

# Anchin Alert

**Anchin, Block & Anchin LLP**  
**Accountants and Advisors**



January 13, 2015

## **Recent Statutory Changes to the New York State Metropolitan Commuter Transportation Mobility Tax (“MCTMT”)**

For tax years beginning **on or after January 1, 2015**, there are significant filing and payment changes to the MCTMT which will affect many unincorporated businesses and self-employed individuals.

### **Who is affected?**

- These changes affect only individuals with net earnings from self-employment (i.e., sole proprietors and partners/members) allocated to the twelve-county Metropolitan Commuter Transportation District.
- These changes do not apply to employers who pay the MCTMT on behalf of their employees.

### **What is affected?**

- The current law was amended to unify and combine the MCTMT payment and filing due dates to personal income tax payment and filing due dates.
  - Beginning with the 2015 tax year, annual MCTMT return information will be reported on personal income tax returns (IT-201 and IT-203).
  - Beginning with the quarterly payment due on April 15, 2015, estimated MCTMT payments will be combined with payments of estimated personal income tax on the 2015 Form IT-2105 (*Estimated Tax Payment Voucher for Individuals*).

### **Special rules for partners and partnerships (including multi-member Limited Liability Companies):**

- For tax years beginning after January 1, 2015, **group MCTMT returns (currently, Form MTA-505) on behalf of qualified NYS resident and nonresident individuals will no longer be permitted to be filed by partnerships.**
  - Partnerships should notify partners who elected to participate in group returns that estimated payment and filing requirements have changed.
  - Overpayments on the “final” 2014 Form MTA-505 will be refunded by the state to the partnership and not to the individual partners.
  - For 2014 calendar-year partnerships as well as those with fiscal-years beginning in 2013 and ending in 2014, the 2014 Form MTA-505 for calendar-year partners/members (due April 30, 2015) will be the “final return”.
- Beginning January 1, 2015, **all** resident and nonresident partners of calendar and fiscal-year partnerships must make individual estimated MCTMT payments using a re-designed 2015 Form IT-2105 (*Estimated Tax Payment Voucher for Individuals*) and report their annual MCTMT information on their individual personal income tax returns.

- Nonresident partners must use form IT-2105--unless the partnership remits estimated MCTMT payments on the partners' behalf as discussed below.
- Nonresidents will report annual MCTMT information on their individual personal income tax returns (Form IT-203)--unless the partner affirmatively elects to participate in a personal income tax group return (Form IT-203-GR) as discussed below.
- Partnerships must make estimated MCTMT payments on behalf of nonresident individual partners-- except in the following instances:
  - The estimated MCTMT required to be paid on behalf of the partner is \$300 or less;
  - The partnership is authorized to file a personal income tax group return and the partner has elected to be included in the group return; or
  - The partner submits the appropriate exemption certificate (Form IT-2658-E) to the partnership.
- Beginning with estimated MCTMT payments due on April 15, 2015, remittances made by partnerships on behalf of nonresidents (not participating in a group return discussed below) will be included with any estimated income tax payments submitted quarterly with Form IT-2658 (*Report of Estimated Tax for Nonresident Partners and Shareholders*). Form IT-2658-MTA will be attached to Form IT-2658.
- A partnership that has any income derived from NY sources may be granted approval to file a personal income tax group return on behalf of its qualified electing nonresident partners.
  - The revised 2015 Form IT-203-GR (*Group Return for Nonresident Partners*) will include MCTMT information. To file a group return, affirmative approval must first be obtained from the NYS Department of Taxation & Finance ("DTF") by filing Form TR-99 (*Application for Permission To File a Group Return*). There must be at least 11 nonresident partners who elect to be included in a group return. Qualifying groups will continue to use Form IT-2105 to remit estimated taxes.
  - As in the past, a partnership filing a group return must (on an annual basis) submit with its Form IT-204 (*Partnership Return*) a list showing the name (in either alphabetical or social security number order) and social security number of each partner who will be included on the group return.

More detailed guidance regarding the above points is anticipated from the Department of Taxation and Finance in the future. For more information, contact Clarence Kehoe, Partner-in-Charge of Anchin's Tax Department, or Tara Burek with our State and Local Taxation Services Group at 212.840.3456.



**Anchin, Block & Anchin LLP**  
**Accountants and Advisors**  
**1375 Broadway, New York, NY 10018**  
**212.840.3456 • www.anchin.com**

