

CT-3A

New York State Department of Taxation and Finance

Combined Franchise Tax Report 1986

Article 9-A. Tax Law

For calendar year **1986**

or taxable period

beginning _____.

ending _____.

| | | | |
|---|---|-------------|--------------------------|
| File with Processing Unit P.O. Box 1909 Albany, NY 12201 within 2½ months of the end of the taxable period. | Parent corporation's employer identification number | File number | OFFICIAL USE ONLY |
| | Name of parent corporation | | |
| | Number and street | | |
| | City or town | State | |

Federal return was filed on:
 1120 • 1120-A • Consolidated basis • Other _____ •

SPECIAL INSTRUCTIONS

You must get prior permission from the New York State Tax Commission to file on a combined basis.

Complete Form CT-3, Schedules B through G, for each member of the combined group and attach them to this form.

Business group code numbers from Federal return _____.

Total combined assets _____.

IMPORTANT – COMPLETE ALL LINES MARKED • USE ZEROS WHERE APPLICABLE.

Pay amount shown at line 13, Schedule H – MAKE CHECK PAYABLE TO: **NEW YORK STATE CORPORATION TAX** ▶ \$ _____ Payment _____.

SCHEDULE H – COMPUTATION OF COMBINED TAX AND PAYMENTS OF ESTIMATED TAX

| | | | | | | |
|--|----|---|----------|-----|----|-----|
| Allocated combined income - enter from Schedule L, col. (c) line 45 | \$ | X | 10% • | 1 | \$ | • |
| Allocated combined capital - enter from Schedule M, col. (c) line 53 | \$ | X | .00178 • | 2 | | • |
| Alternative base | \$ | X | 10% • | 3 | | • |
| Minimum tax for parent corporation only | | | 250.00 | 4 | | |
| Allocated combined subsidiary capital - enter from Sch. M, col. (c). line 50 | | X | .0009 • | 5 | | |
| Combined tax – largest of 1, 2, 3, or 4, plus 5 | | | | 6a | | • |
| Tax credit(s) – ATTACH FORMS | | | | 6b | | • |
| <input type="checkbox"/> CT-42 • <input type="checkbox"/> CT-43 • <input type="checkbox"/> CT-43.1 • <input type="checkbox"/> CT-45 • <input type="checkbox"/> CT-46 • <input type="checkbox"/> CT-46.1 • <input type="checkbox"/> CT-3C • | | | | 6c | | |
| TOTAL – subtract line 6b from line 6a | | | | 6c | | |
| Combined minimum tax for subsidiaries – number of subsidiaries _____ X \$250.00 | | | | 6d | | |
| Total combined tax – add line 6c and line 6d | | | | 6e | | • |
| First installment for next period: If Form CT-5 was filed, enter amount from line 3 of that form | | | | 7a | | |
| or | | | | 7b | | • |
| If Form CT-5 was not filed and line 6c is over \$1,000, enter 25% of line 6c | | | | 7b | | |
| Total – add line 6e and line 7a or 7b | | | | 8 | | |
| Prepayments | | | | 9 | | • |
| Balance – subtract line 9 from line 8 | | | | 10 | | |
| Interest: Compute on line 6e or line 10, whichever is less | | | | 11 | | • |
| Additional charges: Late filing and late payment penalties – compute on line 6e or line 10, whichever is less | | | | 12a | | • |
| Underpayment of estimated tax penalties, attach Form CT-222 <input type="checkbox"/> • | | | | 12b | | • |
| Balance due – add lines 10, 11, 12a and 12b | | | | 13 | | • |
| OVERPAYMENT (subtract line 8 from line 9) | | | | 14a | | |
| CREDIT to next period | | | | 14b | | • |
| Balance of overpayment (subtract line 14b from line 14a) | | | | 14c | | • |
| CREDIT to CT-3M/4M | | | | 14d | | |
| REFUND (subtract line 14d from line 14c) | | | | 14e | | • |
| REFUND Tax Credits from Form CT-43.1 and CT-46.1 | | | | 14f | | • |
| Combined group issuer's allocation percentage | | | | 15 | | % • |

CERTIFICATION BY AN ELECTED OFFICER OF THE CORPORATION

I hereby certify that this report, including any accompanying rider, is to the best of my knowledge and belief true, correct and complete.

| | | |
|------|---|--------------------|
| Date | Signature of officer | Official title |
| Date | Signature of individual or name of firm preparing this report | Preparer's address |

Information required in Schedule I through M below, can be found in the separate CT-3 prepared for each member of the combined group.

