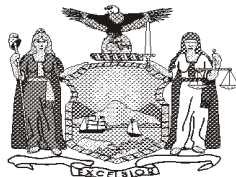


NEW YORK STATE TAX GUIDE FOR NEW BUSINESSES



The information presented is current as of this publication's print date.
Visit our Web site at www.nystax.gov for up-to-date information.

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STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
W.A. HARRIMAN CAMPUS
ALBANY, NY 12227

Andrew S. Eristoff
Commissioner

October 2004

Dear New Business Owner:

Congratulations on your decision to start a new business in the Empire State!

For the past ten years New York State has made a concerted effort to create a business friendly environment where entrepreneurs receive the support they need to create jobs and invigorate our economy. Governor George E. Pataki realized that we needed to reduce the burdens of doing business in New York State. To that end, we have reduced regulations, cut taxes, offered tax incentives for economic development, and initiated programs to provide a steady stream of qualified workers to help new businesses grow.

Giving taxpayers and businesses greater access to the state's resources is a powerful tool for economic development. State agencies have joined together to provide a common web-based interface that allows users to navigate state websites intuitively to access forms, instructions, interactive applications, databases of frequently asked questions, press releases, and publications. Instead of limited access between the hours of 9 to 5, Monday through Friday, New Yorkers can now access important information 24 hours a day, 7 days a week, 365 days a year. We have truly accomplished Governor Pataki's goal of creating a "Government Without Walls."

Nowhere is this more important than the resources provided for businesses. We realize that a business is not a faceless entity, but rather a collection of people. Time spent complying with government requirements is time which could be spent growing your business or with your loved ones. To this end we are continuously looking for ways to streamline the process of interacting with state agencies. The e-biz NYS initiative is designed to centralize all the resources a business owner would need from various state agencies in one easily accessed website at www.nysegov.com/e-bizNYS.cfm. The Department of Taxation and Finance also has a dedicated webpage for business owners which can be accessed at www.nystax.gov.

I hope that the information contained in this guide proves helpful. The employees of the Department of Taxation and Finance welcome your feedback as we continue to refine our product and improve upon our customer service. Rest assured, the words "good enough" will never reflect our approach to serving the taxpayers of the Empire State.

Sincerely,

Andrew S. Eristoff
COMMISSIONER

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I. Introduction

Whether you are starting a new business or purchasing an existing one, you will need some basic information about New York State's Tax Law and regulations. This *Tax Guide for New Businesses* outlines the procedures to follow and the forms to file with the New York State Department of Taxation and Finance (the Tax Department). If you are purchasing an existing business rather than forming a new one or purchasing assets from an existing business, see Chapter VII, *Purchasing or acquiring a business or its assets - CAUTION*, starting on page 33 of this guide. See Chapter X, *New York State tax forms and publications for new businesses* (starting on page 43), for information on how to request forms and publications, along with a select list of forms and publications.

The information presented is current as of this publication's print date. If there is any disagreement between the information contained in this guide and the Tax Law or regulations, the Tax Law or regulations will govern. For updates and additional information on New York State tax matters that may affect your business, visit our Web site (www.nystax.gov) and access our *Business Taxpayer Page*. The *Business Taxpayer Page* provides direct links to information of special interest to new businesses (see page 46 for a listing of direct links included on the *Business Taxpayer Page*). If your business is in the city of New York, this page also includes a link to NYBIZTAX, a joint initiative hosted on the New York City Department of Finance Web site (www.nyc.gov/html/dof), which provides information about New York State, New York City, and federal business taxes.

The information that follows is a guide only. For additional business tax information, call our Business Tax Information Center at 1 800 972-1233. Businesses operating in New York City may be subject to one or more New York City business income and excise taxes in addition to the New York State taxes and fees described in this guide. For general information on New York City taxes and fees, see the *New Business Owner Tax Questionnaire* available on the New York City Department of Finance Web site (www.nyc.gov/html/dof). Also, see Chapter XI, *New York State assistance* (page 46) and Chapter XII, *New York City assistance* (page 47), for the phone numbers and Web sites of other State and City agencies that can assist you with your business needs.

II. Types of organizations and tax responsibilities

Your tax responsibilities as a new business owner, whether you start a business or buy an existing business, will vary depending on the type of organization or entity you operate. Below are brief descriptions of the various organizations and entities recognized in New York State and the related tax requirements. Regardless of the type of organization you choose, you and your business must comply with federal laws and with the laws of any state in which you operate your business. Before organizing a business, you may wish to consult a professional.

Sole proprietorship

A *sole proprietorship* is a business owned and operated by one person (a sole proprietor). This is the simplest and most common form of small business organization. As a sole proprietor, you make the decisions about your business. You are personally liable for all the debts of your business. Generally, your personal assets as well as your business assets are at risk to the debts due creditors.

Trade or assumed name

If you plan to operate a sole proprietorship under a name other than your own, such as a trade name or an assumed name (D.B.A., “doing business as”), section 130 of the New York State General Business Law requires the filing of a business certificate with the county clerk in the county where your business is located. To register, obtain a *Certificate of Doing Business Under an Assumed Name* from any stationery store selling legal forms. This form may also be available at some county clerk offices. Complete the form, have it notarized, and file the original with the county clerk. You must post one certified copy in your business premises and must also give one copy to the bank that maintains your business account. If you are required to apply for any state permits, additional copies may be required. For more information on permits, please refer to *Permits and licenses* on page 41 of this guide.

Sole proprietorship taxes

Sole proprietors must report their income on their annual income tax return. Combine this income, along with all other sources of income, on Form IT-201, *Resident Income Tax Return*, or Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*. In addition, if you expect to owe New York State, New York City, or Yonkers income tax when you file your personal income tax return, you may be required to pay estimated tax. See Form IT-2105, *Estimated Income Tax Payment Voucher*, and the instructions for Form IT-2105, which explains the requirements for filing estimated quarterly income tax payments.

Partnership

A *partnership* exists when two or more persons join together to carry on a trade or business. A partner may contribute money, property, labor, or skills, and agrees to share in the profits or losses of the business. A partnership is fairly easy to organize and relatively free of government restrictions. Like a sole proprietorship, each of the general partners is personally liable for the obligations of the business, including debts. However, a joint undertaking simply to share expenses is not considered a partnership.

Each partner’s rights and obligations may be outlined in a partnership agreement. A written agreement, although recommended, is not required by law. It is possible to form a limited partnership in which

the rights and liabilities of one or more of the partners may be different. You may wish to consult an attorney before entering into an agreement. If there is no agreement, the New York State Partnership Law sets forth the rights and duties of the partners.

For income tax purposes, the term *partnership* may include a syndicate, group, pool, joint venture, or other unincorporated organization that is carrying on a trade or business. The term *partnership* also includes a limited liability partnership (LLP) or limited liability company (LLC) that is treated as a partnership for federal income tax purposes. A corporation, trust, or estate is not a partnership (although it may be a member of a partnership).

Estimated tax of corporate and nonresident individual partners

Every partnership (including a LLP and a LLC) which has income derived from New York State sources may be required to pay estimated tax on such income on behalf of partners and members who are C corporations or nonresident individuals. For more information, see the instructions for Form CT-2658, *Report of Estimated Tax for Corporate Partners*, and Form IT-2658, *Report of Estimated Tax for Nonresident Individual Partners and Shareholders*.

Partnership taxes

Partnerships report their income on Form IT-204, *Partnership Return*, **but do not pay any state income tax.** The partners that are individuals will include their income from the partnership on their personal income tax returns and pay tax thereon. Every limited liability company (LLC) or limited liability partnership (LLP) that is required to file a Form IT-204 must also file Form IT-204-LL, *Limited Liability Company/Limited Liability Partnership Filing Fee Payment Form* (see *Limited liability companies and partnerships* below for more information). The partners that are corporations will include their income from the partnership on their corporation franchise tax return.

New York City unincorporated business tax

If you plan to conduct a business in New York City in sole proprietorship or partnership form, you or your business may be subject to the New York City unincorporated business tax. For general recorded information on who is subject to the unincorporated business tax, call City Tax Dial at (718) 935-6736 and select messages 109 and 110. For more specific questions on the unincorporated business tax, contact the New York City Department of Finance at (718) 935-6000 or visit their Web site (www.nyc.gov/html/dof).

Limited liability companies and partnerships

New York State allows the formation of limited liability companies (LLCs) and limited liability partnerships (LLPs) in the state (domestic LLCs and LLPs). In addition, New York State recognizes LLCs and

LLPs formed under the laws of other states and foreign countries (foreign LLCs and LLPs). LLCs and LLPs are business structures that are different from corporations or limited partnerships.

An *LLC* is an unincorporated organization of one or more members, each having limited liability for the contractual and other liabilities of the company, formed for any lawful business purpose under the LLC Law of New York State or any other authorizing jurisdiction.

An *LLP* is a general partnership that provides professional services and has registered as a limited liability partnership under the LLP Law of New York State or any other jurisdiction.

Domestic LLCs and LLPs are required to register with the New York State Department of State. Foreign LLCs and LLPs that wish to carry on or conduct business or activities in New York State must also register with the Department of State. The Tax Department does not administer the formation and registration process. Contact the Department of State at (518) 473-2492 or check their Web site (www.dos.state.ny.us) for information on the formation and registration process for LLCs and LLPs.

Domestic and foreign LLCs and LLPs which have New York source income are subject to an annual filing fee administered by the Tax Department. This annual filing fee is in addition to any fees payable to the Secretary of State. A new business that is an LLC or LLP, or an existing business converting to an LLC or LLP, may also have registration, permitting, and bonding responsibilities for other taxes administered by the Tax Department.

