



New York State
Department of
Taxation and Finance

New York State Publication 116

Corporation Tax Modernized E-File Handbook For Tax Practitioners

Tax Year 2009



The information presented is current as of this publication's print date.
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Corporation Tax Modernized E-File Handbook For Tax Practitioners

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Introduction

The New York State Department of Taxation and Finance is participating in the Fed/State 1120 Corporation Tax e-file program, under the IRS Modernized e-File (MeF) architecture. The NYS Tax Department is offering corporation tax return e-filing for Article 9-A corporations, excluding combined filers.

Electronic Return Originators (ERO's) authorized by the IRS to e-File federal corporation tax are also authorized to e-file corporation tax returns with New York State. New York does not require EROs to apply for our program, or to provide copies of their IRS acceptance letters to NYS.

Corporations electing to electronically file their New York State Corporate Income Tax return must also electronically pay the balance due on the electronic return with an ACH debit. The information necessary to initiate the debit must be included with the return data upon filing. Your e-File software provider will guide you through this process.

What's new for tax year 2009

- New York will support Form CT-222 within the XML file. We will no longer support it as a PDF attachment (see page 11).
- New York will not support International ACH Transactions (IAT). (See page 24).
- New York will support Extension Forms CT-5.3, CT-5.9, and CT-5.9E (see page 11).
- Tax returns for Tax Years 2007, 2008, and 2009 will be accepted.
- New York will no longer support Forms DTF-627 and DTF-627.1 as PDF attachments. (These forms will still be accepted as PDF attachments for Tax Years 2007 and 2008).
- Payment settlement date must meet certain parameters (see page 15).
- New York will require for CT-3 S filings that for each shareholder listed on the CT-34 SH (New York S Corporation Shareholders' Information Schedule), all Shareholder Partnership data must be included, or the return will be rejected for a schema validation error (see page 25).

IRS MeF Fed/State Program

New York State will support “linked” and “unlinked” state returns. If the State submission *is linked* to an IRS submission (also referred to as a Fed/State return), the IRS will check to see if there is an accepted IRS submission under that Submission ID. If there is not an accepted federal return, the IRS will deny the State submission and a deny acknowledgement will be sent. If there is an accepted federal return under that Submission ID, then MeF will validate certain elements on the State submission and provide the submission to the participating state.

If the State return is *not linked* to a previously accepted federal return (also referred to as State Stand-Alone Return), then MeF will validate certain elements of the submission. If IRS does not deny the state return, it will provide the state submission to the participating state if that state allows State Stand Alone returns. Note: Some states require that a copy of the federal return, consolidated & pro forma must be included in the New York State submission.

Check with your tax preparation software provider if you have any questions.

Business tax e-file mandate

New York State has instituted a new e-file and electronic payment mandate for corporation tax beginning January 1, 2009. The mandate is for tax return preparers and business tax self-filers.

Business tax e-file mandate for tax return preparers

This new mandate requires tax return preparers who meet certain requirements to e-file authorized tax documents beginning on or after January 1, 2009. The mandate also requires electronic payment of the balance due on any authorized tax document.

Who is initially covered by the mandate?

You must e-file all general business and New York State S corporation (Article 9-A) returns and extensions beginning on January 1, 2009, and electronically pay the balance due if you:

- Prepared more than 100 original Article 9-A documents in calendar year 2008, including tax documents for prior periods; and
- Use tax software to prepare one or more Article 9-A tax documents in 2009.

Penalties

A \$50 penalty applies to each document that you fail to e-file, unless the taxpayer opted out of e-filing or you have other reasonable cause for failure to comply.

The taxpayer will be subject to a \$50 per tax document penalty for failing to electronically pay the balance due. The Department cannot abate the payment penalty for reasonable cause.

You can find additional information at www.nystax.gov.

Reasonable Cause for not e-filing a document

All documents that may be e-filed must be e-filed unless a preparer has reasonable cause not to e-file. Use Form TR-800-CT (see next page), to document reasonable cause.

**Corporation Opt-Out and Reasonable Cause Record
For Tax Return Preparers for Tax Year 2009**

Do not mail this form to the Tax Department. Keep for your records.

General instructions

If you are a return preparer who is subject to the New York State electronic filing (e-file) mandate, you are required to e-file returns and extensions unless an authorized officer of the corporation elects not to e-file, or there is reasonable cause why you cannot e-file the return or extension.

You must complete and retain this form for each tax return and extension an authorized officer of the corporation opts out of e-filing, or if there is other reasonable cause why the return or extension cannot be e-filed.

If an authorized officer of the corporation elects to opt-out of e-filing: The authorized officer of the corporation must complete Part 1. The tax return preparer must complete Part 2.

If the tax return preparer cannot e-file due to reasonable cause: The authorized officer of the corporation is not required to complete Part 1 or sign Form TR-800-CT. The tax return preparer must complete Part 2.

Separate Forms TR-800-CT are required if an authorized officer of the corporation opts out of e-filing both the tax return and the extension.

Do not mail Form TR-800-CT to the Tax Department. Tax return preparers must keep this form for three years and present it to the Tax Department upon request.

You are not required to complete or retain Form TR-800-CT if your approved New York e-file software does not support one or more forms included in the corporation's tax return (e.g., Form CT-248, *Claim for Empire State Film Production Credit*).

Please note that an alternative signature can be used by a paid preparer as described in TSB-M-05(1)C, *Alternative Methods of Signing for Tax Return Preparers*. Go to our Web site at www.nystax.gov and click on the *Find publications, regs & laws* link to find this document.

