Metropolitan Commuter Transportation Mobility Tax (MCTMT) individual definitions

The metropolitan commuter transportation mobility tax (MCTMT) is a new tax imposed on certain employers and self individuals engaging in business within the metropolitan commuter transportation district (MCTD). This department a tax for the Metropolitan Transportation Authority. (The MCTD includes the counties of New York (Manhattan), Bronx, (Brooklyn), Queens, Richmond (Staten Island), Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westche

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Net earnings from self-employment - Is the amount computed on federal Form 1040, Schedule SE, Section A, line 4 or Section B, line 6 depending on which section you are required to complete.

- Net earnings from self-employment means an individual's net earnings from self-employment as defined under section 1402(a) of the Internal Revenue Code (IRC).
- Section 1402(a) defines self-employment income subject to social security taxes. However, in computing the amount of net earnings from self-employment subject to the MCTMT, the annual limitation on the amount of net earnings from self-employment subject to social security tax under section 1402(b)(1) does not apply.

Net earnings from self-employment allocated to the MCTD - An individual's net earnings from self-employment that are attributable to a business carried on within the MCTD.

- If all of an individual's business activity is carried on within the MCTD, all of the individual's net earnings from self-employment are allocated to the MCTD. However, if the individual carries on business activities both inside and outside of the MCTD, the individual must allocate his or her net earnings from self-employment to apply the $10,000 threshold and determine the amount of MCTMT due.
- For the MCTMT, net earnings are allocated using the same rules that apply for purposes of the allocation of business income earned in and out of New York State under the personal income tax rules. Accordingly, if the individual keeps books and records that fairly and equitably show net earnings from self-employment from business activity in the MCTD, the individual may use these books and records to determine the part of net earnings allocated to the MCTD.
- If the books and records do not clearly show the net earnings from self-employment in the MCTD, the individual must allocate his or her net earnings from self-employment using the statutory formula method (business allocation percentage) or another method that has been authorized by the Commissioner of Taxation and Finance. For more information on the statutory formula method see Form MTA-5-I, *Instructions for Form MTA-5.*
- Partnerships or limited liability companies doing business in the MCTD must provide either that actual amount of net earnings from self-employment allocated to the MCTD or the allocation percentage to allow each partner or member to determine the amount of the MCTMT due.

Business activity is carried on inside the MCTD if an individual has, maintains, operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located in the MCTD where his or her business matters are systematically and regularly carried on. Similarly business activity is carried on outside of the MCTD if the individual has, maintains, operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located outside the MCTD where his or her business matters are systematically and regularly carried on.

Qualified partner – is a New York State resident or nonresident partner who meets both of the following conditions:

- The partner must have no net earnings from self-employment allocated to the MCTD other than (1) the partner's net earnings from self-employment allocated to the MCTD from the partnership, or (2) net earnings from self-employment allocated to the MCTD from another partnership where the partner is included in that partnership's MCTMT group filing.
- The partner must waive the $10,000 net earnings from self-employment income threshold for imposing the MCTMT.

Group agent is designated by the partnership and has legal authority to act as an agent in matters relating to the group estimated MCTMT payments and group MCTMT return, for all partners participating in the group. The group agent is required to maintain records relating to the portion of the total estimated tax paid on behalf of each partner and to sign the group return.

Self-employed individuals - Metropolitan Commuter Transportation Mobility Tax (MCTMT)

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The tax applies to you if:

- you have net earnings from self-employment allocated to the MCTD that exceeds $10,000 for the tax year.

Effective date:

- January 1, 2009

How to calculate MCTMT

- Your MCTMT due is .34% (.0034) of your total net earnings from self-employment allocated to the MCTD for the tax year. For **tax year 2009**, use ten-twelfths of your net earnings from self-employment allocated to the MCTD to calculate your MCTMT due.
- You must apply the $10,000 threshold individually even if you file a joint income tax return.

When to file and pay

Estimated tax

- If you will owe any MCTMT, you must make estimated MCTMT payments.
- You can pay your total estimated MCTMT with the first payment or make four equal payments.
- You cannot combine estimated MCTMT payments with any other estimated tax payment.
- **For tax year 2009**, your estimated tax payments are due as follows:

Period	Due date
January 1, 2009 to September 30, 2009*	November 2, 2009
October 1, 2009 to December 31, 2009*	February 1, 2010

*Be sure to use ten-twelfths of your net earnings from self-employment allocated to the MCTD to calculate the estimated payment.

- **For tax years after 2009**, pay estimated tax for each quarter as follows:

Quarter	Due date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

Annual MCTMT return

- Your MCTMT return is due April 30 for calendar year filers and on or before the 30th day of the fourth month following the close of the tax year for fiscal year filers.
- You can request a six-month extension if you can't file your return by the due date, but must full pay any MCTMT due with your request.

How to file and pay

To make an estimated MCTMT payment or file your annual MCTMT return you may:

How to file and pay

To make an estimated MCTMT payment or file your annual MCTMT return you may:

- You can Web File Form MTA-5, *Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher* and Form MTA-6, *Metropolitan Commuter Transportation Mobility Tax Return* (this form is not available yet) through the Online Tax Center and pay directly from your bank account. (You must register to use the Online Tax Center and Web File.)

- File Form MTA-5, *Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher* and pay by check or money order for estimated MCTMT payments.

- Make your check or money order payable in U.S. funds to *Commissioner of Taxation and Finance* for the total payment due. Write your EIN/SSN on your payment.

- File Form MTA-6, *Metropolitan Commuter Transportation Mobility Tax Return*, and pay by check or money order for your annual MCTMT return. (This form is not available yet.)