If an LLC or LLP is treated as a partnership for federal income tax purposes and it has income from New York State sources, it may be required to pay estimated tax on behalf of its partners or members who are nonresident individuals or C corporations. For more information, see the instructions for Form CT-2658, *Report of Estimated Tax for Corporate Partners*, and Form IT-2658, *Report of Estimated Tax for Nonresident Individual Partners and Shareholders*.

For more information regarding LLCs and LLPs, refer to Publication 16, *New York Tax Status of Limited Liability Companies and Limited Liability Partnerships*, and Important Notice N-03-29, *Important notice concerning Form IT-204-LL, Limited Liability Company/Partnership Filing Fee Payment Form*. For information

on how to request forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

For information about the New York City tax treatment of LLCs and LLPs, see Finance Memorandum 99-1 (dated October 21, 1999) available on the New York City Department of Finance Web site (www.nyc.gov/html/dof).

Corporation

Another type of business organization is a *corporation*. Its legal status is different from that of a sole proprietorship or partnership, since a *corporation* is an entity created by charter by a state with a legal existence apart from its owners.

For information on forming a New York State corporation, contact the Department of State at (518) 473-2492 or check their Web site (www.dos.state.ny.us). Foreign corporations (corporations formed under the laws of other states or foreign countries) who want to be authorized to do business in New York State must be authorized by the Department of State. See Publication 24, *Authorization for Foreign Corporations to Do Business in New York*, for additional information regarding the tax requirements for a foreign corporation. See Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide for more information on how to request forms and publications.

If you form your business as a corporation and you are a stockholder in it, your liability is limited, usually to the amount of your investment. You can transfer ownership simply by selling stock. A corporation can raise capital by issuing stock or long-term bonds. Unlike a sole proprietorship, a corporation can continue to do business if a principal dies or becomes ill.

New York S corporations

Under the Internal Revenue Code (IRC), certain corporations may elect, for federal income tax purposes, to be S corporations. The federal election is made by filing federal Form 2553, *Election by a Small Business Corporation*, with the IRS. If the federal election is approved, the shareholders of corporations subject to the franchise tax on general business corporations (Article 9-A) or the franchise tax on banking corporations (Article 32) may make a similar election for New York State tax purposes by filing Form CT-6, *Election by a Federal S Corporation to be Treated as a New York S Corporation*. If the state election is also made, shareholders of the corporation pay

New York State personal income tax on income earned by the corporation. A franchise tax on New York S corporations is also imposed, which is the higher of:

- the tax on the S corporation's entire net income base computed as if it were a corporation that did not elect to be an S corporation under the IRC, reduced by the New York State personal income tax equivalent; or
- the fixed dollar minimum tax (not including the \$800 fixed dollar minimum tax), reduced by the New York State personal income tax equivalent. (However, the personal income tax equivalent cannot reduce the fixed dollar minimum tax below a specific amount.)

Note: For tax years beginning in 2003, 2004, and 2005, the franchise tax on New York S corporations is the applicable fixed dollar minimum tax (including the \$800 fixed dollar minimum tax) determined under section 210(1)(d) of the Tax Law.

For information on the personal income tax equivalent and the computation of the fixed dollar minimum tax, refer to the instructions for Form CT-3-S, *New York S Corporation Franchise Tax Return*, or Form CT-32-S, *New York Bank S Corporation Franchise Tax Return*.

Estimated tax of nonresident shareholders

Every New York S corporation which has income derived from New York State sources may be required to pay estimated tax on such income on behalf of its shareholders who are nonresident individuals. For more information, see the instructions for Form CT-2658, *Report of Estimated Tax for Corporate Partners*, and Form IT-2658, *Report of Estimated Tax for Nonresident Individual Partners and Shareholders*.

For more information on S corporations, see Publication 35, *New York Tax Treatment of S Corporations and Their Shareholders*.

Corporation taxes

In general, corporations file franchise tax returns on an annual basis. The type of return filed depends on the type(s) of business conducted by the corporation. For more business tax information, call our Business Tax Information Center at 1 800 972-1233. In addition, Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide, provides information on how to request forms and publications, along with a select list of forms and publications.

Every corporation formed under New York State law (domestic corporations) must file a New York State corporate tax return with the Department of Tax and Finance and pay a franchise tax for each taxable year that it is in existence. In addition, every domestic corporation is required to pay an organizational tax.

The organizational tax is paid to the Department of State when the corporation files its *Certificate of Incorporation*, and upon any subsequent authorization of shares, or other changes with respect to shares.

Every foreign corporation that does business, owns or leases property in a corporate or organized capacity, employs capital, or maintains an office in New York State (whether or not the corporation has been authorized by the Department of State) must file a corporate tax return and pay franchise tax. In addition, these foreign corporations must pay a license fee computed on Form CT-240, *Foreign Corporation License Fee Return*. The fee is in addition to the annual franchise tax and is payable only once unless the corporation's capital share structure changes or the amount of the corporation's capital stock employed in New York State increases from the time the last license fee return was filed. Form CT-240 is filed with the first corporation franchise tax return.

Foreign corporations that are authorized to do business in New York State under Article 13 or 15-A of the Business Corporation Law are subject to an annual maintenance fee, whether or not they actually conduct business in New York State. If an authorized foreign corporation files a corporate tax return, the payment of the franchise tax will be credited against the maintenance fee requirement. If a foreign corporation authorized to do business in New York State is not required to file a corporate tax return, the corporation must file Form CT-245, *Maintenance Fee and Activities Return for a Foreign Corporation Disclaiming Tax Liability*, to remit the maintenance fee.

Most corporations are subject to the tax on general business corporations under Article 9-A of the Tax Law and compute the tax on four different measures: a tax measured by the entire net income base, a tax measured by the capital base, a tax measured by the minimum taxable income base, and a tax measured by the fixed dollar minimum. The corporation pays the highest computed tax, plus a tax on the subsidiary capital base, if applicable. The tax on the capital base may not apply to certain small business corporations for their first two tax years.

Railroad and trucking corporations are taxed under Article 9-A unless they elect to be taxed under the franchise taxes imposed by sections 183 and 184 of Article 9. To make the election, corporations must file Form CT-187, *Election or Revocation of Election By Railroad and Trucking Corporations To Be Taxable Under Article 9*.

Farmers, fruit growers, and similar agricultural corporations organized and operated on a cooperative basis as described in Article 6 of New York State's Cooperative Corporation Law must file Form CT-185, *Cooperative Agricultural Corporation Franchise Tax Return*.

Certain new corporations that acquire property eligible for an investment tax credit may elect to receive a refund of their unused investment tax credit. A corporation may also qualify for other new business tax credits and benefits. For further business tax information, see Chapter VIII, *Business incentives* on page 36, or call our Business Tax Information Center at 1 800 972-1233.

**Metropolitan
transportation business tax
surcharge**

If your corporation does business in the Metropolitan Commuter Transportation District (MCTD), it must also file and pay a metropolitan transportation business tax surcharge (MTA surcharge) on business done in the Metropolitan Commuter Transportation District. The MCTD includes New York City and the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester. However, New York S corporations are not liable for the MTA surcharge.

Corporation dissolution

If your corporation ceases business activity, the corporation is still required to file returns and pay any taxes or fees due until it is legally dissolved with the Secretary of State (domestic corporations), or until its authority is surrendered with the Secretary of State (foreign corporations). You should obtain Publication 110, *Information and Instructions for Termination of Business Corporations*, for specific instructions regarding corporate dissolutions. Publication 110 contains detailed information on the procedures that must be followed in order to terminate a corporation. Publication 110 is available by visiting our Web site (www.nystax.gov). For information on how to request forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

III. Federal employer identification number (EIN)

Every business, except for certain sole proprietorships that do not have any employees, should have a federal employer identification number (EIN). Certain nonprofit organizations (churches, clubs, etc.), trusts, and estates must also have a federal EIN. You can get an EIN for your business through the mail, by telephone (see the instructions for federal Form SS-4, *Application for Employer Identification Number*, for more information), or on-line. Form SS-4 is available from any Social Security Administration office, the Internal Revenue Service (IRS) Web site (www.irs.gov), or by calling the IRS Business and Specialty Tax Line at 1 800 829-4933. You may also be able to apply for an EIN on-line at www.irs.gov/businesses/small.

If you become the new owner of an existing business, you must get a new EIN for that business, unless you acquired the business by a purchase of corporate stock.

If you are not required to have a federal EIN for your new business, the Tax Department will assign an account number to be used on all of your business tax records.

IV. Filing requirements for employers

New employers can obtain information on how to register for unemployment insurance, wage reporting, and withholding tax by contacting either the New York State Department of Labor or the New York State Department of Taxation and Finance. You should have a federal employer identification number (EIN) prior to registering your business with New York State. See Chapter XI, *New York State Assistance*, starting on page 46 of this guide for phone numbers and Web site addresses.

Unemployment insurance, wage reporting, and withholding tax

Any business that hires employees is subject to the laws requiring the withholding of federal social security taxes, as well as federal and state income taxes. It is also responsible for paying the applicable state and federal agencies for unemployment insurance and for workers' compensation and disability insurance. For more information relating to New York State unemployment insurance, income tax withholding (including city of New York and/or city of Yonkers, if applicable) and wage reporting, see Publication NYS-50, *Employer's Guide to*

Unemployment Insurance, Wage Reporting, and Withholding Tax. If you call our Business Tax Information Center at 1 800 972-1233, we will provide your business with preprinted tax returns.

For federal wage reporting and withholding information, see IRS Publication 15, *Circular E, Employer's Tax Guide*, which explains employer filing responsibilities and the withholding and payment of federal income and employment taxes.

Unemployment insurance

Generally, if your business has a gross payroll of \$300 or more in a calendar quarter, your business is subject to the New York State Unemployment Insurance Law and must register with the New York State Department of Labor. Information is available on the Department of Labor's Web site (*www.labor.state.ny.us*). For information regarding unemployment insurance liabilities, or to register, call toll free 1 888 899-8810.

