Department of Taxation and Finance

Instructions for Form IT-2658
Report of Estimated Tax for Nonresident Individual Partners and Shareholders

IT-2658-I

General information

Tax Law section 658(c)(4) requires the following entities that have income derived from New York sources to make estimated tax payments on behalf of partners or shareholders who are nonresident individuals or C corporations (any corporation other than a federal S corporation):

- New York S corporations;
- Partnerships (other than publicly traded partnerships as defined in Internal Revenue Code (IRC) section 7704);
- Limited liability companies (LLCs) or limited liability partnerships (LLPs) that are treated as partnerships for federal income tax purposes (hereafter collectively referred to as partnerships).

In addition, any partnerships that do business within the Metropolitan Commuter Transportation District (MCTD) must make estimated metropolitan commuter transportation mobility tax (MCTMT) payments on behalf of any New York State nonresident individual partners subject to the MCTMT.

Note: For purposes of the MCTMT, the MCTD is divided into two zones.

- **Zone 1:** Includes the counties of New York (Manhattan), Bronx, Kings (Brooklyn), Queens, and Richmond (Staten Island)
- **Zone 2:** Includes the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester

Who must file

Partnerships and New York S corporations must file Form IT-2658 to make required estimated tax payments on behalf of partners or shareholders who are nonresident individuals with the following exceptions:

- Estimated tax payments are not required for any partner or shareholder whose estimated New York State tax required to be paid for the tax year by the partnership or New York S corporation is $300 or less per tax type (for example, if a partnership is doing business in the MCTD and they calculate an individual partner's required New York State personal income estimated tax payment to be $250 and their estimated MCTMT payment to be $85, no payment is required). **Note:** Partners are still required to make estimated MCTMT payments in their individual capacities if they owe **any** MCTMT.
- Estimated payments are not required for any partner or shareholder if the entity is authorized to file a group return, and the partner or shareholder has elected to be included on the group return. For more information on group returns, see Form IT-203-GR-I, *Instructions for Form IT-203-GR, Group Return for Nonresident Partners*, and Form IT-203-S-I, *Instructions for Form IT-203-S, Group Return for Nonresident Shareholders of New York S Corporations*.
- If the partnership or S corporation elected to be subject to the Pass-Through Entity Tax (PTET) for the current taxable year, the entity may take the PTET credit into account when computing estimated income tax payments for its nonresident partners, members or shareholders who are nonresident individuals. The partnership or S corporation will still be required to make estimated MCTMT payments and estimated tax payments on behalf of corporate partners. For more information on the PTET, visit our website at *www.tax.ny.gov* (search: *PTET)*.

Note: To make estimated tax payments on behalf of partners that are C corporations, use Form CT-2658, *Report of Estimated Tax for Corporate Partners*, and Form(s) CT-2658-ATT, *Attachment to Report of Estimated Tax for Corporate Partners*.

Exemption certificates

Estimated tax payments are not required for any partner or shareholder that files Form IT-2658-E, *Certificate of Exemption from Partnership or New York S Corporation Estimated Tax Paid on Behalf of Nonresident Individual Partners and Shareholders*, with the partnership or New York S corporation certifying that the partner or shareholder will comply in their individual capacity with the New York State estimated tax and tax return filing requirements. For more information, see Form IT-2658-E-I, *Instructions for Form IT-2658-E*.

Do not submit copies of Form IT-2658-E to the Tax Department. The partnerships and New York S corporations may rely on the form to exempt the partners and shareholders from the respective estimated tax provisions. The partnerships and New York S corporations must maintain copies of Form IT-2658-E for their records.

Estimated tax payments are only required for partners and shareholders who are C corporations or nonresident individuals. Estimated tax payments are not required for partners and shareholders who are resident individuals, partnerships, S corporations, estates, or trusts.

