



# Instructions for Form CT-3-A/BC

## Member's Detail Report Filed by a Corporation Included in a Combined Franchise Tax Return

---

### Filing requirements

Form CT-3-A/BC is an individual certification which includes a detail schedule of the member's business and investment capital and business apportionment line items.

**Each** member, including non-taxpayer members, of the New York State combined group must **annually** file Form CT-3-A/BC **except** for the taxpayer that is the designated agent of the combined group (the corporation responsible for filing Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*).

### E-filers

If you electronically file Form CT-3-A/BC, you must e-file it separately from Form CT-3-A. Do **not** attach it as a PDF. For a list of e-file software, see *Approved software developers for corporation tax e-file*.

### Paper filers

If you file Form CT-3-A/BC by paper, you **must**:

1. enter the employer identification number (EIN) of the designated agent in the space provided, and
2. submit Form CT-3-A/BC to the designated agent who must attach it to Form CT-3-A.

### Reporting period

Use this form for:

- calendar year 2023,
- fiscal years that begin in 2023 and end in 2024, and
- tax years of less than 12 months that begin on or after January 1, 2023, but before January 1, 2024.

You can also use the 2023 form if:

- you have a tax year of less than 12 months that begins and ends in 2024, **and**
- the 2024 return is not yet available at the time you are required to file the return.

In this case you must show your 2024 tax year on the 2023 return and take into account any tax law changes that are effective for tax years beginning **after** December 31, 2023.

All filers must complete the beginning and ending tax year boxes in the upper right corner on page 1 of the form.

### Filing your final return

Mark an **X** in the *Final return* box on Form CT-3-A/BC if the group member is a:

- domestic corporation that ceased doing business, employing capital, owning or leasing property or deriving receipts from activity, in New York State during the tax year and wishes to dissolve; or
- foreign corporation that is no longer subject to the franchise tax in New York State. **Note:** If the foreign corporation remains as a nontaxable member of the combined group, that foreign corporation must continue to file Form CT-3-A/BC.

Do **not** mark an **X** in the *Final return* box:

- if you are only changing the type of return that you file (for example, from Form CT-3-A to CT-3-S); or
- in the case of a merger or consolidation.

On your final return, include:

- the **full** profits from any installment sales made in the final tax year; and
- any remaining profits not yet received from all prior years' installment sales.

Each member of the combined group must include these amounts in its own separate federal income (as that member reports on its Form CT-3-A/BC, Part 1, line 9 or, in the case of the designated agent, on Form CT-3-A, line F). For information on voluntary dissolution and surrender of authority, see Instructions for voluntary dissolution of a New York corporation (search: *dissolution*) and Instructions for surrender of authority by a foreign business corporation (search: *surrender*).

## Line instructions

### Part 1: Group member's general information

#### Line 1

If during the tax year you do business, employ capital, own or lease property, maintain an office, or derive receipts from activity, in the Metropolitan Commuter Transportation District (MCTD), you are subject to the metropolitan transportation business tax (MTA surcharge).

The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

To determine if you are subject to the surcharge, see Form CT-3-M, *General Business Corporation MTA Surcharge Return*.

Mark an **X** in the appropriate box. If Yes, the combined group must file Form CT-3-M.

#### Line 5

If you are a real estate investment trust as defined in Internal Revenue Code (IRC) § 856 that is subject to federal income tax under IRC § 857, or a regulated investment company as defined in IRC § 851 that is subject to federal income tax under IRC § 852, mark an **X** in the box.

#### Line 7

A nontaxpayer member of the combined group is **not** required to pay the fixed dollar minimum tax. However, it is required to report all other items included in all other computations of Form CT-3-A, including receipts for apportionment purposes.

#### Line 9

For this purpose, *Federal separate taxable income* means the amount you computed (or if your federal consolidated group is not the same as your New York combined group, the amount you **would** have computed if the federal consolidated group was comprised of the same members as the New York State combined group):

- in accordance with the provisions of the IRC that govern the computation of taxable income for separate return purposes, but
- **subject to** Treasury Regulations § 1.1502-12.

#### Line 16

Enter the member's share of the amount reported on the designated agent's Form CT-3.4, *Net Operating Loss Deduction (NOLD)*, line 5.

#### Line 17

Generally, the amount entered is the member's share of the amount reported on the designated agent's Form CT-3.4, line 7.

### Part 2: Group member's fixed dollar minimum tax and prepayments

**Note:** If you are a nontaxpayer member of the combined group, skip lines 1 and 2.

#### Section 1

Lines 1 and 2

Each member of the combined group that is subject to tax under Article 9-A must compute its own fixed dollar minimum tax on Form CT-3-A/BC. Enter your New York receipts on line 1. Your New York receipts amount is the amount from Part 6, column C, line 55. To avoid an erroneous assessment or a delay of your refund, you **must** enter an amount on line 1. If you do not have New York receipts, enter **0** on line 1.