Wage reporting

The Tax Department is required to collect wage reporting information based on definitions used by the Department of Labor in administering the unemployment insurance program. Every employer who is liable under the provisions of the New York State Unemployment Insurance Law is required to file a Form NYS-45, *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return*, or Form NYS-45-ATT, *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return - Attachment*, if applicable.

Supplemental wage reporting requirements for construction employers

Certain employers of construction workers must file an additional return, Form NYS-45-CC, *Quarterly Supplemental Return for Construction Employers*, each quarter with their Form NYS-45. For additional information, see Publication 57, *Questions and Answers for Employers of Construction Workers*. See Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide for more information on how to request forms and publications.

Withholding tax

Every employer paying wages or making certain other payments (such as, pensions) subject to New York State, New York City, or Yonkers income tax withholding must file a return and pay the taxes required to be withheld. For more information, see Form NYS-1, *Return of Tax Withheld*, the instructions for Form NYS-1, Form NYS-45, *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return*, and the instructions for Form NYS-45.

In general, for withholding tax purposes, New York State conforms to federal withholding tax concepts.

New hire/rehire reporting rule

All employers must report to the Tax Department certain identifying information about newly hired employees working in the state **within 20 calendar days** of the hiring date.

The following information must be provided for each newly hired employee:

- employee name (first, middle initial, last)
- employee address (street, city, state, and ZIP code)
- employee social security number
- employer name
- employer address (street, city, state, and ZIP code)
- employer identification number (assigned by IRS)

The required information can be reported by submitting a completed and legible copy of the employee's federal Form W-4, *Employee's Withholding Allowance Certificate*, or an equivalent form as developed by the employer, to:

NYS TAX DEPARTMENT
NEW HIRE NOTIFICATION
PO BOX 15119
ALBANY NY 12212-5119

or by fax to (518) 869-3318.

New York State employers may also report new hire information electronically by accessing the Tax Department's New Hire Web site at www.nysnewhire.com.

For more information on the new hire reporting program and your responsibilities, see TSB-M-98(3)I, *New Hire Reporting*, which is available on the Tax Department's Web site (www.nystax.gov) under *Publications and Technical Bulletins*. For information on how to request forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

Employment verification system

Employers must maintain records that show they have reviewed documents that identify each employee and show that each employee is eligible to work in the United States. You must have each employee complete federal Form I-9, *Employment Eligibility Verification*. Employers must keep these forms for three years after

the date an employee is hired or one year after the date that employment ends, whichever is later. Forms are available from the U.S. Citizenship and Immigration Services (USCIS).

To order federal Form I-9 or other forms from the BCIS, call the toll free forms request line at 1 800 870-3676. Form I-9 is also available by visiting the USCIS Web site (www.uscis.gov).

To get additional information on the Federal Immigration Reform and Control Act or for general information from the Bureau of Citizenship and Immigration Services, call 1 800 375-5283. In addition, you can contact one of the following offices:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
1086 TROY-SCHENECTADY ROAD
LATHAM NY 12110
(518) 220-2128

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
26 FEDERAL PLAZA
NEW YORK NY 10278

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
130 DELAWARE AVENUE
BUFFALO NY 14202
1 800 375-5283

Workers' compensation and disability benefits

As a new employer, you should be aware of the obligations you have to provide workers' compensation insurance and disability benefits to the employees of your business. Information about these benefits and the forms needed to apply for them are available through private insurance carriers or by contacting a local office of the State Insurance Fund. You can also get information on current rates for workers' compensation/disability insurance by calling (518) 437-6400 or by visiting the State Insurance Fund's Web site (www.nysif.com).

V. Sales and use taxes

If your business will sell tangible personal property (goods) or services in New York State, it may be required to collect state and local sales and compensating use taxes (sales and use taxes). See Publication 750, *A Guide to Sales Tax in New York State*, for information regarding sales and use taxes, including information to assist you in determining if your business will be making sales of

goods or services that are subject to these taxes. If your business will be making taxable sales, it is required to be registered as a vendor for sales tax purposes.

In addition, your business must be registered as a vendor in order to issue most New York State sales tax exemption documents. For example, when your business (including a wholesale distributor or manufacturer) buys goods or services that it intends to resell, it must provide the supplier with a properly completed exemption document (resale certificate) to make the purchases without payment of tax and it must be registered in order to issue that document.

Publication 750 also includes information on:

- how to become registered as a vendor,
- return filing requirements,
- various exemption documents,
- tax rates, and
- record keeping requirements.

Sales tax registration

If your business is required to be registered as a vendor, it must obtain a *Certificate of Authority* from the Tax Department. This certificate gives your business the authority to collect the required sales and use taxes, and to issue appropriate sales tax exemption documents, including resale certificates used for purchasing inventory. If your business makes taxable sales before it receives the *Certificate of Authority*, it may be subject to substantial penalties.

To obtain a *Certificate of Authority*, you must complete Form DTF-17, *Application for Registration as a Sales Tax Vendor*, for your business and send it to the address listed in the instructions for that form, at least 20 days before you begin operating your business.

Taxable business purchases

If you are conducting business in New York State, you should be aware that your business is required to **pay** sales and use taxes in the following situations, whether or not it is required to be registered as a vendor for sales tax purposes:

- it purchases taxable property (such as inventory) or services without payment of taxes because it intends to resell them, but it later uses the property or services rather than reselling them;
- it purchases taxable property without payment of taxes because it purchased the property from a vendor who is located outside of New York State, and it uses that property in this state;

- it purchases taxable gas or electricity without payment of taxes because it purchased these commodities from a vendor who is located outside New York State, and it uses that gas or electricity in this state;
- it sends property out of New York State to have a taxable service performed on that property, does not pay tax, and then uses that property in this state;
- it purchases property or services outside New York State where it pays the other state's tax and uses the property or service in New York State and either New York State does not have a reciprocal agreement with the other state providing a credit for tax paid to that state, or New York State does have a reciprocal agreement with the other state and the tax rate paid in the other state is less than the New York rate;
- it purchases taxable property, services, hotel occupancy or pays amusement charges in New York State without payment of taxes;
- it purchases taxable property in one county or city in New York State and then uses the property in a county or city with a higher rate of tax than where it purchased the property; or
- it has a taxable service performed on property in one county or city in New York State and then uses the property in a county or city with a higher rate of tax than where it had the taxable service performed.

Taxes due in the above situations are generally computed on the sales price paid. Your business computes the amount of sales and use taxes due by applying the combined state and local sales tax rate to the sales price. However, if your business uses the property outside New York for more than six months prior to its use within the state, tax due may be calculated on the lower of the sales price or fair market value of the property. Also, if your business purchases taxable property outside the state and the property is used in the performance of a contract for a period of less than six months, it may elect to calculate the tax due on the lower of the fair rental value of the property for the period of use within New York or the sales price paid, but only if the property is not completely consumed, or incorporated into real property, in New York State.

Under certain circumstances, there may be a credit available for the amount of tax paid in the state, county, or city where your business made the purchase. To determine whether the tax your business paid to another state or local jurisdiction in another state qualifies for credit against New York State and local tax, see Publication 39, *A Guide to New York State Reciprocal Credits for Sales Taxes Paid to Other States*.

Generally, your business does not owe tax on property or services purchased outside New York State before it becomes a resident of New York State. Your business is a New York resident when it incorporates under the laws of New York or when it conducts business or maintains a place of business within the state. This general rule also applies to local sales and use taxes.

If your business is registered or required to be registered with the Tax Department for sales tax purposes, it must report the sales and use taxes incurred in connection with the taxable business purchases described in this publication and Publication 774, *Purchaser's Obligations to Pay Sales and Use Taxes Directly to the Tax Department, Questions and Answers*, with its businesses' monthly, quarterly or annual sales tax return.

If you are an individual, estate, or trust, which is doing business in New York State and the business is not registered or required to be registered for sales tax purposes, and is therefore not required to file a sales tax return as described above, you must report the sales and use taxes incurred in connection with the taxable business purchases described in this publication and Publication 774 on your personal income tax return, fiduciary income tax return, or Form ST-140, *Individual Purchaser's Report of Sales and Use Tax*.

If your business is a corporation, New York S corporation, or partnership (including a LLP or a LLC) that is not registered or required to be registered for sales tax purposes, it must report the sales and use taxes incurred in connection with the taxable business purchases described in this publication and Publication 774 on Form ST-130, *Business Purchaser's Report of Sales and Use Tax*.

Terminating business

If your business is registered for sales tax purposes and you sell or otherwise discontinue the business, your business must surrender its *Certificate of Authority* with the final sales tax return. The final return is due within 20 days of terminating business operations. If you are in doubt or have any questions regarding this procedure, you should call the Business Tax Information Center at 1 800 972-1233. If your

business fails to follow the proper procedures to close the sales tax account, it may be liable for penalties for failure to file sales tax returns having due dates after the date it went out of business. If you plan to sell your business you must give each prospective purchaser a copy of Form TP-153, *Notice to Prospective Purchasers of a Business or Business Assets*, advising prospective purchasers of their requirements to notify the Tax Department of the purchase.

VI. Miscellaneous taxes and fees

If you own or operate certain types of businesses, there may be additional tax requirements, including licenses and registrations, of which you must be aware. Below are brief descriptions of the various requirements. For further information, contact our Business Tax Information Center at 1 800 972-1233. For information on how to request forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

Please note: These licenses and registrations are not transferable. See *Other miscellaneous tax licenses or registrations* on page 36 for more information.