If the partnership or S corporation overpays estimated tax for the year, a refund will be issued to the entity only if the entity can establish that the overpayment was attributable to payments made on behalf of a partner or shareholder for whom it was not required to pay estimated tax (for example the entity or partnership erroneously made a payment for a partner that is a trust).

Which forms should be filed

A partnership or S corporation making a payment of estimated tax on behalf of a nonresident individual partner or shareholder must use Form IT-2658 and the applicable attachment(s) depending on which type(s) of estimated taxes they are remitting.

- To report estimated personal income taxes, complete and attach Form IT-2658-NYS, *Attachment to Form IT-2658, Report of Estimated Personal Income Tax for Nonresident Individuals*.
- To report estimated MCTMT, complete and attach Form IT-2658-MTA, *Attachment to Form IT-2658, Report of Estimated MCTMT for New York Nonresident Individual Partners*.

Partnerships and S corporations may use computer-generated forms to report estimated tax payments for partners and shareholders as required on Forms IT-2658-NYS and IT-2658-MTA. For more detailed information, see Form TR-2658, *Revised Standards for Computer-Generated Forms CT-2658-ATT, IT-2658-MTA, and IT-2658-NYS*.

When to make estimated tax payments

The partnership or S corporation estimated payments (personal income tax, and MCTMT if applicable) are due on April 15, 2026; June 15, 2026; September 15, 2026; and January 15, 2027.

The payments must be made by these dates whether the partnership, S corporation, or nonresident individual files its returns on a calendar-year basis or a fiscal-year basis. The partnership or S corporation can pay the entire amount due for the year with the first payment, or pay in four equal installments.

For a fiscal-year partnership or New York S corporation, base the payments for 2026 on the partner's or shareholder's distributive share of partnership or S corporation income for the fiscal year that ends in calendar year 2026.

Notification to partners and shareholders – Every partnership or New York S corporation required to pay estimated personal income tax and MCTMT (if applicable) on behalf of its partners or shareholders must issue a statement to the partners or shareholders

showing the amount of estimated taxes paid on their behalf. The statement must be furnished within 30 days after the estimated tax is paid. There is no specific form for this notification process. The partnership or S corporation may choose the method of notifying its partners or shareholders of the payment. However, the partnership or New York S corporation cannot use federal Form W-2 or any other form or document that would indicate that the payment is income tax withheld. The statement must show that the payment is to be treated as a payment of estimated tax when the partners or shareholders file their New York returns.

The payment of estimated tax by the partnership on behalf of a partner, or by a New York S corporation on behalf of a shareholder, is treated as a payment of estimated tax made by the partner or shareholder at the time the payment is made by the partnership or S corporation. The partners and shareholders can take into account any payments made on their behalf by the partnership or S corporation in determining how much individual estimated tax they must pay.

Penalties

Failure to pay estimated tax on behalf of a partner or shareholder – If a partnership or New York S corporation is required to pay estimated tax on behalf of a partner or shareholder and fails to do so, the entity will pay a penalty of $50 per partner or shareholder for each failure, unless it is shown that the failure is due to reasonable cause and not due to willful neglect.

Underpayment of estimated tax – In the case of an underpayment of estimated tax by the partnership or New York S corporation, a penalty as determined under section 685(c) of the Tax Law will be added to the estimated tax required to be paid.

In general, the partnership or S corporation may owe a penalty if the total estimated tax paid on behalf of all nonresident individuals and corporate partners or shareholders is not equal to or greater than the smaller of:

1) 90% of the estimated tax required to be paid for 2026; or
2) 100% of the estimated tax required to be paid on behalf of partners or shareholders for 2025 (110% of that amount if the entity is not primarily engaged in farming or fishing and the New York source income allocated to nonresident individuals and C corporations (or the net earnings from self-employment allocated to the MCTD for all New York nonresident individual partners in the case of estimated MCTMT payments) is more than $150,000).

Note: This total estimated tax paid calculation is used only to determine if the partnership or New York S corporation owes a penalty for underpayment of tax. It does not take into account whether the entity properly allocated the total payment among the nonresident partners and shareholders.