Part 1 — Corporation information (to be completed by an authorized officer of the corporation if opting out of e-file)

Corporation name		Corporation employer identification number
Mailing address (number and street or rural route)		Telephone number ()
City, village, or post office	State	ZIP code

Mark an X in one box: ☐ I elect not to e-file the extension request. ☐ I elect not to e-file the return.

Reason (optional): _____

Authorized corporate officer's signature: _____ Date: _____

Print your name and title: _____

Part 2 — Tax return preparer information (to be completed by tax return preparer for all extension requests and tax returns that are not e-filed)

Tax return preparer's signature	Date	
Print preparer's name	SSN/PTIN	
Firm's name (if applicable)	Employer identification number	
Mailing address (number and street or rural route)	Telephone number ()	
City, village, or post office	State	ZIP code

☐ I am not electronically filing this corporation's extension request or tax return due to reasonable cause.

Explanation: _____

TR-800-CT (9/09)

Contact information

Telephone Numbers:

NYS e-Filing Help Desk: (calls within New York State) 1 800-353-1096
(out of state callers) (518) 457-6387
IRS e-Filing Help Desk: 1 866-855-0654

Forms and Publications: To order NYS forms and publications:

In-state callers without free long distance: 1 800-462-8100
All callers: (518) 457-5431
Or visit our NYS Tax & Finance website: www.nystax.gov

Corporation Tax Information Center:

In-state callers without free long distance: 1 888-698-2908
All callers: (518) 485-6027

Miscellaneous Business Tax Info Center:

In-state callers without free long distance: 1 800-470-4353
All callers: (518) 457-5735

IRS Business Tax Inquiries: 1 800-829-4933

Tax Practitioners Hotline 1 888-238-0955

Hotline for the hearing and speech impaired:

If you have access to a telecommunications device for the deaf (TDD), contact us at:

In-state callers without free long distance: 1 800-634-2110
Foreign locations: (518) 485-5082
All callers out of state: 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:

In-state callers without free long distance: 1 800-972-1233
All callers: (518) 457-5342

FAX: 518 457-8218

Mailing Address:

NYS Department Tax & Finance
E-File Program – Corporation Tax
WA Harriman Campus
Albany, NY 12227

Email address:

efile@nystax.gov

Participation requirements

Requirements to participate in the corporation tax *e-file* program:

Tax Preparers must have a valid EFIN issued by the IRS. Return transmitters must have a valid ETIN issued by the IRS. To obtain an EFIN or ETIN, you must apply and be accepted as an authorized IRS e-file provider by the IRS. For more information on the application process refer to Publication 3112, *IRS e-file Application and Participation*. The quickest way to receive an EFIN or ETIN is to apply online. To apply or for more information, go to:

<http://www.irs.gov/taxpros/article/0,,id=109646,00.html>

A separate Corporation Tax e-file application is not required for New York State.

Who can participate in *e-file*?

Tax professionals and transmitters authorized to e-file federal corporate tax returns who are using software approved by IRS and NYS Tax Department can e-file New York Article 9-A corporate tax returns. Corporations (self filers) acting as an Electronic Return Originator (ERO), can prepare and e-file the returns themselves without going through a paid preparer.

Responsibilities of *e-filers*.

All participants in the NYS program must comply with the procedures, requirements, and specifications in the IRS Publication 3112, *IRS e-File Application and Participation*; IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters*; and set forth in NYS Publications 115 and 116.

All return filers must:

- Use IRS and NYS approved tax software

Corporate self filers must:

- Enter the name of the person completing the return and certify to NYS that the data is true, correct, and complete, and
- Authorize any electronic payment that is included in the filing.

All authorized Electronic Return Originators (EROs) must:

- Identify the paid preparer, if applicable, in the appropriate field.
- Have the authorized corporate officer sign a New York State Signature Authorization form (TR-579-CT) for the tax year being filed, and retain this form for a period of three years. Do not submit form TR-579-CT to NYS unless requested to do so. Do not use this form when e-filing extensions.
- If there is an electronic payment being made with an extension, have the authorized corporate officer sign a New York State Signature Authorization form (TR-579.1-CT) for the tax year being filed, and retain this form for a period of three years. Do not submit form TR-579.1-CT to NYS unless requested to do so.
- Furnish the taxpayer with documentation of all e-filed forms and schedules.

Tax practitioner responsibilities

Confidentiality

Tax practitioners must conform to all IRS security requirements. For more information on the IRS security requirements see the link below:

<http://www.irs.gov/efile/article/0,,id=146388,00.html>

Penalties

Article 9-A, Section 211.8 and also referenced in Section 1825 of the NYS Tax Law prescribe penalties for violation of confidentiality of taxpayer information requirements. Refer to Section 1085(s) as well as 1085(l) regarding violation penalties on Article 9-A tax return preparers.

Advertising standards

An Authorized IRS *e-file* Provider must comply with the advertising and solicitation provisions of 31 C.F.R. Part 10 (Treasury Department Circular No. 230). This circular prohibits the use or participation in the use of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive, or unfair statement of claim. A Provider must adhere to all relevant federal, state, and local consumer protection laws that relate to advertising and soliciting.

The guidelines in the IRS Revenue Procedure must be followed for the NYS program as though references to *Internal Revenue Service* and *Service* were references to the *New York State Department of Taxation and Finance, New York State*, or the *State*; and references to the Financial Management Service or *Treasury Seals* were references to the *State of New York Seal*.