Cigarettes and other tobacco products

All cigarettes held for sale in New York State must bear New York State cigarette tax stamps. If your business wants to purchase and affix New York State cigarette tax stamps to packages of cigarettes, it must first be licensed as a **cigarette agent** with New York State. To apply, file Form CG-100-A, *Application for License as a Cigarette Agent or Agent/Wholesaler*. A nonrefundable application fee of \$1,500 (\$3,000 if applying as both an agent and wholesale dealer) must accompany each application. Agents who wish to purchase cigarette tax stamps on credit must submit a cigarette credit bond or other acceptable security in the amount of the monthly credit desired. Once registered, cigarette agents are required to file a monthly report, using either Form CG-5, *Nonresident Agent Cigarette Tax Report*, or Form CG-6, *Resident Agent Cigarette Tax Report*.

If your business wants to purchase and affix the joint New York State **and** New York City cigarette tax stamps to packages of cigarettes, it must also be licensed as a cigarette agent with New York City. Contact the New York City Finance Department's Taxpayer Assistance Unit at (718) 935-6000 or (718) 935-9500 for more information.

If your business sells cigarettes for **resale**, or if it owns, operates, or maintains vending machines at premises owned by others, your business must be licensed as a **wholesale dealer**. To apply for a license as both a wholesale dealer of cigarettes and a cigarette stamping agent, file Form CG-100-A and refer to Form CG-100-C, *List of Items Required to be Submitted with Cigarette Agent/Wholesale Dealer Application*. To apply for a license as a wholesale dealer of cigarettes who will only operate cigarette vending machines, file Form CG-100-V, *Application for License as a Wholesale Cigarette Dealer Who Only Operates Vending Machines*. If your business is not limited to operating cigarette machines, and you do not want to be a cigarette stamping agent, file Form CG-100-W, *Application for License as a Wholesale Cigarette Dealer Other Than Those Who Only Operate Vending Machines*. A \$1,500 nonrefundable application fee must accompany your application form.

Your business must file a bond or other acceptable security with the Tax Department before it will be registered as a wholesale dealer of cigarettes. The amount of the bond or other acceptable security is \$10,000. However, if the only reason your business is applying to be licensed is because it has one or more cigarette vending machines at a premise owned or occupied by another person, the \$1,500 application fee and the \$10,000 bond are not required.

Please note: Not more often than once every three years, the Tax Department may require every licensed cigarette agent and wholesale dealer to file for a new license.

If your business intends to sell cigarettes at wholesale in New York City, it needs a New York City Wholesale Cigarette License. Contact the New York City Finance Department's Wholesale Cigarette Licensing Unit at (718) 403-4318 for more information.

Cigarettes may **not** be sold for less than the New York State/City minimum prices. Publication 509, *Minimum Wholesale and Retail Cigarette Prices*, indicates the minimum prices for standard brands and standard packages. Publication 508, *Minimum Price List for Cigarettes*, may be used to determine any minimum wholesale or retail cigarette selling prices. These publications are available on the Tax Department's Web site (www.nystax.gov) under *Publications & Technical Bulletins*. You may also contact your business's cigarette supplier or call the Business Tax Information Center at 1 800 972-1233 for these minimum prices.

Your business must register as a **distributor of tobacco products** in New York State before it imports or causes tobacco products (other than cigarettes) to be imported for sale in New York State, or before it manufactures any tobacco products in New York State. In addition, if your business is located outside New York State, it may elect to register as a distributor of tobacco products in New York State and pay the tax for the convenience of its customers located in this state. Distributors of tobacco products are required to file monthly Form MT-203, *Distributor of Tobacco Products Tax Return*.

If your business sells tobacco products for resale, your business must be licensed as a wholesale dealer of tobacco products. To apply, file Form MT-202, *Application for License as a Wholesale Dealer of Tobacco Products or an Appointment as a Distributor of Tobacco Products*. No application fee is required.

Retail dealers in New York State who want to sell cigarettes and other tobacco products (such as cigars, pipe tobacco, and snuff), and owners or operators of vending machines through which these products are sold, must register with the Tax Department before making any sales. New applicants register using Form DTF-716, *Application for Registration of Retail Dealers and Vending Machines for Sales of Cigarettes or Tobacco Products*. Use this application also for adding new retail locations or additional vending machines to businesses that are already registered. Applicants must pay a \$100 nonrefundable fee for each location and \$25 for each vending machine. These registrations expire on December 31 of each year and must be renewed annually, using Form DTF-719, *Renewal Application for Registration of Retail Dealers and Vending Machines for Sales of Cigarettes or Tobacco Products*. The Tax Department will automatically send the renewal application prior to the renewal date.

If your business intends to sell cigarettes at retail in New York City, it needs a New York City Retail Cigarette Dealer's License. For more information, contact the New York City Department of Consumer Affairs: dial 311 from within New York City, call (212) NEW YORK (639-9675) if you are outside the five boroughs, or access their Web site (www.nyc.gov/html/dca).

For additional information applicable to the licenses and registrations described above, contact the New York State Registration and Bond Unit at (518) 457-1407. In addition, your business must be registered to collect sales tax (see *Sales tax registration* on page 19) before any

of the registrations or licenses described above can be issued. Sales tax registration is required even if your business will not actually collect and pay sales tax to the Tax Department.

Enforcement provisions regarding the sale, shipment, and possession of cigarettes and tobacco products in New York State

It is illegal for anyone engaged in the business of selling cigarettes to ship, or cause to be shipped, any cigarettes to a person in New York State, unless that person is:

- a licensed or registered cigarette agent, wholesale dealer, or retail dealer;
- an export warehouse proprietor or a person operating a customs bonded warehouse; or
- an officer, employee or agent of the federal or New York State government, or a political subdivision of either (acting in an official capacity).

For more information see, TSB-M-03(1)M, *Enforcement Provisions Regarding the Sale, Shipment, and Possession of Cigarettes and Tobacco Products in New York State*. This bulletin is available on the Tax Department's Web site (www.nystax.gov) under *Publications & Technical Bulletins*.

Alcoholic beverages

Your business must register as a **distributor** of alcoholic beverages before it imports or causes any liquor to be imported for sale or use, or imports or causes any other alcoholic beverages to be imported for sale or commercial use within New York State. In addition, your business must register as a distributor before purchasing warehouse receipts for any alcoholic beverages stored in New York State and having these beverages removed from the warehouse or prior to producing any alcoholic beverages within New York State for sale.

Your business must also register with New York State as a distributor to import liquor into New York City from outside of New York City, or to import beer for sale or commercial use in New York City. For New York City tax purposes, wine containing more than 24% alcohol by volume is taxed as a liquor.

To register as a distributor, file Form TP-215, *Application for Registration as a Distributor of Alcoholic Beverages*. No registration fee is required to apply as a distributor of alcoholic beverages. Your business may be required to file a bond or other acceptable security with the Tax Department either before or after it registers. The amount of the bond or other acceptable security will be determined by

the Tax Department. Once registered, distributors must file monthly tax returns (except for cider distributors, who file annual returns). Additionally, to be registered as a distributor with the Tax Department, your business must first have the appropriate licenses under the Alcoholic Beverage Control Law, issued by the State Liquor Authority.

For more information applicable to the licenses and registrations described above, contact the Registration and Bond Unit at (518) 457-1407. In addition, your business must be registered to collect sales tax (see *Sales tax registration* on page 19) before any of the registrations or licenses described above can be issued. Sales tax registration is required even if your business will not actually collect and pay sales tax to the Tax Department.

The State Liquor Authority and the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives also require certain permits and licenses before your business can manufacture and distribute any alcoholic beverages.

For application forms and additional information, access the New York State Liquor Authority's Web site at www.abc.state.ny.us or call:

- Albany (518) 474-3114
- Buffalo (716) 847-3035
- New York City (212) 961-8385
- Syracuse (315) 428-4198

Access the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives' Web site at www.atf.gov or call:

- Albany (518) 431-4182
- Buffalo (716) 551-4048
- New York City (718) 650-4000
- Syracuse (315) 448-0889

Petroleum products

If your business deals in motor fuel (for example, gasoline), diesel motor fuel (including #2 heating oil, #2 fuel oil, kerosene, and kero-jet fuel), or residual petroleum products, you may have to register it under Article 12-A or Article 13-A of the Tax Law. If your business imports or sells petroleum products, you may be required to pay both Article 12-A and Article 13-A taxes, regardless of the article under which you are required to register your business. You may also be liable for the prepaid sales tax imposed under Article 28 of the Tax Law for your

business. The registrations and licenses described below involve various tax return filing requirements. Returns are filed on a monthly, quarterly, or annual basis, depending on the type of registration or license that you obtain for your business. You can contact our Business Tax Information Center at 1 800 972-1233 to learn more about these requirements.

You must register your business as a **distributor of motor fuel** if it:

- imports motor fuel into New York State (or has it imported) for use, sale, distribution, or storage within New York State; or
- produces, refines, manufactures, or compounds motor fuel within New York State.

To apply for a motor fuel distributor registration, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You must file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security will be determined by the Tax Department. The minimum amount of bond or other acceptable security is \$50,000. Once registered, motor fuel distributors file monthly tax returns.

If your business transports motor fuel into New York State by barge, pipeline, trucks, railroads, or other means for use, distribution, storage, or sale in New York State, or transports motor fuel that is being exported out of New York State, it must be registered as an **importing/exporting transporter**.

To apply for registration as an importing/exporting transporter, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You will be required to file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security is \$2,000. Once registered, importing/exporting transporters file monthly tax reports.

You must register as a **terminal operator** if it maintains or controls a motor fuel storage facility with a capacity of at least 50,000 gallons. To apply for registration as a terminal operator, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You will be required to file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security is \$10,000. Once registered, terminal operators file monthly tax reports.

