net income or unincorporated business entire net income upon the disposition of any property for which the federal and New York City depreciation deductions differ. For further information, see the instructions to Form NYC-399Z for this calculation.

For tax years beginning on or after January 1, 2004, other than for eligible farmers (for purposes of the New York State farmers' school tax credit), the amount allowed as a deduction with respect to a sport utility vehicle that is not a passenger automobile for purposes of section



280F(d)(5) of the IRC is limited to the amount allowed under section 280F of the IRC as if the vehicle were a passenger automobile as defined in that section. For SUVs that are qualified property other than qualified Resurgence Zone property and other than New York Liberty Zone property, the amount allowed as a deduction is calculated as of the date the SUV was actually placed in service and not as of September 10, 2001.

Note that for Business Corporation Tax purposes:

- An SUV cannot qualify as either Qualified Resurgence Zone Property or as New York Liberty Zone property. See Administrative Code section 11-652(8)(o).
- An SUV cannot qualify for the additional first year depreciation available under the recent federal legislation described above.

On the disposition of an SUV subject to the limitation, the amount of any gain or loss included in income must be adjusted to reflect the limited deductions allowed for City purposes under this provision. Enter on Schedule B, lines 6 and 9 the appropriate adjustments from form NYC-399Z. See Finance Memorandum 24-1, "Application of IRC §280F Limits to Sports Utility Vehicles."

The federal depreciation deduction computed under the Accelerated Cost Recovery System or Modified Accelerated Cost Recovery System (IRC Section 168) is not allowed for the following types of property:

- property placed in service in New York State in taxable years beginning before January 1, 1985 (except recovery property subject to the provisions of Internal Revenue Code Section 280-F)
- property of a taxpayer principally engaged in the conduct of an aviation, steamboat, ferry, or navigation business, or two or more such businesses which is placed in service in taxable years beginning after December 31, 1988, and before January 1, 1994.

In place of the federal depreciation deduction, a depreciation deduction using pre-ACRS or MACRS rules (IRC Section 167) is allowed. Enter on line 6 the ACRS adjustment from Form NYC-399, Schedule C, line 8, Column A. Enter on line 9 the ACRS adjustment from Form NYC-399, Schedule C, line 8, Column B. ACRS and MACRS may be available for property placed in

service outside New York in years beginning after 1984 and before 1994. See Finance Memorandum 99-4, "Depreciation for Property Placed in Service Outside New York After 1984 and Before 1994."

**LINE 8 - CITY AND STATE REFUNDS**

Enter on line 8 refunds or credits of the New York City General Corporation Tax, New York State Franchise Tax or New York City or State Banking Corporation Tax or New York City Business Corporation Tax for which no tax exclusion or deduction was allowed in determining the taxpayer's taxable (entire) net income in a prior year.

**LINE 9 - DEPRECIATION ADJUSTMENT**

Enter on line 9 the adjustments from Form NYC-399 and/or Form NYC-399Z, Schedule C, line 8, Column B. See instructions for Schedule B, line 6.

**LINE 11 - NET BUSINESS INCOME**

If line 11 is a loss, you may not use this form and must file using Form NYC-2.

**LINE 12 - TAX RATE**

Use Schedule E, Determination of Tax Rate, to determine your tax rate. For more information see the instructions for Schedule E.

**SCHEDULE C**

*Computation of Tax on Capital Base*

**LINES 1 THROUGH 5 - AVERAGE VALUE OF TOTAL ASSETS**

To determine the value of your assets for business and investment capital purposes, you must include real property and marketable securities at fair market value. The value of all other property must be included at the value shown on the taxpayer's books and records in accordance with generally accepted accounting principles (GAAP). On Schedule C, line 1, enter the value of total assets at the beginning of the year in column A and at the end of the year in column B. Enter the average value in column C. Attach a schedule showing the computation of the average value. On line 2, enter the value of real property and marketable securities included in line 1. Enter on line 4 the fair market value of real property and marketable securities. Average value is generally computed on a quarterly basis. A more frequent basis (monthly, weekly or daily) may be used. Where the taxpayer's usual accounting practice does not permit computation of average value on a quarterly or more frequent basis, a semiannual or annual basis may be used if no distortion of average value

results. With respect to real property owned by the taxpayer and located within New York City, the fair market value is presumed to be not less than the estimated market value of the property on the Final Assessment Roll of the City for the period covered by the return or the most recent sales price, whichever is greater.

**LINE 6 - TOTAL LIABILITIES**

The liabilities deductible in computing business capital and Investment capital are those liabilities (both long and short term) that are directly or indirectly attributable to each type of capital. Use the same method of averaging as used in determining average value of assets.