Parent

Schedule I – Computation of the Combined Business Allocation Percentage

| | | |
|--|----|----|
| Property – New York (Schedule G, line 58(e), column A) | 16 | \$ |
| Property – Total (Schedule G, line 58(e), column B) | 17 | |
| New York property percentage (Schedule I, column (c), line 16 ÷ line 17) | 18 | |
| Receipts – New York (Schedule G, line 59(g), column A) | 19 | \$ |
| Receipts – Total (Schedule G, line 59(g), column B) | 20 | |
| New York receipts percentage (Schedule I, column (c), line 19 ÷ line 20) | 21 | |
| Additional receipts factor (Schedule I, column (c), line 21) | 22 | |
| Wages – New York (Schedule G, line 61, column A) | 23 | \$ |
| Wages – Total (Schedule G, line 61, column B) | 24 | |
| New York wage percentage (Schedule I, column (c), line 23 ÷ line 24) | 25 | |
| Total New York percentages (Total – Schedule I, column (c), lines 18, 21, 22 and 25) | 26 | |
| COMBINED BUSINESS ALLOCATION PERCENTAGE (Schedule I, column (c), line 26 ÷ 4) | 27 | |

Schedule J – Computation of the Combined Investment Allocation Percentage

| | | |
|---|----|----|
| Investment capital allocated to New York (Schedule D, line 41, column (g)) | 28 | \$ |
| Total investment capital (Schedule D, line 41, column (e)) | 29 | |
| COMBINED INVESTMENT ALLOCATION PERCENTAGE (Schedule J, column (c), line 28 ÷ line 29) | 30 | |

Schedule K – Computation of the Combined Subsidiary Allocation Percentage

| | | |
|--|----|----|
| Subsidiary capital allocated to New York (Schedule C, line 40, column (g)) | 31 | \$ |
| Total subsidiary capital (Schedule C, line 40, column (e)) | 32 | |
| COMBINED SUBSIDIARY ALLOCATION PERCENTAGE – Schedule K, column (c), line 31 ÷ line 32) | 33 | |

Schedule L – Computation of Allocated Combined New York Income

| | | |
|---|----|----|
| Entire net income before net operating loss deduction | 34 | \$ |
| Combined New York net operating loss deduction (attach rider) | 35 | |
| Combined entire net income (subtract line 35 from line 34) | 36 | |
| Investment income before NOL Apportionment (Sch. B, line 33h) | 37 | |
| Net operating loss apportionment (see instructions) | 38 | |
| Combined investment income (subtract line 38 from line 37) | 39 | |
| Combined business income (subtract line 39 from line 36) | 40 | |
| Allocated investment income (Schedule L, line 39 X Sch. J, line 30) | 41 | |
| Allocated business income (Schedule L, line 40 X Sch. I, line 27) | 42 | |
| Total (line 41 plus line 42) | 43 | |
| Optional depreciation (Schedule B, line 38) | 44 | |
| ALLOCATED COMBINED TAXABLE INCOME (line 43 plus or minus line 44) | 45 | |

Schedule M – Computation of Allocated Combined Capital

| | | |
|---|----|----|
| Total capital (Schedule E, line 48) | 46 | \$ |
| Subsidiary capital (Schedule E, line 49) | 47 | |
| Investment capital (Schedule E, line 51) | 48 | |
| Business capital (Schedule E, line 52) | 49 | |
| Allocated combined subsidiary capital (Schedule M, column (c), line 47 X line 33) | 50 | |
| Allocated combined investment capital (Schedule M, column (c), line 48 X line 30) | 51 | |
| Allocated combined business capital (Schedule M, column (c), line 49 X line 27) | 52 | |
| ALLOCATED COMBINED CAPITAL (Schedule M, column (c), line 51 plus line 52) | 53 | |

LIST COMPLETE NAMES and EMPLOYER IDENTIFICATION NUMBERS FOR ALL MEMBERS OF THIS COMBINED GROUP (Attach additional pages, if necessary)

| Names | Beginning date in combined group | Employer Identification Number |
|---------------|----------------------------------|--------------------------------|
| Parent | | |
| Subsidiary #1 | | |
| Subsidiary #2 | | |
| Subsidiary #3 | | |
| Subsidiary #4 | | |