IRS Publication: <http://www.irs.gov/pub/irs-pdf/p31112.pdf>

Compliance Requirements

Tax Practitioners must:

- Provide instructions to guide taxpayers in fulfilling their signature requirements. Tax Practitioners must ensure that their software enables the printing of TR-579-CT, *New York State E-File Signature Authorization for Tax Year 2009 For Forms CT-3, CT-3M/4M, CT-3-S, or CT-4*; and TR-579.1-CT, *New York State Authorization for Electronic Funds Withdrawal for Tax Year 2009 Forms CT-5, CT-5.4, CT-5.3, CT-5.9 or CT-5.9E*.
- Maintain completed form(s) CT-579-CT and CT-579.1-CT for three years.
- Ensure that their software supports electronic payment options and any electronic funds withdrawal information - payment effective date and routing/account numbers.
- Ensure their software supports the printing of the tax return and all supporting forms for the corporation's record so the corporation can, if the return cannot be *e-filed*, mail the return to the NYS Tax Department. See Publication 76, *Specifications for Reproduction of New York State Corporation Tax Forms* regarding printing supportable forms.
- Comply with the e-file mandate and complete, and retain for three years, for each return or extension not e-filed, a TR-800-CT, *Corporation Opt-Out and Reasonable Cause Record For Tax Return Preparers for Tax Year 2009*.

Websites and Publications



<http://www.nystax.gov/>

New York State Websites –

NYS E-File Website:

<http://www.tax.state.ny.us/elf/>

NYS Forms and Instructions:

<http://www.tax.state.ny.us/forms/default.htm>

NYS Corporation Tax e-Filing – Software Developer Testing Package

http://www.tax.state.ny.us/elf/swd_corporation.htm

NYS Dept Tax & Finance – Taxpayer Answer Center

<http://www.tax.state.ny.us/faq/>

NYS Corporation Tax Publications:

http://www.tax.state.ny.us/pubs_and_bulls/publications/corporation_pubs.htm

NYS Tax Guide to New Businesses:

http://www.tax.state.ny.us/pdf/publications/multi/pub20_1007.pdf

NAICS Code:

<http://www.tax.state.ny.us/pdf/publication/general/pub910.pdf>

NYS Subscription Service

<http://www7.nystax.gov/SUBS/subHome.jsp>

Internal Revenue Service:

<http://www.irs.gov>

IRS Forms and Publications:

<http://www.irs.gov/formspubs/index.html?portlet=3>

Federation of Tax Administrators/FTA - Concept of Operations

[Fed-State Requirements – Concept of Operations Document \(state retrieval system\)](#)

<http://www.taxadmin.org/fta/edi/1120project/Conops-2-5-05.pdf>

NACTP – National Association of Computerized Tax Processors

<http://www.nactp.org/publicdocs.htm>

IRS Frequently Asked Questions for Modernized E-File

<http://www.irs.gov/businesses/article/0,,id=133980,00.html>

E-File Internal Revenue Service Publications

- **Publication 3112**, *IRS e-file Application and Participation* – contains information about the roles of software developers, transmitters and electronic return originators. IRS has standardized the information for all *e-file* programs.
- **Publication 4162**, *Modernized e-File Test Package for Forms 1120/1120S* – contains the instructions and test case scenarios for software developers and transmitters to use for Assurance Testing System (ATS) of 1120/1120S. This publication also contains the instructions and test case scenarios for Form 7004, Application for Automatic Extension of Time to File Corporation Income Tax Return.
- **Publication 4163**, *Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S* – contains specific information applicable to 1120, 1120S and 7004 *e-file* programs only.
- **Publication 4164**, *Modernized e-File Guide for Software Developers and Transmitters*, contains the communication procedures, transmission formats, business rules and validation procedures to be used by software developers and transmitters to develop software for filing electronic 1120/1120S returns and 7004 extensions.
- **Publication 4205**, *Modernized e-File Test Package for Exempt Organization Filings* – contains the instructions and test case scenarios for software developers and transmitters to use for Assurance Testing System (ATS) of Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868.
- **Publication 4206**, *Modernized e-File Information for Authorized IRS e-file Providers for Exempt Organization Filings* – contains specific information applicable to Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868 *e-file* programs only.
- **“IRS e-file For Large Taxpayers Filing their Own Corporation Income Tax Return”** contains guidance for corporations that prepare their own income tax return. This document is intended to assist corporations with their transition from preparing a paper return to electronic filing

e-File Corporation Tax Forms Supported for Tax Year 2009

Accepted in XML

Form Number	Form Name
CT-3	General Business Corporation Franchise Tax Return
CT-3-ATT	Schedules B, C, D, and E – Attachment to Form CT-3
CT-3-S	New York S Corporation Franchise Tax Return
CT-3-S-ATT	Schedules A, B, C, D, and E – Attachment to Form CT-3-S
CT-3M/4M	General Business Corporation MTA Surcharge Return (Must be filed with CT-3 or CT-4)
CT-4	General Business Corporation Franchise Tax Return Short Form
CT-5	Request for Six-Month Extension to File (franchise/business taxes, MTA surcharge, or both)
CT-5.1	Request for Additional Extension of Time to File
CT-5.3	Request for Six-Month Extension to File (for combined franchise tax return, or combined MTA surcharge return, or both)
CT-5.4	Request for Six-Month Extension to File New York S Corporation Franchise Tax Return
CT-5.9	Request for Three-Month Extension To File (for Article 9 tax return, MTA surcharge, or both).
CT-5.9E	Request for Three-Month Extension To File Form CT-186-E or Form CT-186-EZ(short form) (for telecommunications tax return and utility services tax return).
CT-34-SH	New York S Corporation Shareholders' Information Schedule
CT-38	Minimum Tax Credit
CT-43	Claim for Special Additional Mortgage Recording Tax Credit
CT-46	Claim for Investment Tax Credit
CT-46-ATT	Credit for Rehabilitation Expenses for Retail Enterprises and Historic Barns
CT-47	Claim for Farmer's School Tax Credit
CT-222	Underpayment of Estimated Tax By a Corporation
DTF-686	Tax Shelter Reportable Transactions