Enter the applicable fixed dollar minimum tax on line 2 of this form. To determine the fixed dollar minimum tax, use the appropriate table below. If the combined group qualifies as a qualified New York manufacturer, then each of the members in the combined group that are required to pay the fixed dollar minimum tax use the applicable lower fixed dollar minimum tax rate. For the qualifying criteria of a qualified New York manufacturer, see Form CT-3-A-1, *Instructions for Form CT-3-A*, Part 1, Section A, lines 2 and 4.

For a member of a combined group to use the tax rate for a qualified emerging technology company, **all** members of the group must be qualified emerging technology companies, under Public Authorities Law § 3102-e(1)(c), except that the \$10 million limitation under § 3102-e(1)(c)(1) does **not** apply. For more information, see TSB-M-12(9)C, *Clarification of Qualifications for Qualified Emerging Technology Company (QETC) Tax Credits*.

**Do not pay the tax with Form CT-3-A/BC.** Enter the fixed dollar minimum tax on line 2 of this form and also include it on Form CT-3-A, Part 2, line 4b.

| <b>For a corporation with New York receipts of:</b>                                 | <b>The fixed dollar minimum tax equals</b> |
|---|--|
| Not more than \$100,000   | \$ 25                                      |
| More than \$100,000 but not over \$250,000  | \$ 75                                      |
| More than \$250,000 but not over \$500,000  | \$ 175                                     |
| More than \$500,000 but not over \$1,000,000  | \$ 500                                     |
| More than \$1,000,000 but not over \$5,000,000                                      | \$ 1,500                                   |
| More than \$5,000,000 but not over \$25,000,000                                     | \$ 3,500                                   |
| More than \$25,000,000 but not over \$50,000,000                                    | \$ 5,000                                   |
| More than \$50,000,000 but not over \$100,000,000                                   | \$ 10,000                                  |
| More than \$100,000,000 but not over \$250,000,000                                  | \$ 20,000                                  |
| More than \$250,000,000 but not over \$500,000,000                                  | \$ 50,000                                  |
| More than \$500,000,000 but not over \$1,000,000,000                                | \$ 100,000                                 |
| Over \$1,000,000,000  | \$ 200,000                                 |
| <b>Qualified New York manufacturers and qualified emerging technology companies</b> | <b>The fixed dollar minimum tax equals</b> |
| <b>For a corporation with New York receipts of:</b>                                 |  |
| Not more than \$100,000   | \$ 19                                      |
| More than \$100,000 but not over \$250,000  | \$ 56                                      |
| More than \$250,000 but not over \$500,000  | \$ 131                                     |
| More than \$500,000 but not over \$1,000,000  | \$ 375                                     |
| More than \$1,000,000 but not over \$5,000,000                                      | \$ 1,125                                   |

|   |          |
|---|----------|
| More than \$5,000,000 but not over \$25,000,000 | \$ 2,625 |
| Over \$25,000,000                               | \$ 3,750 |

Short periods: Fixed dollar minimum tax

To compute the New York receipts for short periods (tax periods of less than 12 months):

1. Divide the amount of New York receipts for the tax year by the number of months in the tax year.
2. Multiply the result by 12.

The fixed dollar minimum tax may be reduced for short periods as follows:

| Period  | Reduction |
|---|-----------|
| Not more than 6 months                        | 50%       |
| More than 6 months but not more than 9 months | 25%       |
| More than 9 months                            | None      |

## Section 2

**Note:** Complete this schedule only if the corporation filing Form CT-3-A/BC made prepayments, had prepayments attributable to it, or had amounts credited to it, independent from being a member of the current combined group filing this Form CT-3-A/BC. If you need more space, write **see attached** in this section, and attach a separate sheet showing all relevant prepayment information.

### Line 3

Determine the amount of payment made independent from being a member of the current combined group by completing the *Worksheet for Part 2, line 3* below. If you are completing line 3 for the MTA surcharge, read **New York State mandatory first installment** as **MTA surcharge mandatory first installment**, and read *column A* as *column B*, respectively in the *Worksheet*.

#### Worksheet for Part 2, line 3

|  |          |  |
|--|----------|--|
| From the Form CT-300 used to report the mandatory first installment for the tax period for which <b>this</b> return is being filed ( <b>Note:</b> For calendar-year 2023 filers, that Form CT-300 was due March 15, <b>2023</b> ):   |          |  |
| <b>1</b> Enter the portion of line A ( <i>Payment enclosed</i> ) that represents <b>New York State</b> mandatory first installment paid: generally, the amount on line 6, column A of that Form CT-300.  | <b>1</b> |  |
| <b>2</b> Enter the portion of line 5, column A <b>actually</b> applied toward satisfying the amount on line 2, column A: generally, the lesser of the amount on line 5, column A or the amount on line 2, column A of that Form CT-300. This is your 2022 <i>anticipated overpayment applied</i> . | <b>2</b> |  |
| <b>3</b> Add the amounts on lines 1 and 2, and enter the total here and on Form CT-3-A/BC, Part 2, line 3.   | <b>3</b> |  |

### Line 8

In the **Franchise tax** amount column, enter the **sum** of the amounts reported on Part 2, lines 21 and 26 of the Form CT-3 that the member filed for the tax period immediately prior to the tax period for which this return is being filed.