**LINE 7 - NET BUSINESS CAPITAL**

If the period covered by this report is other than a period of twelve calendar months, after completing lines 1 through 6 but before entering any amount on line 7, multiply the excess of the amount on line 5 over the amount on line 6 by a fraction, the numerator of which is the number of months or major parts thereof included in such period and the denominator of which is twelve. Enter the resulting amount on line 7 of Schedule C. Attach a separate schedule showing computation.

**LINE 8 - TAX ON BUSINESS CAPITAL**

The tax on business capital is calculated as follows:

- Subtract any amounts in Column A, line 8b from the amount on line 7. Enter the result in Column A of line 8a, multiply this amount by .15% and enter the result in Column C.
- Cooperative housing corporations: Enter the Boro, block and lot numbers of the cooperative corporation, multiply the amount on Line 8b, Column A by the tax rate of .04%. Enter the result in Column C of Line 8b. If a taxpayer is a Cooperative Housing Corporation, all of taxpayer's capital is entered on line 8b.

**SCHEDULE D**

*Additional Required Information*

All questions must be answered.

**Question 1**

Please attach a schedule indicating all of the significant business activities of the corporation both in New York City and everywhere. State the broad fields of business activities as well as the specific products or services (e.g., mining copper, manufacturing cotton broad woven fab-

ric, wholesale meat, retail men’s apparel, export or import chemicals, real estate rental, or real estate operation of motel).

**Questions 2, 3a and 3b**

If you answer “yes” to question 2, attach a separate sheet providing street address, borough, block and lot number of such property.

A controlling interest in the case of a corporation means: 50% or more of the total combined voting power of all classes of stock of such corporation, or 50% or more of the total fair market value of all classes of stock of such corporation.

**Question 7**

A corporation is deriving receipts from activity in New York City if it has receipts within the City of \$1,128,000 or more in the tax year. Answer YES if you are subject to tax solely as a result of deriving receipts in New York City.

**SCHEDULE E**

***Determination of Tax Rate***

Enter on line A the tax rate computed or used.

Generally Applicable Tax Rate

The generally applicable tax rate for Business Corporations other than Financial Corporations as defined in Ad. Code section 11-654(1)(e)(1)(i) is 8.85 percent. However, special lower tax rates are applicable to small corporations and Qualified New York Manufacturing Corporations as described below. For any tax rate calculated under line 2 or line 5 of this Schedule E, express the finally determined rate as a percentage carried out and rounded to three (3) decimal places – e.g. 7.053%, not 7.1% or 7.05%.

Special Lower Tax Rates for Small Corporations

For corporations, other than Financial Corporations (as defined in Ad. Code section 11-654(1)(e)(1)(i)), a lower tax rate may be applicable to any corporation that meets the income criteria set forth on line 1 or line 2 of this Schedule E. The special lower tax rate will be determined in accordance with whichever of the above stated lines is applicable.

Special Lower Tax Rates for Qualified Manufacturing Corporations

A “manufacturing corporation” is a corporation principally engaged in the manufacturing and sale of tangible personal property. For this pur-

pose, the term “manufacturing” includes the process (including the assembly process) (A) of working raw materials into wares suitable for use or (B) which gives new shapes, new qualities or new combinations to matter which already has gone through some artificial process by the use of machinery, tools, appliances and other similar equipment. A corporation is “principally engaged” in the manufacturing activities described above, if during the taxable year, more than fifty (50) percent of the gross receipts of the corporation are derived from receipts from the sale of goods produced by such activities.

A “qualified New York manufacturing corporation” is a manufacturing corporation that has property described an Ad. Code section 11-654(1)(k)(5) and either (A) the adjusted basis of that property for New York State tax purposes at the close of the taxable year is at least \$1,000,000 or (B) more than 50% of its real and personal property is located in New York State.

For qualified New York manufacturing corporations, a lower tax rate will be applicable to any such corporation which meets the income criteria set forth on line 4 and line 5 of this Schedule E. The special lower tax rate will be determined in accordance with whichever of the above stated lines is applicable.

**LINE B**

Enter on line B the line number of the tax rate computed or used below.

**PRIVACY ACT NOTIFICATION**

The Federal Privacy Act of 1974, as amended, requires agencies requesting Social Security Numbers to inform individuals from whom they seek this information as to whether compliance with the request is voluntary or mandatory, why the request is being made and how the information will be used. The disclosure of Social Security Numbers for taxpayers is mandatory and is required by section 11-102.1 of the Administrative Code of the City of New York. Such numbers disclosed on any report or return are requested for tax administration purposes and will be used to facilitate the processing of tax returns and to establish and maintain a uniform system for identifying taxpayers who are or may be subject to taxes administered and collected by the Department of Finance, and, as may be required by law, or when the taxpayer gives written authorization to the Department of Finance for another department, person, agency or entity to have access (limited or otherwise) to the information contained in his or her return.