In addition to the penalties that may be imposed upon the partnership or New York S corporation, partners or shareholders may be subject to penalties on their individual income tax returns if they have not paid sufficient estimated tax for the year.

Specific instructions

Form IT-2658

Mark an ***X*** in the appropriate box to indicate the date for which the estimated tax payments are being made.

Enter the partnership's or New York S corporation's legal name, business name if different, address, and employer identification number (EIN). Please provide a contact name, phone number, and email address.

Foreign addresses – Enter the information in the following order: city, province or state, and then country (all in the *City, village, or post office* box). Follow the country's practice for entering the postal code. **Do not abbreviate the country name.**

Line 2 – Enter the total New York source income of the partnership or New York S corporation. *New York source income* is income, gain, loss, or deduction, and any related Tax Law section 612 modifications derived from or connected with New York State sources.

Note: New York source income of a nonresident shareholder includes certain S corporation gains from acquisition, liquidation, and installment sales of assets to the extent that the business was conducted in New York State. For additional information, see TSB-M-10(10)I, *Amendments to the Treatment of Certain S Corporation Income by Nonresident Taxpayers*.

See Form IT-204-I, *Instructions for Form IT-204, Partnership Return and Related Forms*, to determine if the partnership has income from New York sources. In addition, use those instructions to determine the portion of a nonresident partner's distributive share of partnership income (including New York modifications) that is derived from New York sources.

See Form CT-3-S-I, *Instructions for Forms CT-3-S, New York S Corporation Franchise Tax Return*, to determine if the S corporation has income from New York sources. In addition, use the instructions to determine the portion of the nonresident's pro rata share of federal income and loss and New York Tax Law section 612 modifications that are from New York sources.

Line 5 – Enter the total net earnings from self-employment allocated to the MCTD.

Note: In determining if the exclusion under IRC § 1402(a)(13) applies, an individual shall not be considered a limited partner if they directly, or indirectly, take part in the control, or participate in the management or operations of the partnership such that they are not a passive investor, regardless of their title or characterization in a partnership or operating agreement. In this case, the partnership **must** include each partner's distributive share of income from such partnership when estimating net earnings from self-employment for MCTMT purposes [Tax Law § 800(e)].

Total net earnings from self-employment allocated to the MCTD – Allocate net earnings from self-employment to the MCTD based on the business activity carried on in the MCTD. *Business activity* is carried on in the MCTD if the partnership has, maintains, operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located in the MCTD where business matters are systematically and regularly carried on. Similarly, business activity is carried on outside of the MCTD if the partnership has, maintains, operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located outside the MCTD where business matters are systematically and regularly carried on.

If all of the partnership's business activity for 2026 is carried on in the MCTD (Zone 1, Zone 2, or both), enter the estimated amount that will be reported on the partnership's 2026 Form IT-204, *Partnership Return,* Section 7 – *Partners' share of income, deductions, etc.,* line 101.

If the partnership's business activity for 2026 is carried on inside Zone 1, Zone 2, outside the MCTD, or any combination thereof, you must use one of the following methods to allocate the partnership's estimated net earnings to the MCTD (Zone 1 or Zone 2):

- **Books and records –** If the partnership maintains books and records from which net earnings from self-employment from business activities carried on in Zone 1 or Zone 2 can be fairly and equitably determined, you may enter the net earnings from self-employment allocated to Zone 1 or Zone 2 as determined from the books of account.
- **Business allocation percentage –** If the partnership's books and records do not allow you to determine the partnership's net earnings from self-employment allocated to Zone 1 or Zone 2, use Form IT-204, Section 10 – *New York allocation schedule*

(and its instructions), substituting *Zone 1* or *Zone 2* for *New York State*. Multiply the resulting business allocation percentage by the estimated net earnings from self-employment that will be reported on the partnership's 2026 Form IT-204, Section 7, line 101, and enter the result. If the business allocation percentage method does not fairly and equitably reflect the partnership's net earnings from self-employment allocated to Zone 1 or Zone 2, you may use an authorized alternate allocation method.