Accepted as “.pdf” attachments

Form Number	Form Name
CT-3-B	Tax-Exempt Domestic International Sales Corporation (DISC) Information Return
CT-3-C	Consolidated Franchise Tax Return for corporate shareholders of tax-exempt domestic international sales corporations (DISCs)
CT-60-QSSS	Qualified Subchapter S Subsidiary Information Schedule
CT-324	Schedule of Optional Depreciation on Qualified New York Property
CT-399	Depreciation Adjustment Schedule
CT-600	Ordering of Corporation Tax Credits
DTF-625	Low-Income Housing Credit Allocation and Certification
DTF-686-ATT	New York Reportable Transaction Disclosure Statement and Request for a Determination
N/A	Attachments listing details of repeating elements (e. g. <EntityInvestmentCapital>)

*Your e-file software may not support every form listed above. Check with your e-file software provider which corporation tax forms are supported for e-file.

Timelines of filing

NYS Corporation Tax *e-filing* program calendar

Corporation tax return period	January 1, 2009 through December 31, 2009
e-file return acceptance period	January 2010 through December 2012

Note: NYS uses the same e-file calendar (start and end dates) as the IRS.

Acknowledgement system

All transmitted returns received by New York State (NYS) will generate a submission receipt and an acceptance /rejection acknowledgement to IRS for every NYS return received. The submission receipt indicates that the transmission was received by NYS and an acknowledgement indicates whether or not the return has been accepted or rejected. An Accepted acknowledgement record transmitted in XML schema format indicates the return was received and has successfully completed the transmission validation process.

MeF IRS receipt

MeF will create a “receipt” for transmitters for every state submission received.

IRS MeF Fed/State Program

New York State will support “linked” and “unlinked” state returns. A State submission can be linked to the IRS submission by including the Submission ID of the federal return in the State manifest. If the State submission *is linked* to an IRS submission (also referred to as a Fed/State return), the IRS will check to see if there is an accepted IRS submission under that Submission ID. If there is not an accepted federal return, the IRS will deny the State submission and a deny acknowledgement will be sent. **NYS will not know that the transmitter has sent a state submission to MeF in this case.** If there is an accepted federal return under that Submission ID, then MeF will validate certain elements on the State submission. If IRS does not deny the state return, it will provide the State submission to NYS. If the State return is *not linked* to a previously accepted federal return (also referred to as State Stand-alone Return), then MeF will validate certain elements of the submission. If IRS does not deny the state return, it will provide the State submission to NYS regardless of the federal return.

State receipt and acknowledgment

If the state submission is not denied by MeF, NYS will retrieve the state submission from MeF, and send a submission receipt back to MeF immediately. NYS will then validate the XML data and apply the initial validation rules to the return and an acknowledgment (indicating accept or reject) will be sent back to MeF within 3 business days. The ERO may retrieve the transmission receipt and/or acknowledgment from the IRS.

An accepted acknowledgement record transmitted in XML schema format indicates the return and payment (if applicable) was received and has successfully completed the initial validation process. The acknowledgment does not indicate the return or extension has completed processing through all business rules. In addition, it does not ensure that NYS will pay a refund as requested.

A rejected acknowledgment indicates the return or extension has failed to complete the initial validation process. A rejection acknowledgement will contain error codes indicating the cause of the rejection. A list of the pre-entry validation error codes has been provided in the 'Error Categories – Business Rules' section of this Publication. If an electronic acknowledgement has not been received within 3 business days for a successfully transmitted return, the ERO/Preparer should contact their NYS e-file liaison for further instructions. **It is the responsibility of the ERO/Preparer to ensure that every return filed electronically is acknowledged as 'Accepted'.**

Resubmission of state rejected return

If a state return is rejected by NYS due to an error, the ERO/Preparer must correct the error and retransmit the return. The ERO/Preparer must take reasonable steps to inform the taxpayer of the rejection and provide the taxpayer with an explanation. If the electronic return can be retransmitted, the return should be filed by the due date of the return. Note that NYS does not follow the IRS transmission perfection period. Therefore, when a previously rejected return is accepted by NYS it will be deemed to have been received on the date it is accepted. If the electronic return cannot be corrected and retransmitted, the taxpayer must file a paper return.

Processing delays

The Tax Department will make every effort to process an e-filed return once an accepted acknowledgement is issued. However, the return may require manual review if exceptions are encountered when it processes through all the business rules.

Payment handling and acceptance

Paying a balance due

Corporations electing to electronically file their New York State Corporate Income Tax return must also electronically pay the balance due on an electronically filed return with an ACH debit. The information necessary to initiate the ACH debit must be included with the return data when the return is e-filed. Partially paid or unpaid liabilities on an e-filed return will be billed when the return is processed. A balance due on an e-filed extension will not be billed and must be paid in full when the extension is filed to avoid interest and penalties from being assessed. There is no paper voucher option for payments for e-filed returns or extensions.

Pay by Electronic Funds Withdrawal (direct debit)

Taxpayers must specify at the time the corporate return or extension is e-filed, the type of account (checking or savings) to be debited, the account and routing numbers of the bank account from which they wish to have the balance paid, and the date of the withdrawal, and the payment amount to be debited. The Preparer/ERO must stress to the taxpayer the importance of supplying the correct routing number and bank account number since this information may not be changed once the return or extension has been transmitted and accepted. Returns can be submitted with full payment, partial payment or no payment. Any balance due will be billed when the return is fully processed. Extensions must be paid in full when submitted, as there is no alternative payment option. An unpaid extension will be considered invalid and will result in assessed interest and penalty.