For more information

- See MCTMT FAQs
- See TSB-M-09(1)MCTMT, *Metropolitan Commuter Transportation Mobility Tax*
- See TSB-M-09(1.1)MCTMT, *Correction to TSB-M-09(1)MCTMT Metropolitan Commuter Transportation Mobility Tax*
- See Form MTA-5-I, *Instructions for Form MTA-5* and Form MTA-6-I, *Instructions for Form MTA-6* (Form MTA-6-I is not available yet)

Partnerships - Metropolitan Commuter Transportation Mobility Tax (MCTMT)

The metropolitan commuter transportation mobility tax (MCTMT) is a new tax imposed on certain employers and self individuals engaging in business within the metropolitan commuter transportation district (MCTD). This department a tax for the Metropolitan Transportation Authority. (The MCTD includes the counties of New York (Manhattan), Bronx, (Brooklyn), Queens, Richmond (Staten Island), Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westche

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Estimated tax requirements

- The partnership must pay estimated MCTMT on behalf of a New York State nonresident partner unless:
  - the estimated MCTMT the partnership is required to pay on the partner's behalf is $300 or less for the tax year;
  - the partner is included in the partnership's group MCTMT filings; or
  - the partner submits Form MTA-405-E, *Certificate of Exemption from Partnership Estimated Metropolitan Commuter Transportation Mobility Tax Paid on Behalf of Nonresident Individual Partners* to the partnership.
- Use Form MTA-405, *Report of Estimated Metropolitan Commuter Transportation Mobility Tax for New York Nonresident Individual Partners* and Form MTA-405-ATT, *Attachment to Form MTA-405* to make estimated tax payments for a New York State nonresident partner (These forms are not available yet).
- Estimated MCTMT payments cannot be combined with any other estimated tax payment.
- **For tax year 2009**, estimated tax payments are due as follows:

Period	Due date
January 1, 2009 to September 30, 2009*	November 2, 2009
October 1, 2009 to December 31, 2009*	February 1, 2010

*Be sure to use ten-twelfths of the partner's net earnings from self-employment allocated to the MCTD to figure the estimated payment.

- **For tax years after 2009**, estimated tax payments are due for each quarter as follows:

Quarter	Due date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

Group filing

To qualify for group filing, the partnership must:

- have two or more qualified partners who want to file as a group and all partners in the group must have the same filing period; and
- appoint one partner as group agent.
- You cannot include a partner in any group filing if the partner:
  - made any individual payments of estimated MCTMT for the year; **or**
  - is a partner in another partnership, but chose not to be included in group MCTMT filings for that partnership.

Group Application

- File Form MTA-599, *Application for Permission to Make Metropolitan Commuter Transportation Mobility Tax Group Estimated Tax Payments and File a Group Return*.
- **For tax year 2009,** Form MTA-599 must be filed on or before September 15, 2009.

Group Application

- File Form MTA-599, *Application for Permission to Make Metropolitan Commuter Transportation Mobility Tax Group Estimated Tax Payments and File a Group Return.*
- **For tax year 2009**, Form MTA-599 must be filed on or before September 15, 2009.
- **For tax years after 2009**, Form MTA-599 must be filed on or before March 15th of the tax year.
- If approved, the group will be issued a special MCTMT identification number which you must use on all MCTMT group filings.
- An approval to file on a group basis will remain in effect unless it is revoked. Annual approval is not required.

Group estimated tax

- Pay estimated MCTMT with Form MTA-5, *Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher* using the special MCTMT identification number assigned to the partnership.
- Group estimated MCTMT payments are due according the Estimated tax requirements above.

Group return

- File a group return on Form MTA-505, *Metropolitan Commuter Transportation Mobility Tax Group Return for Partners*, using the special MCTMT identification number assigned to the partnership (This form is not available yet.)
- The MCTMT return is due April 30th for calendar year filers and on or before the 30th day of the fourth month following the close of the tax year for fiscal year filers.
- Any overpayment of MCTMT cannot be refunded, but must be applied to the group estimated MCTMT account for the following year.
- A six-month extension is available if the MCTMT group return can't be filed by the due date, but any MCTMT due must be full paid with the extension request.

How to file and pay

To make an estimated MCTMT payment:

- You can Web File Form MTA MTA-405, *Report of Estimated Metropolitan Commuter Transportation Mobility Tax for New York Nonresident Individual Partners* through the Online Tax Center and pay directly from your bank account. (To use the Online Tax Center and Web File, you must register your business.)
- File Form MTA-405, *Report of Estimated Metropolitan Commuter Transportation Mobility Tax for New York Nonresident Individual Partners*, and pay by check or money order
- File Form MTA-5, *Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher* and pay by check or money order*
- Make your check or money order payable in U.S. funds to *Commissioner of Taxation and Finance* for the total payment due. Write your EIN/SSN on your payment.

*You can't make **group** estimated MCTMT payments through the Online Tax Center.

To file a group MCTMT return:

- File Form MTA-505, *Metropolitan Commuter Transportation Mobility Tax Group Return for Partners* and Form MTA-505-ATT, *Attachment to Form MTA-505* and pay by check or money order (These forms are not available yet.)

For more information:

- See MCTMT FAQs
- See TSB-M-09(1)MCTMT, *Metropolitan Commuter Transportation Mobility Tax*
- See TSB-M-09(1.1)MCTMT, *Correction to TSB-M-09(1)MCTMT Metropolitan Commuter Transportation Mobility Tax*
- See TSB-M-09(2)MCTMT, *Metropolitan Commuter Transportation Mobility Tax Group Estimated Tax Payments and Group Returns for Partners*
- See Form MTA-5-I, *Instructions for Form MTA-5*, Form MTA-405-I, *Instructions for Form MTA-405*, and Form MTA-505-I, *Instructions for Form MTA-505* (Form MTA-505-I is not available yet.)