You must register your business as a **distributor of diesel motor fuel** if it:

- imports diesel motor fuel into New York State (or has it imported) for use, distribution, storage, or sale within New York State;
- produces, refines, manufactures, or compounds diesel motor fuel in New York State;
- sells diesel motor fuel other than at retail directly into the fuel tank of a motor vehicle; or
- blends kerosene or any other additive, such as a cetane improver, with fuel oil to make it more suitable to operate a motor vehicle diesel engine.

To apply for registration as a distributor of diesel motor fuel, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You may be required to file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security will be determined by the Tax Department. Once registered, distributors of diesel motor fuel file monthly tax returns.

You may register your business as a **retailer of heating oil only** instead of as a **distributor of diesel motor fuel** if it sells unenhanced diesel motor fuel only to consumers for heating use, or for use directly and exclusively in the production for sale of tangible personal property, gas, electricity, refrigeration, or steam. A retailer of heating oil only may not sell any diesel motor fuel for any use other than heating or production.

To apply for registration as a retailer of heating oil only, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You may be required to file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security will be determined by the Tax Department. Retailers of heating oil only, once registered, file monthly or quarterly tax returns.

If your business is a fixed-base operator engaging in the retail sale of kero-jet fuel delivered directly into the fuel tank of an airplane for use in that airplane from a fixed and permanent place at an airport in New York State, it may be registered as a **distributor of kero-jet fuel only**.

To apply for registration as a distributor of kero-jet fuel only, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You may be required to file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security will be determined by the Tax Department. Distributors of kero-jet fuel only, once registered, file monthly or quarterly tax returns.

Generally, you must register your business as an **aviation fuel business** if it imports kero-jet fuel into New York State in the fuel tanks of its aircraft, and it is not otherwise registered as a distributor of diesel motor fuel or kero-jet fuel only. To apply for registration as an aviation fuel business, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. No bond or other security is required. Once registered, aviation fuel businesses file monthly tax returns.

If, however, your business is an aircraft operator that is not an airline, you may be allowed to file Form PT-351, *Aircraft Fuel Consumption Tax Return*. See Form PT-351 for more information.

You must register your business as a **residual petroleum product business** under Article 13-A if it:

- imports residual petroleum product (or has it imported) into New York State;
- produces, refines, manufactures, or compounds residual petroleum product within New York State; or
- sells or uses residual petroleum product within New York State, other than the self-use of product which it purchased at retail.

To apply for registration as a residual petroleum product business, file Form TP-650, *Application for Registration under Articles 12-A and 13-A*. You may be required to file a bond or other acceptable security with the Tax Department for your business before it will be registered. The amount of the bond or other acceptable security will be determined by the Tax Department. Once registered, residual petroleum product businesses file monthly tax returns.

See Publication 100, *Notice of New Legislation Pertaining to Diesel Motor Fuel* (including heating oil) effective September 1, 1988, for information on the diesel motor fuel taxes.

For additional information applicable to the licenses and registrations described above, contact the Registration and Bond Unit at (518) 457-1407. In addition, your business must be registered to collect sales tax (see *Sales tax registration* on page 19) before any of the registrations or licenses described above can be issued. Sales tax registration is required even if your business will not actually collect and pay sales tax to the Tax Department.

Highway use

If your business operates certain vehicles on the public highways of New York State, it may be subject to the highway use tax (also referred to as the truck mileage tax or “TMT”) and fuel use tax.

The **highway use tax** is generally imposed on vehicles with a gross weight of more than 18,000 pounds that travel on the public highways of New York State. The highway use tax is computed based on the weight of the vehicle and the number of miles it is operated on the public highways of New York State. Miles driven on the toll-paid portion of the New York State Thruway are not subject to the highway use tax.

Every vehicle subject to the highway use tax is required to have a permit and sticker, specific for that particular vehicle. There are various types of highway use tax permits and stickers that are issued based on the nature of the operations of the vehicle and how quickly the permits and stickers are needed. Permits and stickers can be obtained from the Tax Department or from various permit services located throughout the country. For more business tax information, call the Business Tax Information Center at 1 800 972-1233. Use Form TMT-1, *Application for Highway Use and/or Automotive Fuel Carrier Permits*, to apply for most highway use tax permits and stickers. Returns must be filed monthly, quarterly, or annually, based on the tax liability of the permit holder.

The **fuel use tax** is imposed on the operation of qualified motor vehicles in New York State. A *qualified motor vehicle* is a motor vehicle, other than a recreational vehicle, that has two axles and a gross vehicle weight or registered gross vehicle weight of more than 26,000 pounds; or has three or more axles regardless of weight; or is used in combination and the gross vehicle weight of the combination is more than 26,000 pounds.

The fuel use tax is based on the number of gallons of fuel used by a qualified motor vehicle operating on the public highways of New York State, including the toll-paid portion of the New York State Thruway, multiplied by an aggregate rate that consists of a fuel tax component, a sales tax component, and a petroleum business tax component. A

credit against the fuel use tax is allowed for fuel that the carrier purchased tax paid in New York State, and placed into the fuel tank of a qualified motor vehicle. The purpose of the fuel use tax is to subject fuel purchased outside New York State and used to operate qualified motor vehicles on the state's public highways to the same taxes as are imposed on in-state purchases. Any excess credits may be refunded.

New York State is a participating member of the **International Fuel Tax Agreement (IFTA)**. The agreement, which is in effect in most jurisdictions (states and Canadian provinces), simplifies the reporting of fuel taxes for interstate and international carriers by allowing a carrier to report to its base jurisdiction the total amount of fuel taxes that it owes to all the various IFTA member jurisdictions.

Businesses that operate a qualified motor vehicle in New York State and in one or more other IFTA jurisdictions must obtain an IFTA license and decals for the vehicle from their base jurisdiction. Use Form IFTA-1, *New York State International Fuel Tax Agreement (IFTA) License Application*, to apply for an IFTA license and decals if your business's base jurisdiction is New York State.

A motor vehicle that is operated entirely within New York State is not required to be licensed under IFTA. However, a highway use tax permit and sticker may be required for the vehicle.

For more information on the highway use tax or the fuel use tax, see Publication 538, *A Guide to Highway Use Tax and Other New York State Taxes for Carriers*. For additional information on IFTA and determining the base jurisdiction for your business, see Publication 536, *IFTA -- A Guide for New York State Motor Carriers*.

Furnishing utility services

Any business furnishing or importing utility services may be subject to tax on the receipts from these services.

If your business is selling utility services such as gas, electricity, steam, water, or refrigeration, and it is not regulated by the Public Service Commission, the commodity portion of the utility service is subject to the gross receipts tax. See Form CT-186-A, *Utility Services Tax Return - Gross Operating Income*, and its applicable instructions for additional information. If your business is subject to the supervision of the Public Service Commission, see Form CT-186-P, *Utility Services Tax Return - Gross Income*, and its applicable instructions.

The receipts from the sale of telecommunication services whether provided by wires, cables, satellites, fiber-optics, lasers, microwaves, radio waves, or similar media are subject to the tax on telecommunications services. For more information, see Form CT-186-E, *Telecommunications Tax Return and Utility Services Tax Return*, and its applicable instructions.

The cost of gas that is imported into New York State for use or consumption by your business in New York may be subject to the privilege tax on importation of gas service for consumption. See Form CT-189, *Tax on Importation of Gas Services*, and its applicable instructions for additional information.

If your corporation does business in the Metropolitan Commuter Transportation District (MCTD), it must also file and pay a metropolitan business tax surcharge (MTA surcharge) on business done in the MCTD. The MCTD includes New York City and the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester.

Waste tire management fee

Beginning September 12, 2003, tire sellers, including car dealers, must collect a fee of \$2.50 on every new motor vehicle tire sold within New York State. Effective September 19, 2004, responsibility for collecting this fee is expanded to sellers of tires for motorcycles, all-terrain vehicles (ATVs), and limited use vehicles, including dealers of those vehicles. Sales of the following tires are not subject to the fee: (1) recapped or resold tires; (2) mail-order, phone-order, or internet sales; and (3) tires sold solely for resale provided the subsequent retail sale within New York State is subject to the fee. Tire sellers must file returns on a quarterly basis with the Tax Department and remit \$2.25 for each tire sold during the quarter. This allows the tire seller to retain 25 cents for each tire sold to help defray administrative costs.

For more information, see TSB-M-04(2)M, *Waste Tire Management Fee Changes for 2004*, Form MT-170-MN, *Waste Tire Management Fee Quarterly Return*, and Form WT-171, *Waste Tire Management Fee Exempt Purchase Certificate*.

VII. Purchasing or acquiring a business or its assets - CAUTION

Sales tax information

If you are purchasing or otherwise acquiring some or all of the business assets of an existing business other than in the ordinary course of the seller's business, you may be held personally liable for any sales taxes determined to be due from the seller. You may be held liable for the amount of the seller's unpaid sales taxes, up to the selling price or fair market value of the assets purchased or acquired, whichever is greater. This applies whether the assets you are acquiring are tangible personal property, intangible property or real property.

The sale, transfer or assignment of business assets in whole or in part other than in the ordinary course of business by a person required to collect tax and pay over the same to the Tax Department is called a *bulk sale transaction*.

As the purchaser, transferee, or assignee (hereinafter, simply referred to as the purchaser) in a bulk sale transaction, you will not be held liable for the seller's unpaid sales taxes if you comply with the requirements listed below.

1. Notify the Tax Department- You must notify the Tax Department of the pending bulk sale transaction **at least 10 days before paying for or taking possession of any business assets, whichever occurs first**, by filing Form AU-196.10, *Notification of Sale, Transfer or Assignment in Bulk*. You must send Form AU-196.10 by registered mail to the address given on the form. While the seller is supposed to advise the purchaser of this notification requirement, the failure of the seller to give this notification does not relieve the purchaser of liability for the seller's unpaid sales taxes. When the 10th day falls on a Saturday, Sunday or legal holiday in New York, notice will be timely if given on the next succeeding day which is not a Saturday, Sunday or legal holiday in New York.

