



# **New York State Experience with Corporation Tax Modernized e-File**

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Office of Processing and Taxpayer Services  
NYS Department of Taxation and Finance**

# Business Problem

- Did not have a Corporation Tax e-file program for NY returns
- Did not have a way for software developers to transmit directly to DTF
  - Our direct file program for PIT had come into our processing partner, not DTF. That program was discontinued in 2004 when we converted completely to a Fed/State model for PIT.
- IRS CT e-file program and mandate on certain corporations created a demand for NY to implement an e-file program for those corporations.
- IRS offered a Fed/State Corp Tax program under the MeF platform, but we were not experienced with the technology.

# Business and Technical Challenges

- No experience accepting or parsing complex XML
- Headers, footers and tracking numbers had to be created for us to process the submissions
- We needed to display the data to our business users in a way they could understand it
- DTF never stored or accessed XML
- IRS MeF framework new to us
- Although we had participated in TIGERS since the inception of the project, our development work did not begin until September of 2006 for a January 2007 implementation.

## Project Completion Information

- In Production January 9th 2007. On time!
- Over 2,000 data elements mapped. (only 6 data issues found in production)
- About half of the state returns received by the IRS through MeF were NY returns
- 14 NYS forms supported
- Software (Process Server, DB2 V9, Workplace Forms) all evaluated after June 2006 and used for the first time in production for this project.

# What We Did Right!

- TIGERS participation
- Involve business users in the development process
  - Not just technology driven
- Prototyping
  - Theories tested with simple working prototypes prior to development
- Communication with Software Developers
- Minimize impact on end users

# Results: Support by Software Developers

- Supported by 4 software developers
  - LaCerte (Intuit)
  - Pro-Series (Intuit)
  - Ultra Tax (Thomson Creative Solutions)
  - Taxworks (TaxWorks)
- 14 Forms
  - All primary general business corporation and s-corp forms (no combined filers)
  - High usage credits and schedules
  - Extensions

# Results: Returns Processed Through June 5, 2007

<b>General Business Corporations:</b>	<b>Through 06/05/2007</b>
Returns	1,223
Extensions	790
<b>S-Corps:</b>	
Returns	7,159
Extensions	3,072
<b>Total Submissions</b>	<b>12,244</b>

**7,700** ACH Debits  
with a value of  
**\$1,821,384**

# Results: Happy Department Users

<USAddress>

- <Address>

<AddressLine1>PO BOX 228</AddressLine1>

<City>SCHENECTADY</City>

<State>NY</State>

<ZIPCode>123080000</ZIPCode>

</USAddress>

- </Address>

<AddressChange>X</AddressChange>

<StateOfIncorporation>

<USAddress>

<AddressLine1>45 S.Swan</AddressLine1>

<City>Albany</City>

<State>NY</State>

<ZIPCode>123080000</ZIPCode>

</USAddress>

</StateOfIncorporation>

<HdrCode>

- <FederalReturnFiledOther>String</FederalReturnFiledOther>

<FilerClassificationCode>AA3</FilerClassificationCode>

<FormType>CT5</FormType>

<ReturnTypeCode>CT5</ReturnTypeCode>

<SoftwareDeveloper>

<DeveloperName>

<BusinessNameLine1>Sunrise Investments Inc</BusinessNameLine1>

<BusinessNameLine2>A A</BusinessNameLine2>

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2006 CT-5 New York State Department of Taxation and Finance  
Request for Six-Month Extension to File  
(for franchise/business taxes, MTA surcharge, or both)  
Tax Law — Articles 9-A, 13, 32, and 33

Staple forms here!

All filers must enter tax period:  
beginning 2006-01-01 ending 2006-12-31

Employer identification number 89-0000593	File number A-A-3	Business telephone number (518) 377-3055		
Legal name of corporation SUNRISE INVESTMENTS INC		Trade name/DBA A A		
Mailing name (if different from legal name) and address or SUNRISE COMPANIES PO BOX 228		State and county of incorporation NY	Date received (for Tax Department use only)	
City SCHENECTADY		State NY	ZIP code 12308-0000	Date of incorporation 1978-11-03
		Foreign corporations: date began business in NYS 9999-12-31		Audit use

If your name, employer identification number, address, or owner/officer information has changed, you must file Form DTF-95. If only your address has changed, you may file Form DTF-96. You can get these forms from our Web site, by phone, or by fax. See instructions.

