

Rosen Seymour Shapss Martin & Company LLP

Certified Public Accountants & Profitability Consultants

State and Local Tax Update

Dear Clients and Friends of the Firm:

On June 9, 2009 we sent out an e-mail to you advising you that on May 7, 2009, New York State enacted the Metropolitan Commuter Transportation Mobility Tax ("MCTMT"). New York has recently released guidance regarding this tax.

The tax is effective March 1, 2009 for employers and January 1, 2009 for individuals with net earnings from self-employment.

With respect to employees, all employers must pay a .34% tax on its payroll for all employees working in New York. This tax is due 11/2/09 and will be based on wages paid from March 1, 2009 through September 30, 2009. The payment for the period October 1, 2009 through December 31, 2009 is due February 1, 2010. The payment can be submitted electronically or paper filed on Form MTA-305 which is not yet available.

With respect to individuals with net earnings from self-employment, the tax would be computed at .34% multiplied by ten-twelfths of their estimated 2009 self-employment income. The tax is due 11/2/09 and can be submitted electronically or paper filed on Form MTA-5 and MTA-6 which are not yet available.

With respect to partners of a partnership, LLP or LLC treated as a partnership, a partner subject to the MCTMT is required to file a Metropolitan Commuter Transportation Mobility Tax return (in addition to a New York State income tax return), unless the partner elects to be part of the Firm's MCTMT Group Return.

A partner can qualify to participate in the Group Return provided that (i) the partner has no other net earnings from self-employment allocated to New York State, or (ii) any other net earnings from self-employment from another partnership where the partner is included in that partnership's MCTMT group filing and the partner elects to waive the \$10,000 threshold.

If a Group election is to be made, Form MTA-599 and DTF-350 must be submitted to New York State by September 15, 2009. These forms can be found on the New York State Department of Taxation and Finance website at http://www.tax.state.ny.us/pdf/2009/mctmt/mta599_709.pdf and http://www.tax.state.ny.us/pdf/2009/fillin/inc/df350_709_fill_in.pdf, respectively.

Should you require any additional information on the MCTMT, please feel free to contact Steven J. Eller at (212) 303-1051 or via email at seller@rsmcpa.com.

***Sincerely,
Rosen Seymour Shapss Martin & Company LLP***

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