| Subsidiary #1 | Subsidiary #2 | Subsidiary #3 | Subsidiary #4 | (a) Total | (b) Intercorporate Elimination | (c) Combined Totals Column (a) Minus Column (b) |
|---------------|---------------|---------------|---------------|--------------|--------------------------------------|--|
| Schedule I | | | | | | |
| | | | | | | 16 \$ |
| | | | | | | 17 |
| | | | | | | 18 % |
| | | | | | | 19 \$ |
| | | | | | | 20 |
| | | | | | | 21 % |
| | | | | | | 22 % |
| | | | | | | 23 \$ |
| | | | | | | 24 |
| | | | | | | 25 % |
| | | | | | | 26 % |
| | | | | | | 27 % |
| Schedule J | | | | | | |
| | | | | | | 28 \$ |
| | | | | | | 29 |
| | | | | | | 30 % |
| Schedule K | | | | | | |
| | | | | | | 31 \$ |
| | | | | | | 32 |
| | | | | | | 33 % |
| Schedule L | | | | | | |
| | | | | | | 34 \$ |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |
| | | | | | | 41 |
| | | | | | | 42 |
| | | | | | | 43 |
| | | | | | | 44 |
| | | | | | | 45 |
| Schedule M | | | | | | |
| | | | | | | 46 \$ |
| | | | | | | 47 |
| | | | | | | 48 |
| | | | | | | 49 |
| | | | | | | 50 |
| | | | | | | 51 |
| | | | | | | 52 |
| | | | | | | 53 \$ |

PERMISSION REQUIRED

You must have permission from the New York State Tax Commission to file on a combined basis, to include in your combined report corporations not previously included, or to exclude corporations previously included. Your request for permission must reach the Tax Commission not later than 30 days after the close of the taxable year.

See page 4 for instructions.

Instructions for Form CT-3A Combined Franchise Tax Report

GENERAL INFORMATION

You must get permission from the New York State Tax Commission before you may file as a combined group. You must also get permission to include in your combined report corporations not previously included, or to exclude corporations previously included.

You must request permission within 30 days after the close of the taxable year.

The following requirements must be met:

- There must be 80% or more, direct or indirect, stock ownership or control.
- The corporations in the combined group must be operating a unitary business.
- Filing on an individual basis would distort the activities, business, income or capital.

See New York State *Codes, Rules and Regulations*, Title 20, Sections 6-2.1 through 6-2.7, for complete details.

Mail your permission request to:

NYS Department of Taxation and Finance
COAB - Corporation Tax
W. A. Harriman Campus
Albany, NY 12227-0125

TAXABLE DISCS

A parent corporation may elect to file a combined report with a taxable domestic international sales corporation (DISC) if it beneficially owns substantially all of the DISC's voting capital stock. The entire net income of a taxable DISC is zero.

"Substantially all" is ordinarily considered the ownership or control of 80 percent or more of the voting capital stock of the issuing corporation throughout the taxable year.

OTHER FORMS REQUIRED

Every corporation included in a combined report **must** file a separate report on Form CT-3. Schedules D through Q must be completed and the appropriate information transferred to Schedules I through M to compute the combined tax. When a member of the group is also a stockholder in a tax-exempt DISC, Form CT-3C must be completed and the consolidated data transferred to the appropriate CT-3A schedules.

MINIMUM TAX

Each corporation included in the combined report (other than a foreign corporation not doing business in New York State and the corporation paying the combined tax) is required to pay a minimum tax.

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

| | |
|---|-----|
| A period of not more than six months | 50% |
| A period of more than six months but not more than nine months. | 25% |

BUSINESS AND INVESTMENT ALLOCATIONS

The elections to allocate entire net income or total business and investment capital by either the business or investment allocation percentage are not available to corporations included in a combined report (Tax Law 210.6). Therefore, such corporations claiming allocation must complete Schedules D and G, Form CT-3.

COMBINED GROUP ISSUER'S ALLOCATION PERCENTAGE

Each group must compute its combined group issuer's allocation percentage. The percentage is computed by dividing the total of the allocated combined capital (Schedule M, line 53, Column (c)) and the allocated combined subsidiary capital (Schedule M, line 50, Column (c)) by total combined capital (Schedule M, line 46, Column (c)). The combined group issuer's allocation percentage must be entered on line 15, Schedule H, and on each individual CT-3 on line 15.

SCHEDULE H — COMPUTATION OF COMBINED TAX

The combined group is required to compute the combined tax in this schedule. **Do not use Schedule A from Form CT-3.**

LINE 3, COMPUTATION OF ALTERNATIVE BASE

The alternative base is computed by adding together the combined entire net income (line 34, Schedule L) and the sum of the officers' and stockholders' compensation (line 57, Schedule F, Form CT-3) of all the corporations included in the combined report. A \$30,000 exemption will be allowed against the combined total of entire net income plus officers' salaries and stockholders' compensation. For further details, see instructions for the computation of the alternative base for Form CT-3.

SCHEDULE L

Line 35. The combined net operating loss deduction is subject to the same limitations which apply for purposes of the Federal income tax as if the same corporations filed a consolidated federal return.

Line 38. A net operating loss deduction must be apportioned between combined business income and combined investment income. The amount apportioned to investment income is computed by multiplying the combined net operating loss deduction by a ratio. This ratio is a fraction whose numerator is combined investment income (lines 37, column c) and whose denominator is combined entire net income (line 34, column c). The ratio may be expressed as a percentage.