⚠ If your business is approved to participate in the START-UP NY program, and is located within a tax-free NY area that is in the MCTD, visit our website (at *www.tax.ny.gov*) for important information on how to calculate the MCTMT.

Submitting payments

Make your check or money order payable in U.S. funds to ***Commissioner of Taxation and Finance*** and write ***IT-2658***, the entity's EIN and the due date you marked at the top of the form on it. Credit cards cannot be used to pay the amount of estimated tax due with this return.

Caution: If you are submitting multiple Form IT-2658s, you must submit a separate payment with each Form IT-2658 filed. One check covering multiple returns, quarters, and/or identification numbers **cannot** be accepted and will be returned, which could lead to penalties.

Note: If the partnership is also required to file Form CT-2658, a separate payment must be sent with Form CT-2658 to the address provided in the instructions for that form (the addresses are different). **A single payment for the amounts due with Form IT-2658 and Form CT-2658 cannot be accepted.**

Fee for payments returned by banks – The law allows the Tax Department to charge a $50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department will not charge the fee.

If your payment is returned, we will send a separate bill for $50 for each return or other tax document associated with the returned payment.

Signatures

A general partner, member, or other authorized person must sign Form IT-2658. Enter your daytime telephone number including the area code. This entry will enable the Tax Department to correct minor errors or omissions by calling you rather than writing or sending back the return.

Paid preparer's signature

If you pay someone to prepare your form, the paid preparer must also sign it and fill in the other blanks in the paid preparer's area of your form. A person who prepares your form and does not charge you should not fill in the paid preparer's area.

Paid preparer's responsibilities – Under the law, all paid preparers must sign and complete the paid preparer section of the form. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. If you are not required to have a NYTPRIN, enter in the *NYTPRIN excl. code* box one of the specified 2-digit codes listed below that indicates why you are exempt from the registration requirement. You **must** enter a NYTPRIN **or** an exclusion code. Also, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your Social Security number.

Code	Exemption type	Code	Exemption type
01	Attorney	02	Employee of attorney
03	CPA	04	Employee of CPA
05	PA (Public Accountant)	06	Employee of PA
07	Enrolled agent	08	Employee of enrolled agent
09	Volunteer tax preparer	10	Employee of business preparing that business' return

See our website for more information about the tax preparer registration requirements.

Third-party designee

If you want to authorize another individual (third-party designee) to discuss this tax return with the New York State Tax Department, mark an ***X*** in the *Yes* box in the third-party designee area of your return. Also print the designee's name, phone number, email address, and any five-digit number the designee chooses as their personal identification number (PIN). If you want to authorize the paid preparer who signed your return to discuss the return with the Tax Department, print the preparer's name in the space for the designee's name and enter the preparer's phone number in the space for the designee's phone number. You do not have to provide the other information requested. If you do not want to authorize another person, mark an ***X*** in the *No* box.

If you mark the *Yes* box, you are authorizing the Tax Department to discuss with the designee any questions related to this return. You are also authorizing the designee to give and receive confidential taxpayer information relating to:

- this return, including missing information,
- any notices or bills arising from this filing that you share with the designee (they will not be sent to the designee),
- any payments and collection activity arising from this filing, and
- the status of your return or refund.

This authorization will not expire but will only cover matters relating to this return. If you decide to revoke this designee's authority at any time, call us (see *Need help?).*

You are not authorizing the designee to receive your refund, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Department. If you want someone to represent you or perform services for you beyond the scope of the third-party designee, you must designate the person using a power of attorney (for example, Form POA-1, *Power of Attorney).*

Where to mail

Mail Form IT-2658, and Form(s) IT-2658-NYS and IT-2658-MTA, and payment to:

NYS ESTIMATED INCOME TAX
PROCESSING CENTER
PO BOX 4123
BINGHAMTON NY 13902-4123

If you are not submitting your form by U.S. Mail, be sure to consult Publication 55, *Designated Private Delivery Services*, for the address and other information.