**Request for extension of time to file the following forms:** Mark box(es) for one article only. Submit only one Form CT-5 and mark an X in both boxes in the appropriate article if you are requesting an extension for both the franchise tax and MTA surcharge returns. For example, mark an X in both the CT-3 box and the CT-3M/4M box under Article 9-A if you are requesting an extension of time to file both returns.

Article 9-A		Article 13		Article 32		Article 33	
CT-3 or CT-4	<input checked="" type="checkbox"/>	CT-3M/4M	<input checked="" type="checkbox"/>	CT-13	<input checked="" type="checkbox"/>	CT-32	<input checked="" type="checkbox"/>
				CT-32-M	<input checked="" type="checkbox"/>	CT-33	<input checked="" type="checkbox"/>
						CT-33-C	<input checked="" type="checkbox"/>
						CT-33-NL	<input checked="" type="checkbox"/>

A. Pay amount shown on line 11. Make payable to: **New York State Corporation Tax**  
Attach your payment here. Detach all check stubs. (See instructions for details.)

Payment enclosed	
A.	5503

**Computation of estimated franchise tax**

1 Franchise tax from the worksheet on page 2 of Form CT-5-1.....	1.	\$5,000.00
2 First installment of estimated tax for the next tax year (see instructions).....	2.	\$5,001.00
3 Total franchise tax and first installment (add lines 1 and 2).....	3.	-\$0.00
4 Prepayments of franchise tax (from line 16, column A).....	4.	\$5,002.00
5 Balance due - franchise tax (subtract line 4 from line 3).....	5.	\$5,003.00

**Computation of estimated MTA surcharge**

6 MTA surcharge from the worksheet on page 2 of Form CT-5-1.....	6.	\$5,004.00
7 First installment of estimated MTA surcharge for the next tax year (see instructions).....	7.	\$5,005.00
8 Total MTA surcharge and first installment (add lines 6 and 7).....	8.	-\$0.00
9 Prepayments of MTA surcharge (from line 16, column B).....	9.	\$5,006.00
10 Balance due - MTA surcharge (subtract line 9 from line 8).....	10.	\$5,007.00
11 Total balance due (add lines 5 and 10 and enter here, enter the payment amount on line A above).....	11.	\$5,503.00

**Composition of prepayments** — Use this worksheet to determine the prepayments of franchise tax on line 4 and the prepayments of the MTA surcharge on line 9. See instructions.

	Date paid	A. Franchise tax		B. MTA surcharge	
12 Mandatory first installment.....	12.	2005-11-03	\$5,504.00		\$5,505.00
13a Second installment from Form CT-400.....	13a.	2005-12-15	\$5,506.00		\$5,507.00
13b Third installment from Form CT-400.....	13b.	2006-01-01	\$5,508.00		\$5,509.00
13c Fourth installment from Form CT-400.....	13c.	2006-02-15	\$5,510.00		\$5,511.00
14 Overpayment credited from prior years.....	14.		\$5,512.00		\$5,513.00
15 Overpayment credited from Form CT-.....	15.	CT38			\$5,515.00
16 Total prepayments (total all entries in column A and column B).....	16.		\$5,516.00	5517	

Signature of individual preparing this document 13246	Firm's name (or yours if self-employed) TAX TESTER INC	Official Title PREPARER
Address 1136 PARKWOOD BLVD	City SCHENECTAD	State NY
ZIP code 12308-0000	ID number String	Date 2007-02-28

See instructions for where to file.

NUM

# Future Challenges

- Partnership e-file implementation scheduled for January 2009
  - We don't currently have a partnership e-file program
- Personal Income Tax conversion to e-file to begin in August of 2009
- Fiduciary conversion to MeF? FSET?
  - Dependant on IRS budget and scheduling
- Evolution of TIGERS

**Questions?**