If the return is e-filed before the due date, the taxpayer can specify an electronic funds withdrawal (EFW) date up to and including the due date of the return, without regard to an extension. If a return is e-filed before the due date, the specified payment amount will be debited from the account on the specified date, or the due date of the return, if the specified date is later. If a return is e-filed after the due date authorizing an EFW, the EFW will be processed on the date the e-file return is accepted. Note: If a payment date falls on a weekend or bank holiday, the payment will be withdrawn the next business day.

Acceptable payment settlement dates:

File date	Payment settlement date
Any date	Cannot be before the file date
On or before the due date	No later than the due date
After the due date	Must be the file date

Common questions about an EFW (direct debit)

How is an EFW initiated?

The tax preparer/ERO and the corporate officer will authorize an EFW through the tax preparation software being used by providing the necessary information to initiate the EFW. The software must support electronic payment options and the required EFW information which includes payment effective date, payment amount, routing number, and account number. The routing number is the nine-digit number located at the bottom of the check.

What information is needed to make an electronic funds withdrawal payment and how is the information used once the return is e-filed?

It is important to provide the correct routing number of the financial institution the withdrawal is being made from along with the bank account number since this information cannot be changed once the return or extension has been transmitted and accepted. Also required is the date the payment is to be debited and the payment amount. If a document is e-filed before the due date, a payment date up to and including the due date of the return may be specified. If a document is e-filed on or after the due date, the EFW date must equal the file date.

If a return is e-filed before the due date, the specified payment amount will be debited from the account on the date specified, or the due date of the return, if the specified date is later. If the return is e-filed after the due date authorizing an EFW, the EFW will be processed on the date the e-file return is accepted. Note: If a payment date falls on a weekend or bank holiday, the payment will be withdrawn the next business day.

The EFW information provided will be used only for the one tax payment authorized.

Will a partial payment be accepted?

Yes, partial payment will be accepted. However, the corporation will be billed for the remaining amount owed, including interest and penalties. In addition, the payment amount cannot be greater than balance due amount on the return. Extensions must be 'paid in full' or they will be considered invalid. Extensions are a request for late filing, not late payment.

If the electronic funds withdrawal option with delayed payment is chosen, what assurance is given the money won't be withdrawn sooner?

If a return is e-filed before the due date, the specified payment amount will be debited from the account on the date specified, or the due date of the return, if the specified date is later. If the return is e-filed after the due date authorizing a EFW, the EFW will be processed on the date the e-file return is accepted. Note: If a payment date falls on a weekend or bank holiday, the payment will be withdrawn the next business day.

Can an electronic funds withdrawal be made after the due date?

An authorized EFW will be accepted with a return or extension. If the return or extension is e-filed after the due date, the authorized EFW will be processed at the time the return or extension is accepted.

What will the tax preparer/corporate officer receive from the State of New York as confirmation of the EFW payment?

The confirmation is the copy of the e-filed return that includes the electronic funds withdrawal authorization and the bank statement that includes a *NYS Tax Payment* line item.

What if later I want to change my designated payment date or cancel my payment?

Once the e-filed return is accepted, the designated payment date cannot be changed and the payment cannot be cancelled.

Signature requirements for corporate e-file documents

New York State has adopted new signature requirements for self-filers and Electronic Return Originators (ERO) / Preparers and no longer utilizes the Scanned Forms Option or the Preparer PIN Option. Software developers will present different language to self-filers and ERO/Preparers. The language will be followed by a checkbox that will be required to be checked before an extension with full payment or a return may be e-filed.

ERO/Preparer signature requirement for returns

This option includes creation of a signature form TR-579-CT, *New York State Signature Authorization for Tax Year 2009 for Forms CT-3, CT-3M/4M, CT-3-S, or CT-4* (see next page). This form must be printed and prepared by the ERO/Preparer; and must be signed by both the taxpayer and the ERO/Preparer. In addition, the form must be retained by the ERO/Preparer for a period of 3 years and presented to the NYS Tax Department, if requested to do so. The signing of the form establishes that the taxpayer has reviewed his or her return and authorizes the e-filing of the return; and if an electronic funds withdrawal has been requested, it verifies that the taxpayer has authorized the electronic funds withdrawal.

To complete the online signature process, certification language with a checkbox (shown below) will be presented to the ERO/Preparer who must check the box to allow the return to be electronically transmitted to NYS.

The language that will be displayed to the ERO/Preparer is as follows:

ERO/ Preparer Certification and Signature

I certify that I have a prepared Form TR-579-CT, *New York State E-File Signature Authorization for Tax Year 2009*, signed by the authorized officer of the corporation, authorizing me to sign and file this return on behalf of the corporation. I further certify that all information provided on the return is true, correct and complete to the best of my knowledge and belief, and that I have provided a copy of this return to the corporation. If financial institution account information has been provided on the return, I certify that the corporation has agreed to payment of the amount indicated as due by electronic funds withdrawal; and that the corporation has authorized the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account; and that the designated financial institution is authorized to debit the entry to the corporation's account. By checking the box shown below, I understand and agree that I am electronically signing and filing this return.

☐ I have read the certification above and agree



New York State E-File Signature Authorization for Tax Year 2009 For Form CT-3, CT-3M/4M, CT-3-S, or CT-4

Electronic return originator (ERO)/paid preparer: do not mail this form to the Tax Department. Keep it for your records.

Legal name of corporation: _____

Return type (mark all that apply): ☐ CT-3 ☐ CT-3M/4M ☐ CT-3-S ☐ CT-4

Purpose

Form TR-579-CT must be completed to authorize an ERO to e-file a corporation tax return and to transmit bank account information for the electronic funds withdrawal.