2. Withhold consideration payable to the seller until authorized by the Tax Department- Within 5 business days of receiving Form AU-196.10, the Tax Department will advise you if it is possible that the seller has unpaid sales taxes. If the seller has unpaid sales taxes or is selected for additional review or audit, the Tax Department will send you Form AU-196.2, *Notice of Claim to Purchaser*, which will advise you not to release any consideration to the seller until

authorized by the Tax Department. If the seller does not have any unpaid sales taxes and if an additional review or audit is not necessary, the Tax Department will send you Form AU-197.1, *Purchaser's and/or Escrow Agent's Release-Bulk Sale*, which allows you to turn over any consideration to the seller.

If the Tax Department does not issue Form AU-196.2 within 5 business days of the date of receipt of a properly completed and timely Form AU-196.10, you cannot be held liable for any of the seller's unpaid sales taxes unless there are outstanding warrants or judgments for unpaid sales taxes.

For purposes of the Tax Department's obligation to respond within 5 business days, the date of receipt of Form AU-196.10 by the Tax Department will be the date it was actually delivered to the Bulk Sales Unit of the Audit Division, but no earlier than 10 days before the later of the scheduled date of sale or the actual date of sale. The actual date of sale is deemed to be the earlier of the date of payment or taking possession of the assets acquired.

A. If you receive Form AU-197.1- If you receive Form AU-197.1, you may pay the seller the full purchase price. The Tax Department will not hold the you liable for any unpaid sales taxes, even if there are outstanding warrants or judgments.

B. If you receive Form AU-196.2- If you receive Form AU-196.2, you will be advised **not** to pay the seller until the Tax Department completes its review of the seller's sales tax account. Within 90 days of the receipt of Form AU-196.10, the Tax Department must notify you (and the seller) of the actual amount of sales taxes due from the seller for which you can be held liable.

Upon receipt of Form AU-196.2, you may wish to consult a tax practitioner about the best course of action to take.

For more information on bulk sales transactions, see TSB-M-83(6)S, *Guidelines for Bulk Sales Transactions*.

Example 1: Corporation A, a person required to collect sales tax, sells its business assets to Corporation B. Such a sale is a bulk sale transaction.

Example 2: Corporation A, a person required to collect sales tax, transfers all of its business assets to Corporation B in exchange for stock in Corporation B. The transfer of Corporation A's assets to Corporation B is a bulk sale transaction.

Example 3: Corporation A purchases all the issued and outstanding stock of Corporation B, a person required to collect sales tax. Corporation A and Corporation B will continue to exist as separate legal entities. Since the business assets of Corporation B have not been transferred in connection with the sale of its stock, this is **not** a bulk sale transaction.

Example 4: Corporation A, a person required to collect sales tax, sells all of its inventory which is purchased by Corporation B for resale. The sale by Corporation A is a bulk sale transaction.

Example 5: Mr. Smith, a person required to collect sales tax, makes a gift of all of his business assets to another person. This transfer is a bulk sale transaction.

If you have any questions about the bulk sale requirements, call (518) 457-4164 from 8:00 a.m. to 4:00 p.m. (eastern time), Monday through Friday. Please have either the assigned bulk sales case number or the name and the sales tax identification number of the seller or the purchaser available when you call.

In addition to the above bulk sale transaction notification requirements, if you intend to operate a business, you need to determine your registration requirements. To register, file Form DTF-17, *Application for Registration as a Sales Tax Vendor*. This form must be completed and sent to the address listed in the instructions for the form at least 20 days before making taxable sales or using exemption certificates, including resale certificates used for purchasing inventory. If you do not register on time, you may be subject to substantial penalties. For more information, see *Sales tax registration* on page 19 and Publication 750, *A Guide to Sales Tax in New York State*.

In addition to your obligations and requirements with respect to sales taxes accrued and determined to be due to the Tax Department from the seller, you are also responsible for paying the sales tax due, if any, on the purchase of any tangible personal property purchased or otherwise acquired in a bulk sale transaction. Sales tax is not imposed on the sale of real property or intangible assets, such as goodwill.

Real estate transfer tax information

If you are purchasing a business that owns an interest in real property, the transaction may be subject to the real estate transfer tax. The seller is responsible for paying the tax. However, if the seller fails to pay the tax or is exempt, the purchaser has the duty to pay the tax. For more information, see Form TP-584, *Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax*, and the instructions for Form TP-584.

If you are purchasing a business that owns an interest in real property from a nonresident individual, estate, or trust, the transferor/seller may be required to complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, and pay estimated personal income tax due, if any, **before** you may have the deed recorded. For more information, see the instructions for Form IT-2663.

Other miscellaneous tax licenses or registrations

Any license or registration that is required for any of the miscellaneous taxes may **not** be transferred to you from another individual or business, even when you purchase an existing business. You must complete new registration forms for your business and file them with the Tax Department. For additional information on license or registration requirements, contact the Registration and Bond Unit at (518) 457-1407. Also see *Miscellaneous taxes and fees* starting on page 22.

VIII. Business incentives

New York State offers a number of significant tax incentives designed to enhance economic development, stimulate capital investment, and encourage revitalization of distressed areas. Several new initiatives have been enacted over the past few years. These include tax credits for emerging technology companies, farmers, and for the employment of persons with disabilities. The broad range of these tax credits, in addition to other traditional incentives, such as the investment tax credit, underscore the state's commitment to attract and foster growth in the business community. These credits provide significant tax relief to businesses to encourage job creation and to ensure competitiveness in a global marketplace. For more information on these credits visit the Tax Department's Web site (www.nystax.gov). Tax forms used to claim these credits are also available on the Tax Department's Web site. For more information on

how to request forms and publications and a select list of forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

In addition to general tax credits, New York allows tax incentives under the Empire Zone (EZ) Program for certified empire zone businesses. These incentives include a wage tax credit (provided in both EZs and zone equivalent areas), an investment tax credit, an employment incentive tax credit, and a capital tax credit. Taxpayers may also claim a refund or credit of sales tax paid for the purchase of certain building materials used in an EZ. For further details on EZ program incentives, see Publication 26, *A Guide to Business Tax and Personal Income Tax Credits Within Empire Zones*. For information on sales tax incentives in EZs, see Publication 30, *A Guide to Sales and Use Tax Incentives Within Empire Zones*. Publication 718-EZ, *Empire Zones Sales and Compensating Use Tax Refund Rates*, provides additional sales tax information.

To qualify for the empire zone benefits, a business must be located in an empire zone and be certified by Empire State Development. For more information about the EZ program, contact the Empire State Development office at 1 800 782-8369 or visit the Empire State Development Web site (www.empire.state.ny.us).

Enhanced tax incentives for qualified businesses in empire zones that meet the qualifications as a qualified empire zone enterprise (QEZE) are also available. These incentives include a credit for real property taxes and a tax reduction credit. In addition, the sales and use tax exemptions were enhanced effective March 1, 2001, for businesses that meet the QEZE requirements and are certified as QEZEs by the New York State Tax Department.

For more information regarding the QEZE program, see:

- TSB-M-01(1)C, (1)I, and TSB-M-01(1.1)C, (1.1)I, *Qualified Empire Zone Enterprises (QEZE) Tax Credits (Articles 9-A, 22, 32, and 33)*,
- TSB-M-02(5)C, *Summary of Corporation Tax Legislative Changes Enacted in 2002*,
- TSB-M-02(5)S, *Qualified Empire Zone Enterprise (QEZE) Exemptions (Articles 28 and 29)*,

- TSB-M-03(4)C, (3)I, *Qualified Empire Zone Enterprise (QEZE) Tax Credits*, and
- TSB-M-03(4.1)C, (3.1)I, *Correction to TSB-M-03(4)C, (3)I, Qualified Empire Zone Enterprises (QEZE) Tax Credits*.

IX. Additional information

Record keeping for small businesses

As the owner of a business, you are required to keep records that enable you to prepare complete and accurate tax returns for that business. You must also keep documentation such as canceled checks, paid invoices, or both, to verify the records of your business.

Generally, you may retain any required records in either hard-copy or electronic format (or both). All such records should be maintained in a manner so that one period may be compared with another.

Tax year

Generally, income and corporation taxes are based on a one-year period called a tax year. The tax year for your business may be a *calendar year* beginning January 1 and ending December 31, or it may be a *fiscal year* consisting of any 12 consecutive months. For New York income tax purposes, the New York tax year for your business is the same as that established for federal tax purposes. The tax year is established for federal tax purposes when you file the first federal tax return for your business. The business must continue to use this tax year unless you have permission from the IRS to change it. If you are a sole proprietor, include your business income on your federal and New York State personal income tax returns.

Please note, however, that the annual reporting period for sales tax purposes runs from each March 1 through the last day of the following February, which may differ from the *tax year* of a business as described above.

Accounting methods for income and corporate franchise taxes

For New York income tax and corporate franchise tax purposes, you must use the same method of accounting for determining the New York State taxable income for your business as used for federal income tax purposes. The accounting method for your business is established for federal tax purposes when you file the first federal income tax return for your business. You must continue to use this accounting method for your business unless you have permission from the IRS to change it.

You may figure the taxable income for your business under any of the following accounting methods:

- cash method;
- accrual method;
- special methods of accounting for certain items of income and expenses; or
- combination method, using elements of both the cash and accrual methods.

An accounting method used by a taxpayer will generally be acceptable if the method is consistently applied, in accordance with generally accepted accounting principles, and clearly reflects the taxpayer's income. If you operate more than one business, you may use different accounting methods for each. You must keep complete records and separate books for each business.

If you are using the cash method for your business, report income when the money is actually or constructively received and report expenses when the bills are actually paid. If you are using the accrual method for your business, report income when it is earned (whether or not it has been received) and report expenses when they are incurred (regardless of when they are paid).