Specific instructions for Form IT-2658-NYS

Complete columns A through D for each New York nonresident individual partner or shareholder for whom the entity is making an estimated personal income tax payment.

Column A – Name and address of partner/shareholder

Foreign addresses – Enter the information in the following order: city, province or state, and then country (all in the *City, village, or post office* box). Follow the country's practice for entering the postal code. **Do not abbreviate the country name.**

Column C – Partner's/shareholder's percentage of ownership

Enter each nonresident individual partner's or shareholder's ownership percentage in the partnership or corporation. Round the percentage out to four decimal places only. If the actual percentage of ownership is less than .0001, round the percentage to **00.0001**. If the current-year percentage is not available, enter the prior-year percentage.

Column D – Amount of estimated personal income tax paid on behalf of partner or shareholder

You can use the estimated share of 2026 income, deductions, and credits from the partnership or S corporation to determine each partner's or shareholder's estimated tax to be paid on the individual's behalf, or you can use the actual amounts from 2025. However, if the partner or shareholder was not a partner of the partnership or shareholder of the S corporation for 2025, you must use the 2026 estimated amounts to compute the estimated tax to be paid on the individual's behalf. Use the following worksheet to determine the amount of estimated personal income tax to be paid for each individual partner or shareholder.

Estimated personal income tax worksheet
(round to the nearest whole dollar)

1.	Partner's or shareholder's actual (2025) or estimated (2026) distributive share or pro rata share of income earned from New York	1.
2.	Partner's or shareholder's actual (2025) or estimated (2026) share of partnership deductions allocated to New York*	2.
3.	Subtract line 2 from line 1	3.
4.	Multiply line 3 by 10.9% (0.109)	4.
5.	Partnership or S corporation actual (2025) or estimated (2026) credits the partner or shareholder will be entitled to claim from this partnership or S corporation	5.
6.	Estimated personal income tax due *(subtract line 5 from line 4)*	6.
7.	Estimated income tax payment *(see instructions)*	7.

* The amounts to be entered on line 2 include the partner's or shareholder's share of the federal partnership deductions for medical insurance and contributions to IRA, Keogh, and SEP plans allocated to New York. These deductions are allocated to New York in the same manner as the partnership or S corporation income is allocated to New York. Do not include any deductions that are required to be treated as itemized deductions on the partner's or shareholder's federal income tax return. Also do not include the partner's federal deduction for one-half of the self-employment tax, since this deduction is not treated as a partnership deduction for federal income tax purposes.

Estimated personal income tax worksheet instructions

Line 6 – To pay 100% of the nonresident partner's estimated personal income tax with the first required payment, enter the worksheet line 6 amount on Form IT-2658-NYS, in column D. To pay the estimated personal income tax due in installments, continue with line 7.

Line 7 – To pay in four equal installments, multiply the amount on line 6 by 25% (.25); enter the result on line 7 of the worksheet and on Form IT-2658-NYS, in column D.

Specific instructions for Form IT-2658-MTA

Complete columns A through D for each New York nonresident individual partner for whom the partnership is making an estimated MCTMT payment.

Column A – Name and address of partner

Foreign addresses – Enter the information in the following order: city, province or state, and then country (all in the *City, village, or post office* box). Follow the country's practice for entering the postal code. **Do not abbreviate the country name.**

Column C – Partner's percentage of ownership

Enter the partner's ownership percentage in the partnership. Round the percentage to four decimal places only. If the actual percentage of ownership is less than .0001, enter it as ***00.0001***. If the current-year's percentage is not available, enter the prior-year's percentage.