General instructions

Part A must be completed by an officer of the corporation who is authorized to sign the corporation's return before the ERO transmits the electronically filed Form CT-3, *General Business Corporation Franchise Tax Return*; CT-3M/4M, *General Business Corporation MTA Surcharge Return*; CT-3-S, *New York S Corporation Franchise Tax Return*; or CT-4, *General Business Corporation Franchise Tax Return Short Form*.

EROs/paid preparers must complete Part B prior to transmitting electronically filed corporation tax returns (Forms CT-3, CT-3M/4M, CT-3-S, and CT-4). Both the paid preparer and the ERO are required to sign Part B. However, if an individual performs as both the paid

preparer and the ERO, he or she is only required to sign as the paid preparer. It is not necessary to include the ERO signature in this case. Please note that an alternative signature can be used as described in TSB-M-05(1)C, *Alternative Methods of Signing for Tax Return Preparers*. Go to our Web site at www.nystax.gov and click on the *Find publications, regs & laws* link to find this document.

Do not mail Form TR-579-CT to the Tax Department. EROs/paid preparers must keep this form for three years and present it to the Tax Department upon request.

Do not use this form for electronically filed Form CT-5, *Request for Six-Month Extension to File (for franchise/business taxes, MTA surcharge, or both)*, or CT-5.4, *Request for Six-Month Extension to File New York S Corporation Franchise Tax Return*. Instead use Form TR-579.1-CT, *New York State Authorization for Electronic Funds Withdrawal for Tax Year 2009 Form CT-5 or CT-5.4*.

Financial institution information (required if electronic payment is authorized)

- | | |
|---|----------|
| 1. Amount of authorized debit | 1. _____ |
| 2. Financial institution routing number..... | 2. _____ |
| 3. Financial institution account number | 3. _____ |

Part A — Declaration of authorized corporate officer for Form CT-3, CT-3M/4M, CT-3-S, or CT-4

Under penalty of perjury, I declare that I have examined the information on this 2009 New York State electronic corporate tax return, including any accompanying schedules, attachments, and statements, and certify that this electronic return is true, correct, and complete. If this filing includes Form DTF-686, *Tax Shelter Reportable Transactions*, as an authorized officer of the corporation, I hereby consent to the waiver of the secrecy provisions of Tax Law sections 202, 211.8, 1467, and 1518 as such provisions relate to the disclosure requirements of Tax Law section 25. The ERO has my consent to send this 2009 New York State electronic corporate return to New York State through the Internal Revenue Service (IRS). I understand that by executing this Form TR-579-CT, I am authorizing the ERO to sign and file this return on behalf of the corporation and agree that the ERO's submission of the corporation's return to the IRS, together with this authorization, will serve as the electronic signature for the return and any authorized payment transaction. If I am paying New York State corporation taxes due by electronic funds withdrawal, I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the financial institution account indicated on this 2009 electronic return, and I authorize the financial institution to withdraw the amount from the account.

Signature of authorized officer of the corporation: _____ Date: _____

Print your name and title: _____

Part B — Declaration of ERO and paid preparer

Under penalty of perjury, I declare that the information contained in this 2009 New York State electronic corporate return is the information furnished to me by the corporation. If the corporation furnished me a completed paper 2009 New York State corporate return signed by a paid preparer, I declare that the information contained in the corporation's 2009 New York State electronic corporate tax return is identical to that contained in the paper return. If I am the paid preparer, under penalty of perjury I declare that I have examined this 2009 New York State electronic corporate tax return, and, to the best of my knowledge and belief, the return is true, correct, and complete. I have based this declaration on all information available to me.

ERO's signature: _____ Date: _____

Print name: _____

Paid preparer's signature: _____ Date: _____

Print name: _____

TR-579-CT (9/09)

Electronic Return Originator (ERO) Preparer signature requirement for extensions

This option includes creation of a signature form TR-579.1-CT, *New York State Authorization for Electronic Funds Withdrawal for Tax Year 2009 Forms CT-5, CT-5.4, CT-5.3, CT5.9 or CT-5.9E* (see next page). This form must be printed and prepared by the ERO; and be signed by both the taxpayer and the ERO. In addition, the form must be retained by the ERO for a period of 3 years and presented to the NYS Tax Department, if requested to do so. The signing of the form establishes that the taxpayer has authorized the e-filing of the extension and verifies that the taxpayer has authorized the electronic funds withdrawal.

To complete the online signature process, certification language with a checkbox (shown below) will be presented to the ERO who must check the box to allow the return to be electronically transmitted to NYS.

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The language that will be displayed to the ERO is as follows:

ERO Certification and Signature

By checking the box below, I certify that I have a prepared TR-579-CT.1, *New York State Authorization for Electronic Funds Withdrawal for Tax Year 2009* for Form CT-5, CT-5.4, CT-5.3, CT-5.9 or CT-5.9E signed by the authorized officer of the corporation authorizing me to submit this extension on behalf of the corporation . I also certify that the authorized officer has agreed to payment, by electronic funds withdrawal, the amount indicated as due; and that the Authorized officer has authorized the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account, and that the designated financial institution is authorized to debit the entry from the indicated account.

☐ I have read the certification above and agree



New York State Authorization for Electronic Funds Withdrawal for Tax Year 2009 Corporation Tax Extensions

Electronic return originators (ERO): **do not** mail this form to the Tax Department. Keep it for your records.

