

CLIENT ADVISORY MEMORANDUM

Estimated Tax Payment – New Payment Requirements

New York State has just issued new rules regarding payment of estimated taxes for business taxpayers for payments on December 1, 2011 or thereafter.

Mandated taxpayers must e-file and e-pay corporation tax estimated tax payments (Form CT-400) starting December 1, 2011. These payments can be made through your New York State Online Services account, using ACH debit or ACH credit. You can create or access an online services account by visiting <http://www.tax.ny.gov/online/bus.htm>.

There are penalties of \$50 for each document not filed electronically, \$50 for failure to pay electronically, and there may be a failure to file penalty added on top of these other penalties.

Finally, any overpayment claimed won't be eligible to receive interest until the document is filed electronically.

To delay utilizing the electronic process, we are strongly recommending that any estimated payment due on December 15, 2011 be filed and paid before December 1, 2011. This will allow the final estimate for the calendar year 2011 to be handled as they have been in the past.

One other change is that beginning with the annual sales tax returns due March 20, 2012, annual sales tax returns will be required to be filed and paid electronically. Currently monthly and quarterly filers must file and pay their sales tax electronically.

Czarnowski & Beer, LLP recommends filing annual sales tax returns if there is any question as to whether there is a sales tax issue, even if the tax collected and reported is zero. Filing the return begins the running of the statute of limitations. If no return is filed, the statute of limitations never begins to run and the state has forever to assess the sales tax. We will be more than happy to discuss this enhanced service that we offer properties.

Almost every business entity will need to register to make payments to New York State electronically in the near future. If you have not already done so, please log into the New York State website at <http://www.tax.ny.gov/online/bus.htm> and follow the prompts to set up your online services account.

If you have any questions please contact Stephen W. Beer, CPA.