Column D – Amount of estimated MCTMT paid on behalf of partner

You can use an estimate of 2026 net earnings from self-employment allocated to the MCTD to determine the estimated MCTMT to be paid on each partner's behalf or you can use each partner's actual net earnings from self-employment allocated to the MCTD from 2025. However, if the partner was not a partner in the partnership for 2025, you must use the 2026 estimate to compute the estimated MCTMT to be paid on the partner's behalf. Use the applicable worksheet or worksheets below to determine the amount of estimated MCTMT to be paid on behalf of each partner.

Estimated MCTMT Zone 1 worksheet
(round to the nearest whole dollar)

1.	Partner's actual (2025) or estimated (2026) net earnings from self-employment allocated to Zone 1	1.
2.	Estimated MCTMT Zone 1 due *(multiply line 1 by .60% (.0060))*	2.
3.	Estimated MCTMT Zone 1 payment *(see instructions)*	3.

Estimated MCTMT Zone 1 worksheet instructions

Line 1 – If you are using an estimate of net earnings from self-employment allocated to Zone 1 for 2026, multiply the allocated amount from Form IT-2658, line 5, *Total net earnings from self-employment allocated to MCTD* for Zone 1 by the partner's percentage of ownership from Form IT-2658-MTA, column C. Enter the result on line 1 of the worksheet. Otherwise, to use the partner's actual 2025 net earnings from self-employment allocated to Zone 1, multiply the amount from the partnership's 2025 Form IT-204, line 101, by the percentage shown on the 2025 Form IT-204, line 116b. Multiply the result by the partner's percentage of ownership from Form IT-2658-MTA, column C.

Line 2 – To pay 100% of the nonresident partner's estimated MCTMT with the first required payment, enter the line 2 amount on Form IT-2658-MTA, in column D. To pay the estimated MCTMT due in installments, continue with line 3.

Line 3 – To pay in four equal installments, multiply the amount on line 2 by 25% (.25); enter the result on line 3 of the worksheet and on Form IT-2658-MTA, in column D. Combine this total with any amount computed from the *Estimated MCTMT Zone 2 worksheet*.

Estimated MCTMT Zone 2 worksheet
(round to the nearest whole dollar)

1. Partner's actual (2025) or estimated (2026) net earnings from self-employment allocated to Zone 2 ..... 1. _____
2. Estimated MCTMT Zone 2 due *(multiply line 1 by .34% (.0034))* ..... 2. _____
3. Estimated MCTMT Zone 2 payment *(see instructions)* ..... 3. _____

Estimated MCTMT Zone 2 worksheet instructions

Line 1 – If you are using an estimate of net earnings from self-employment allocated to Zone 2 for 2026, multiply the allocated amount from Form IT-2658, line 5, *Total net earnings from self-employment allocated to MCTD* for Zone 2 by the partner's percentage of ownership from Form IT-2658-MTA, column C. Enter the result on line 1 of the worksheet. Otherwise, to use the partner's actual 2025 net earnings from self-employment allocated to Zone 2, multiply the amount from the partnership's 2025 Form IT-204, line 101, by the percentage shown on the 2025 Form IT-204, line 116c. Multiply the result by the partner's percentage of ownership from Form IT-2658-MTA, column C.

Line 2 – To pay 100% of the nonresident partner's estimated MCTMT with the first required payment, enter the line 2 amount on Form IT-2658-MTA, in column D. To pay the estimated MCTMT due in installments, continue with line 3.

Line 3 – To pay in four equal installments, multiply the amount on line 2 by 25% (.25); enter the result on line 3 of the worksheet and on Form IT-2658-MTA, in column D. Combine this total with any amount computed from the *Estimated MCTMT Zone 1 worksheet.*

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our website at ***www.tax.ny.gov***

- get information and manage your taxes online
- check for new online services and features

Telephone assistance

Automated income tax refund status:	518-457-5149
Personal Income Tax Information Center:	518-457-5181
Corporation Tax Information Center:	518-485-6027
To order forms and publications:	518-457-5431
Text Telephone (TTY) or TDD equipment users	Dial 7-1-1 for the New York Relay Service