For more information on accounting methods, please refer to federal Publication 538, *Accounting Periods and Methods*.

Accounting methods for sales and compensating use tax

Generally, sales and compensating use taxes are remitted to New York State with the sales tax return filed for the period in which the sales occur, without regard to when payment is received (the accrual method). However, certain lumber dealers and other materialmen may elect to remit sales tax on the cash basis (reporting the sale in the period that they actually receive payment for certain taxable sales). For more information, see TSB-M-99(2)S, *Materialmen - Pay When Paid*, and Form ST-112, *Annual Application for a Materialman to Remit Sales Tax Under the Pay-When-Paid Option*.

Bookkeeping systems

You may also choose one of two bookkeeping systems for your business: single-entry or double-entry. The single-entry system is easier to keep; the double-entry system, although more complex, assures better accuracy and control.

In double-entry bookkeeping, you keep journals and ledgers for your business. Transactions are entered in a journal and then, at certain times, summary totals are posted to ledger accounts showing income, expenses, assets, liabilities, and net worth. The system is self-balancing because each transaction is shown as a debit entry in one account and a credit entry in another. Total debits must always equal total credits; if they don't, it is evident that an error has been made. At the end of an accounting period, you will be able to prepare a profit and loss statement reflecting current operations, and a balance sheet showing the overall financial position of your business.

Single-entry bookkeeping concentrates on the profit and loss statement and not the balance sheet. It is a partial system that records the flow of income and expenses using a daily summary of cash receipts, a monthly summary of receipts, and a monthly check disbursements journal.

Federal Publication 334, *Tax Guide for Small Business*, and federal Publication 583, *Starting a Business and Keeping Records*, will provide you with more detailed information. Call the Internal Revenue Service at **1 800 TAX-FORM (829-3676)** to request these free publications. Many publications are also available through the IRS Web site (www.irs.gov). In addition, office supply stores sell a variety of complete bookkeeping systems, and also many record-keeping forms and other materials that may help you. You must determine what kind of system will be most comfortable for you and best suited to your business needs. You may wish to obtain professional assistance in establishing such a system for your business.

Privacy and confidentiality

The Tax Law contains strict secrecy requirements to protect the confidentiality of tax returns and tax return information. Consequently, you must give specific written authorization to a practitioner, paid preparer, or other representative before they will be given access to your confidential records or be allowed to represent you before the Tax Department or the Division of Tax Appeals. There are various levels of authorization you can give your practitioner.

Power of attorney

A power of attorney is evidence that a practitioner or other person may act on your behalf. The power of attorney must contain explicit authorization for your representative to act for you, and must be properly completed and signed.

The Tax Department prefers that practitioners use Form POA-1, *Power of Attorney* (and Form ET-14, *Estate Tax Power of Attorney*, for estate tax), but will accept other forms if they contain all the necessary elements. Form POA-1 may be used for New York State tax matters, New York City tax matters, or both.

Tax information authorization

You can authorize the Tax Department to release specific items of tax information to your representative without a power of attorney. File Form DTF-280, *Tax Information Authorization*, to allow your representative to communicate with the Tax Department, verbally or in writing, regarding your confidential tax information.

To get Form POA-1, ET-14, or DTF-280, visit our Web site (www.nystax.gov). For more information on how to request forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

Permits and licenses

As a prospective owner of a new business or expanding business, you need to be aware of permits and licenses that may be required for your business by New York State. The Governor's Office of Regulatory Reform (GORR) can assist you by identifying these permits and licenses. Call them at 1 800 342-3464 (from NY, CT, VT, NH, MA, NJ, PA, and Canada), (518) 486-3292 (from all other areas) or visit their Web site (www.gorr.state.ny.us/gorr or www.nys-permits.org). Your business may also be subject to local permits and licenses in the county, city, town, or village where your business is located and where it will be transacting business. You should contact these local authorities before you begin your business. Contact numbers for New York City can be found starting on page 47 of this guide.

Change in your business information

The Tax Department maintains and updates the various tax records associated with each business in New York State.

If at any time during the course of your business venture, you change your business name, employer identification number, mailing or location address, telephone number, owner/officer information, etc., you must notify the Tax Department. Complete Form DTF-95, *Business Tax Account Update*, to report changes to your business name, identification number, telephone and fax numbers, and owner/officer/responsible person information. You may report address changes for businesses on Form DTF-95 if you are changing your address **and** some other business information at the same time. If you are reporting only address changes, you may use Form DTF-96, *Report of Address Change for Business Tax Accounts*. This procedure

allows us to properly update our records for your business and, if applicable for sales tax purposes, send you a revised *Certificate of Authority* for your business.

If your business is required to collect sales and use taxes and you change your organizational structure (for example, sole proprietorship to corporation), you must register your business as a new business by completing a new Form DTF-17, *Application for Registration as a Sales Tax Vendor*. You must also file a final sales tax return for your old business and surrender the sales tax *Certificate of Authority* for that business. See *Terminating business*, on page 21, for more information on filing a final sales tax return.

To get Form DTF-95, DTF-96, or Form DTF-17, visit our Web site (www.nystax.gov). For more information on how to request forms and publications, see Chapter X, *New York State tax forms and publications for new businesses*, starting on page 43 of this guide.

Publication 20 (10/04)

Title (or description) by category	Form/Pub number
Corporation tax <i>(continued)</i>	
Utility Services Tax Return - Gross Income	CT-186-P
Election or Revocation of Election by Railroad and Trucking Corporations To Be Taxable Under Article 9 (with instructions)	CT-187
Foreign Corporation License Fee Return	CT-240
Maintenance Fee and Activities Return For a Foreign Corporation Disclaiming Tax Liability	CT-245
Estimated Tax for Corporations	CT-400
Claim for EZ Wage Tax Credit	CT-601
Claim for ZEA Wage Tax Credit	CT-601.1
Claim for EZ Capital Tax Credit	CT-602
Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit	CT-603
Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit	CT-604
Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit for the Financial Services Industry	CT-605
Claim for QETC Employment Credit	DTF-621
Claim for QETC Capital Tax Credit	DTF-622
Authorization for Foreign Corporations to Do Business in New York	Pub. 24
Information and Instructions for Termination of Business Corporations	Pub. 110
General Information on the Issuer's Allocation Percentage	Pub. 111
NAICS Codes for Principal Business Activity For New York State Tax Purposes	Pub. 910

**Unemployment insurance, wage reporting, and
withholding tax**

New York State Employer Registration for Unemployment Insurance, Withholding and Wage Reporting	NYS-100
New York State, City of New York, and City of Yonkers Certificate of Nonresidence and Allocation of Withholding Tax	IT-2104.1
Certificate of Exemption from Withholding	IT-2104-E
New York State Certificate of Exemption from Withholding (Native Americans)	IT-2104-IND
Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return	NYS-45
Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return- Attachment	NYS-45-ATT
Amended Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return	NYS-45-X
Quarterly Supplemental Return for Construction Employers	NYS-45-CC
Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax	Pub NYS-50

Title (or description) by category	Form/Pub number
Unemployment insurance, wage reporting, and withholding tax <i>(continued)</i>	
New York State, City of New York, and City of Yonkers Withholding Tables and Methods	Pub. NYS-50-T
Questions and Answers for Employers of Construction Workers	Pub. 57
Reporting Form NYS-1 Information on Magnetic Media	Pub. 66
Magnetic Media Reporting of Quarterly Combined Wage and Withholding Tax Information	Pub. 69
Reporting Form NYS-45 Information on Magnetic Media	Pub. 72
Specifications for Reproduction of New York State Employment Tax Forms	Pub. 83
Magnetic Media Reporting of Quarterly Wage and Withholding Tax Information Based on Federal Formats	Pub. 911

Sales and use tax

Application for Registration as a Sales Tax Vendor . .	DTF-17
Schedule of Business Locations for a Consolidated Filer	DTF-17-ATT
Application for New Jersey and New York Simplified Sales and Use Tax Reporting	DTF-24
Application for Connecticut/New York State Simplified Sales and Use Tax Reporting	DTF-24.1
Application for an Exempt Organization Certificate . .	ST-119.2
Business Purchaser's Report of Sales and Use Tax . . .	ST-130
Individual Purchaser's Report of Sales and Use Tax	ST-140
Notification of Sale, Transfer, or Assignment in Bulk	AU-196.10
Notice to Prospective Purchasers of a Business or Business Assets	TP-153
A Guide to Sales Tax for the Film Industry	Pub. 28
A Guide to Sales and Use Tax Incentives Within Empire Zones	Pub. 30
Sales Tax Advertising Issues	Pub. 34
A Guide to New York State Reciprocal Credits for Sales Tax Paid to Other State	Pub. 39
A Guide to Handling Coupons and Food Stamps For Retail Food Stores	Pub. 79
New York State Communities Listed alphabetically, with counties for New York State and local sales and use tax	Pub. 717
New York State Sales and Use Tax Rates by Jurisdiction	Pub. 718
A Guide to Sales Tax in New York State	Pub. 750
Purchaser's Obligations to Pay Sales and Use Taxes Directly to the Tax Department: Questions and Answers	Pub. 774
Chart for Prepayment of Sales Tax on Diesel Motor Fuel	Pub. 787
Chart for Prepayment of Sales Tax on Motor Fuel . .	Pub. 790

