



Requests for Permission to Use an Alternative Allocation Method

For purposes of filing General Corporation Tax returns NYC-3L and NYC-3A and Unincorporated Business Tax returns NYC-202 and NYC-204, the business allocation percentage of the taxpayer must be computed using the method prescribed by statute and the tax paid accordingly unless prior consent to use a different allocation method has been obtained from the New York City Department of Finance.

If you believe that using the statutory method of allocation does not lead to a result that fairly and equitably reflects your New York City income, you may obtain the Department's consent to use a different allocation method by submitting a written request, separate and apart from your tax return, describing the alternative method that you wish to use. This is a change from the procedure that was in place in past years in which an alternative method could be requested by checking a box on the return and submitting information with the return.

The request may be made before or after the filing of the return. Unless consent to an alternative method is granted prior to the filing of the return, the statutory method for allocation must be used on the return.

The request should be submitted to:

NYC Department of Finance

Attention Ted Tourian
Senior Legal Advisor, Tax Audit & Enforcement Division
375 Pearl St., 30th Floor,
New York, NY 10038

The written request must fully explain your proposed alternative allocation method. This explanation must provide full information regarding the nature and scope of the business activities carried on within and without New York City and provide complete details of how the method you propose would allocate income on a more equitable basis than the statutory method. You must submit calculations of the tax due both under the statutory method and your proposed alternative method.

You should include the taxpayer's name and EIN/SSN, tax type, and the tax year. The request is only applicable to a single tax year.

If the Department consents to the use of the proposed alternative method of allocation and it results in a lower tax liability than the formula basis upon which the tax paid was calculated, you may be entitled to claim a refund of the excess amount you have paid.