Legal name of corporation: _____

Purpose

This form is for use by EROs only. An ERO must complete this form when **both** of the following conditions are met:

1 the ERO is e-filing one of the following forms:

- Form CT-5, *Request for Six-Month Extension to File (for franchise/business taxes, MTA surcharge, or both)*,
- Form CT-5.3, *Request for Six-Month Extension to File (for combined franchise tax return, or combined MTA surcharge, or both)*,
- Form CT-5.9, *Request for Three-Month Extension to File (for Article 9 tax return, MTA surcharge, or both)*,
- Form CT-5.9-E, *Request for Three-Month Extension to File Form CT-186-E or Form CT-186-EZ (shortform)*, or
- Form CT-5.4, *Request for Six-Month Extension to File New York S Corporation Franchise Tax Return*, and

2 the balance due on the e-filed Form CT-5 or Form CT-5.4 is being made by electronic funds withdrawal through an approved e-file software package.

Instructions

Complete this form only when you transmit an electronically filed corporation tax extension and payment is being made by electronic funds withdrawal.

Important: You do not need to complete Form TR-579.1-CT for corporation tax extension requests if no payment is required.

This form does **not** satisfy the signature requirement for e-filed Form CT-3, CT-3M/4M, CT-3-S, or CT-4.

Do not mail Form TR-579.1-CT to the Tax Department. EROs must keep this form for three years and present it to the Tax Department upon request.

Taxpayer authorization for electronic funds withdrawal for corporation tax extensions

I authorize my ERO to transmit the information necessary for the New York State Tax Department to initiate an electronic funds withdrawal for the amount specified on this form from the financial institution account indicated below. I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the financial institution account indicated on this 2009 electronic return, and I authorize the financial institution to withdraw the amount from the account.

Financial institution information *(required if electronic payment is authorized)*

- 1 Amount due with extension 1. _____
- 2 Financial institution routing number 2. _____
- 3 Financial institution account number 3. _____

Signature of authorized officer of the corporation: _____ Date: _____

Print name: _____

Self-filer signature requirement for returns

This option presents the certification language to the self-filer for the return being e-filed. To complete the online signature process, certification language with a checkbox (shown below) will be presented to the self-filer who must check the box to allow the return to be electronically transmitted to NYS. By checking the box, the self-filer is certifying the language has been read and agreed to.

The language that will be displayed to the self-filer is as follows:

Self-Filer Declaration and Signature

I declare, under penalty of perjury, that I have examined the information on this 2008 New York State electronic corporation tax return (hereafter, "return"), including any accompanying schedules, attachments, and statements, and certify that this electronic return is true, correct, and complete.

If an amount owed on this return is being paid by electronic funds withdrawal, I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account, and I authorize the financial institution to debit the entry to the account.

By entering my name and checking the box shown below, I declare that I am an authorized officer of this corporation, that I am authorized to sign and file this electronic return on behalf of the corporation, and am in fact signing and filing this return.

Enter Name

☐ I have read the certification above and agree

Self-filer signature requirement for extensions

This option presents the certification language to the self-filer for the extension being e-filed. To complete the online signature process, certification language with a checkbox (shown below) will be presented to the self-filer who must check the box that will allow the extension to be electronically transmitted to NYS. By checking the box, the self-filer is certifying the language has been read and agreed to.

The language that will be displayed to the self-filer is as follows:

Self-Filer Declaration and Signature

If an amount owed on this extension is being paid by electronic funds withdrawal, I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account, and I authorize the financial institution to debit the entry to the account.

By entering my name and checking the box shown below, I declare that I am an authorized officer of this corporation, and that I am authorized to submit this extension and any associated financial transaction.

Enter Name

☐ I have read the certification above and agree

General information

Attaching Non-XML Documents

A separate “Binary Attachment XML document” must be created for each PDF being submitted. PDF attachments for any of the forms listed on page 13 may be attached.

The ERO or taxpayer (collectively, filer) can create the PDF file with any tool available. Follow your e-file software provider instructions.

To create the Binary Attachment XML document, the filer needs to name the PDF file and give a brief description of the contents of the file. The filer’s software will create one Binary Attachment XML document for each PDF file included in the filing. There is one-to-one relationship between the PDF file and the Binary Attachment XML document that describes it.

The filer provides the name of the PDF file including the extension, and provides a brief description.

For PDF attachments, the following table provides a few examples of meaningful names and descriptions. Names are limited to 30 characters for New York State.

PDF Attachment Name	PDF Attachment Description
Form CT-3-B.pdf	CT-3-B Tax-Exempt DISC Info
CT-3-C.pdf	CT-3-C Consolidated DISC
CT-60-QSSS.pdf	CT-60-QSSS Qual Sub S Sched
CT-399.pdf	CT-399 Depreciation Adj Sched
Investment Capital	CT-3-ATT Schedule B Part 1

Exclusions from New York State Corporation Tax e-File

NYS follows the IRS guidelines for MeF exclusions (Refer to IRS Publication 4164).

In addition to the IRS guidelines, NYS returns meeting any of the following criteria may not be e-filed with New York State:

- An MTA return, credit form or attachment filed without a main return (CT-3, CT-4, CT-3-S)
- Returns filed for a tax liability period beginning **prior to** January 1, 2007.
- Returns for combined filers

International ACH Transactions (IAT)

NYS will not support International ACH Transactions (IAT). Tax filers making an ACH payment should be presented with the following question by their software, Will the funds for this payment originate from a financial institution outside the United States?

If the filer indicates the payment is an IAT, they should be instructed to file the document on paper and pay by way of a paper instrument. Any document that is e-filed with a known IAT will be rejected.