Title (or description) by category	Form/Pub number	Title (or description) by category	Form/Pub number
Sales and use tax <i>(continued)</i>		Cigarette and tobacco products tax	
Taxable Status of Medical Equipment and Supplies, Prosthetic Devices and Related Items	Pub. 822	Minimum Price List for Cigarettes	Pub. 508
Collection and Reporting Instructions for Printers and Mailers	Pub. 831	Minimum Wholesale and Retail Cigarette Prices	Pub. 509
A Guide to Sales Tax for Drugstores and Pharmacies	Pub. 840	Application for Registration as a Chain Store	CG-80
Sales Tax Information for: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise	Pub. 852	Application for License as a Cigarette Agent or Agent/Wholesaler	CG-100-A
Sales and Use Tax Classifications of Capital Improvements and Repairs to Real Property	Pub. 862	List of Items Required to be Submitted with Cigarette Agent/Wholesale Dealer Application	CG-100-C
Taxable and Exempt Foods and Beverages Sold at Retail Food Markets and Similar Establishments	Pub. 880	Application for License as a Wholesale Cigarette Dealer Who Only Operates Vending Machines	CG-100-V
Alcoholic beverage tax		Application for License as a Wholesale Cigarette Dealer Other Than Those Who Only Operate Vending Machines	CG-100-W
Application for Registration as a Distributor of Alcoholic Beverages	TP-215	Application for Registration of Retail Dealers and Vending Machines for Sales of Cigarettes or Tobacco Products	DTF-716
Financial Statement of Distributors of Alcoholic Beverages	TP-229	Renewal Application for Registration of Retail Dealers and Vending Machines for Sales of Cigarettes or Tobacco Products	DTF-719-MN
Information on the Alcoholic Beverages Tax	Pub. 570	Application for License as a Wholesale Dealer of Tobacco Products or an Appointment of a Distributor of Tobacco Products	MT-202
Alcoholic Beverages Tax Rates	Pub. 571	Certificate of Prepayment of Sales Tax on Cigarettes (with instructions)	ST-133
Petroleum products business taxes		Real estate transfer tax	
Application for Registration under Article 12-A and 13-A	TP-650	Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax	TP-584
Fuel Tax Rates	Pub. 908	Nonresident Real Property Estimated Income Tax Payment Form	IT-2663
Notice of New Legislation Pertaining to Diesel Motor Fuel	Pub. 100	Waste tire management fee	
Highway use		Waste Tire Management Fee Quarterly Return	MT-170-MN
New York State International Fuel Tax Agreement (IFTA) License Application (with instructions)	IFTA-1	Waste Tire Management Fee Exempt Purchase Certificate	MT-171
Application for Highway Use Tax and/or Automotive Fuel Carrier Permits (with instructions)	TMT-1		
International Fuel Tax Agreement (IFTA) A Guide for New York State Motor Carriers	Pub. 536		
Member Jurisdictions International Fuel Tax Agreement (IFTA)	Pub. 537		
A Guide to Highway Use Tax and Other New York State Taxes for Carriers	Pub. 538		

XI. New York State assistance

Department of Taxation and Finance

Visit our Web site at www.nystax.gov and access our *Business Taxpayer Page*. The *Business Taxpayer Page* provides the following direct links:

- *Corporation Tax*
- *Sales Tax*
- *Withholding Tax*
- *Other Taxes*
- *LLC/LLP/Partnership*
- *Tax Calendar*
- *Empire Zones Program Information*
- *NYS Bills/Laws*
- *Taxpayer Bill of Rights*
- *Electronic Services*
- *IFTA E-file*
- *OSCAR*
- *Recent Additions*
- *Find Answers*
- *Contact Us*
- *Outreach Events*
- *Related Links*
- *NYBIZTAX*
- *Starting and Growing a Business*
- *Ending a Business*
- *Small Business Reports*
- *NYLOVESSMALLBIZ*

Business Tax Information Center

General tax information for businesses:
1 800 972-1233

Forms and publications

To order Tax Department forms and publications:
1 800 462-8100

Fax-on-demand forms

An automated forms ordering system:
1 800 748-3676

Bulk Sales Unit

Important sales tax information for those purchasing or acquiring a business or the assets of a business.
(518) 457-4164

Miscellaneous Tax Registration and Bond Unit

Information applicable to licenses and registration for cigarettes and tobacco products.
(518) 457-1407

Department of State

Provides information on forming corporations in New York State. Also provides information to foreign corporations who want to be authorized to do business in New York State.

Visit their Web site at www.dos.state.ny.us or call:

Division of Corporations

(518) 473-2492

State Liquor Authority

Provides information and application forms for permits and licenses to distribute any alcoholic beverages.

Visit their site at www.abc.state.ny.us or call:

Albany	(518) 474-3114
Buffalo	(716) 847-3035
New York City	(212) 961-8385
Syracuse	(315) 428-4198

Department of Labor

Contact the Department of Labor for information regarding unemployment insurance. Visit their Web site at www.labor.state.ny.us or call:

Toll free 1 888 899-8810

New employer registration
(518) 485-8589

Employer liabilities
(518) 457-2635

New York State Insurance Fund

Contact the State Insurance Fund for information regarding workers' compensation and disability insurance. Visit their Web site at www.nysif.com or call:

General information
(518) 437-6400

XII. New York City assistance

General information

Visit their Web site at www.nyc.gov or call New York City's new general phone number for New York City government information and services. Dial 311 from within the City or call (212) NEW YORK (639-9675) if you are outside of the five boroughs. TTY service is also available by dialing (212) 504-4115.

Department of Finance

Administers the general corporation and unincorporated business taxes (including partnerships and limited liability companies), assesses and collects real property taxes on all properties in the five boroughs, and collects various other excise taxes. Visit their Web site at www.nyc.gov/html/dof or call:

Governor's Office of Regulatory Reform

Provides assistance identifying permits and licenses that may be required by New York State. Visit their Web site at www.gorr.state.ny.us/gorr or www.nys-permits.org or call:

Permits and licenses

1 800 342-3464 (from NY, CT, VT, NH, MA, NJ, PA, and Canada only)

(518) 486-3292 (from all other areas)

Empire State Development

Contact Empire State Development for information regarding tax incentives under the Empire Zone (EZ) Program. Visit their Web site at www.empire.state.ny.us or call:

Empire State Development Zone office

1 800 STATE NY or 1 800 782-8369

Taxpayer Assistance

25 Elm Place, 4th Floor

Brooklyn NY 11201

Telephone Assistance hours 9:00 - 5:00

(718) 935-6000

(718) 935-9500

Citytax Dial

Recorded information for touch-tone callers.

(718) 935-6736

Tax Fax Service

Tax forms delivered directly to your fax machine or computer fax -- 24 hours a day, 7 days a week

(718) 935-6114

Tax Form Ordering Service (718) 935-6739

NYC Business Assistance

Working and growing your business in the world's financial capital. Visit their Web site at www.nyc.gov/portal/index.jsp

Department of Consumer Affairs

Issues licenses for a wide variety of business operations. Visit their Web site at www.nyc.gov/html/dca or call:

42 Broadway, 5th Floor
New York NY 10004
(212) 487-4444

New York City Licensing Center
(212) 487-4436

Publications
(212) 487-4270

Department of Health

Issues permits pertaining to food-related licenses including food establishments and mobile vendors. Visit their Web site at www.nyc.gov/html/doh

For technical assistance and applications for permits relating to animals, water, or radiation producing equipment or radioactive materials contact the following:

Bureau for Veterinary Public Health Services
(212) 676-2120

Bureau of Public Health Engineering
(212) 676-1520

Bureau of Radiological Health
(212) 676-1562

XIII. Federal assistance

Internal Revenue Service (IRS)

Visit their Web site at www.irs.gov or call:

Forms Line 1 800 829-3676

Business and Specialty Tax Line
1 800 829-4933

U.S. Citizenship and Immigration Services (USCIS)

Visit their Web site at www.uscis.gov or call toll free 1 800 375-5283

USCIS Forms Request Line
1 800 870-3676

Federal Bureau of Alcohol, Tobacco, Firearms and Explosives

Visit their Web site at www.atf.gov or call:

Albany area (518) 431-4182
Buffalo area (716) 551-4048
New York City area (718) 650-4000
Syracuse area (315) 448-0889

U.S. Small Business Administration

The U.S. Small Business Administration, established in 1953, provides financial, technical, and management assistance to help Americans start, run, and grow their businesses.

Visit their Web site at www.sba.gov

New York State Department of Taxation and Finance

Electronic Services

The NYS Department of Taxation and Finance is continuing its efforts to provide our customers – the citizens and businesses of this state – with world-class service. We are using the latest technology to develop innovative ways to better serve you. Many of these initiatives are available on the Department's Web site at www.nystax.gov.

General . . .

- ◆ Visit our Taxpayer Answer Center to find answers to all your tax questions.
- ◆ View and pay open assessments.
- ◆ Use the penalty and interest calculator.
- ◆ Sign up for free email notifications through our Subscription Service.

Individuals . . .



- ◆ E-file your income tax return.
- ◆ Determine if you are eligible for **free** e-filing with FreeFile.
- ◆ Determine which income tax form to file.
- ◆ Pay your income taxes by credit card and electronic funds withdrawal.
- ◆ Apply for an income tax installment payment agreement.
- ◆ Apply for an automatic time extension to file your return.
- ◆ Check the status of your income tax refund.
- ◆ Review your estimated tax account balance.

Businesses . . .

- ◆ Report newly hired and rehired employees.
- ◆ E-file quarterly International Fuel Tax Agreement (IFTA) reports.
- ◆ Obtain motor carrier credentials (HUT, IFTA, IRP and SSRS) online.
- ◆ Search the corporation tax issuer's allocation percentage inquiry.
- ◆ Search the cigarette tax inquiry for licensed and registered agents, wholesale dealers and retail dealers.

www.nystax.gov

Need help?



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



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



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

To order forms and publications:	1 800 462-8100
Business Tax Information Center:	1 800 972-1233
From areas outside the U.S. and outside Canada:	(518) 485-6800



Hotline for the hearing and speech impaired:

If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



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, please call 1 800 972-1233.