If for that prior period, the member filed on Form CT-3-A as a member of a **different** combined group, enter the sum of the amounts reported on Part 2, lines 22 and 27 of Form CT-3-A **that is attributable to** the member.

In either instance, if Form CT-3-M was filed for that prior period, enter in the **MTA surcharge** amount column the amount from line 15 of the prior Form CT-3-M that is attributable to the member.

## Parts 3, 4, and 5

For Parts 4 and 5, the line numbers and text on Form CT-3-A/BC correspond to the line numbers of Form CT-3-A. For part and line instructions, refer to the corresponding line instructions in Form CT-3-A-I.

**Note:** Part 3 and Part 4, lines 7 through 15, and line 19, are not included on Form CT-3-A/BC because individual member specific information is **not** required for these lines of Form CT-3-A.

## Part 6: Computation of business apportionment factor

### Line 8

Only mark an **X** in the box when the fixed percentage method is in effect for the **entire combined group** as the election is binding on all members of the group.

### Lines or section headings with a qualified financial instrument (QFI) box

Only mark an **X** in the QFI box when the QFI box on the corresponding lines (in the case of lines 11 and 12) or next to the corresponding section headings on Form CT-3-A, Part 6 has been marked with an **X**.

### Corresponding lines on Form CT-3-A

For this part, the line numbers for this form correspond to the line numbers on Form CT-3-A. For part and line instructions, refer to both the corresponding line instructions in Form CT-3-A-I and the instructions below.

#### Columns A and B

For all lines involving the computation of net gains, net income, or net interest, amounts less than zero are allowed and must be entered where applicable on Form CT-3-A/BC. Amounts less than zero are allowed in columns A and B because these amounts must be netted on a **combined** basis to amounts not less than zero on Form CT-3-A in determining the apportionment factor.

Use a minus sign (-) to report amounts less than zero (not parentheses or brackets).

In column **B** (New York State), generally New York State receipts amounts should be computed on a **combined** group basis, using the applicable apportionment rule or fraction as computed **for the combined group** for each line.

**Example:** For line 45, in column **B**, a combined member would multiply those receipts by a fraction, the numerator of which is the total miles of the **combined group** within New York State and the denominator of which is the total miles of the **combined group** within and outside New York State.

#### Column C

You **cannot** net such gain, income, or interest to an amount less than zero; therefore, you must enter amounts **less than zero** as **0** in this column.

In this column, generally New York State receipts amounts should be computed on a **separate** company basis using the applicable apportionment rule or fraction, as computed on a **separate company basis**, for each line (this includes **not** taking into consideration intercorporate eliminations when computing this column).

**Example:** For line 45, in column **C**, a combined member would multiply its own **separate** amount of receipts from the conduct of a railroad business or a trucking business by a fraction, the numerator of which is the total miles of only that combined member within New York State and the denominator of which is the total miles of only that combined member within and outside New York State.

Corporations in the combined group that are **not** subject to tax under Article 9-A (franchise tax on general business corporations) do not need to complete this column (New York State fixed dollar minimum).

Use worksheets A, B, and C in Form CT-3-A-I, Part 6 instructions to compute certain amounts for lines 10, 12, 21, 24, 28, and 30. You must complete these worksheets before you enter the amounts on these lines in **this** form.

### Line 25

In column A enter the combined **member's** net interest income (not less than zero) from reverse repurchase agreements and securities borrowing agreements.

For this computation, determine a combined member's net interest income after you deduct the amount of the combined member's interest expense from repurchase agreements and securities lending agreements; this amount **cannot** be less than zero.

Compute the amount of a combined member's interest expense to deduct as follows:

1. the combined member's interest expense associated with the sum of the value of the combined member's repurchase agreements where the combined member is the seller or borrower, **plus**
2. the value of the combined member's securities lending agreements where the combined member is the securities lender; provided that such sum is limited to the sum of the value of the combined member's reverse repurchase agreements where the combined member is the purchaser or lender, **plus**
3. the value of the combined member's securities borrowing agreements where the combined member is the securities borrower.

In column C, enter 8% of the amount in column A.

## **Signature**

The return must be certified by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other officer authorized by the taxpayer corporation.

The return of an association, publicly traded partnership, or business conducted by a trustee or trustees must be signed by a person authorized to act for the association, publicly traded partnership, or business.

If an outside individual or firm prepared the return, all applicable entries in the paid preparer section must be completed, including identification numbers (see *Paid preparer identification numbers* in Form CT-1).

Failure to sign the return will delay the processing of any refunds and may result in penalties.

## **Need help? and Privacy notification**

See Form CT-1, *Supplement to Corporation Tax Instructions*.