Error categories - business rules

Rejected transmissions are now referred to as “Business Rules” and have been restated to be specific in identifying the location of the error. The following Error Categories validate the XML data:

- Multiple Document – more than the required number of documents are included in the tax return.
- Missing Document – a tax return document is required but was not included in the tax return.
- Data Mismatch – the data in two fields should be the same but is not. For example, if the Investment Capital amount on CT-3 Line 35 must equal Net Investment amount CT-3-ATT Line 7 and is not equal.
- Duplicate Condition – the tax return or the transmission file was previously received and accepted by the Department.
- Math Error – the result of a computation is incorrect.
- Incorrect Data – data violates a business rule even though it is syntactically correct. That is, the data values for elements must conform to the format specified and the data type. Also, the data values for elements must contain only values allowed for them in the schema.
- Missing Data – data is not provided for a required field.
- Database Validation Error – data provided does not match the IRS database or the data provided should be present in the IRS database but is not. (e.g. the Electronic Filing Identification Number (EFIN) in the Return Header must be listed in the MeF database and in accepted status.)
- XML Error – the data violates Schema specification. The return and transmission documents must conform to the version of the XML schema specified by the IRS.
- System Error – a return encounters a problem with the IRS systems that prevents the return from being processed electronically.
- CT-3 S filings will be rejected if any of the Shareholder Partner data is missing from the CT-34 SH (New York S Corporation Shareholders' Information Schedule). The required Shareholder Partner data elements in the CT-34 SH schedule include **all** of the following:
 - ✓ Shareholder Entity
 - ✓ Shareholder ID
 - ✓ Shareholder Name
 - ✓ Shareholder Percent
 - ✓ Shareholder Address
 - ✓ Shareholder State Resident Status

If any of the above elements is missing for any of the Shareholder Partners, the return will be rejected as a Schema Validation error.

Error codes - rejected corporation tax returns filed for tax year 2009

Code	Message	Explanation
01136	Valid Liability Period Start Date Required	Tax period beginning date missing or invalid
01153	Valid Liability Period End Date Required	Tax period ending date missing or invalid
02707	Liability Period End Date	Tax year begin > Tax year end
04012	Filing Composition Error	Invalid filing combination
04015	Form Not Valid For Tax Year	Liability period incorrect
04017	Field Is Not In Range	Negative value in a positive field
04074	CT ELF Schema Validation Failure	Invalid schema
04075	Invalid Bank Routing Number	Invalid bank routing number
04079	Main Form Check Service Failure	Submission does not contain a main form
04676	ACH Debit > Payment Enclosed	ACH debit amount > payment enclosed amount
04883	Software vendor is not approved	Vendor not approved for e-file
04885	Invalid Format CT34SH Schedule B	Invalid <ShareholderPartner> Format
04998	New York Receipts cannot be negative	New York Receipts cannot be negative

NYS non-schema edits and business rules:**Transmission business rules**

Rule/Validation	Error Category
Federal return required	Missing Document
Both pro forma and consolidated federal returns required	Missing Document
A main form must be included in the filing <ul style="list-style-type: none"> MTA (CT-3M/4M) must be filed with a main form (CT-3 or CT-4) All credit forms and attachments must be filed with a main form (CT-3 or CT-3-S) 	Missing Document

Payment business rules

Rule/Validation	Error Category
Payment amount cannot be greater than the Payment Enclosed amount on the return (Line A on all main forms and extensions).	Incorrect Data

Signature business rules

Rule/Validation	Error Category
Signature check box(es) is required	Missing Document

Amount business rules

Rule/Validation	Error Category
NYS accepts whole dollar amounts only	Incorrect Data

Corporation Tax e-File Terms

MeF (*Modernized e-File*): the 1120/1120S e-file Project that the IRS has been reporting on since 2001 is now known as Modernized e-file (MeF). MeF utilizes a new architecture for processing returns and will accept and validate tax returns in Extensible Markup Language (XML) format. Eventually all IRS e-file programs will use the MeF system to receive and process electronically filed returns.

Preparer Firm's EIN – This number, which exists in the <ReturnHeader> element definition is the Employer Identification Number of the firm which prepared the return (if applicable). It is a 9 digit numeric field, where the first 2 digits represent a pre-defined IRS district office code. The EIN is assigned by the IRS.

Preparer's SSN or PTIN – This number, which exists in the <ReturnHeader> element definition, is a choice between a person's Social Security Number or Preparer's Tax Identification Number. SSN is a 9 digit numeric field, and PTIN begins with

Schema - IRS has structured tax return data into a series of schemas. A schema is an XML document that specifies the data elements, structure, and rules for each form, schedule, document, and/or attachment.

Software ID – This number, which exists in the return header or as a top level element within each schema, identifies the software used to build the return, form, or schedule in XML instance. It's an 8-digit ASCII character field assigned by the IRS. The first two positions identifies the tax year.

The software ID in the ReturnHeader is a required field. If the return was created using just one software package, the SoftwareID in the ReturnHeader should be the only SoftwareID transmitted. If the return is created using more than one software package, the SoftwareID in the other Return Documents must indicate which software package was used for each form.

Transmission ID- This number, which exists in the transmission header, uniquely identifies a transmission for the tax year. It is created by the transmitter. The IRS will return this number in the transmission acknowledgement to uniquely identify the transmission that is being acknowledged. It can be up to 30 digits in length, is alphanumeric, and can contain characters “:”, “.”, and “-“. A timestamp may be used as an ID as long as it is unique within the filing season. Up to 4-decimal fractional digits may be used for the second in a timestamp to ensure its uniqueness.

XML (*Extensible Markup Language*): The language that specifies the structure and content of an XML document, to implement all forms and schedules in electronic format for Modernized e-File. It allows designers to create their own customized tags, enabling the definition, transmission, validation, and interpretation of data between applications and between organizations.

Appendix

Foreign country codes

(NYS uses the Foreign Country Codes as defined by IRS) They are available at:

<http://www.irs.gov/efile/article/0,,id=175595,00.html>.)