2005

New York State Department of Taxation and Finance

Instructions for Forms CT-33-A, CT-33-A/ATT, and CT-33-A/B

CT-33-A-I

Life Insurance Corporation Combined Franchise Tax Return

Tax Law — Article 33

Important reminder to file a complete return: You must complete all required schedules and forms that make up your return, and include **all pages** of those forms and schedules when you file. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Up-to-date information affecting your 2005 tax return

Visit the *Corporation Tax Up-to-Date Information* page on our Web site at *www.nystax.gov* for Tax Law changes or forms corrections that occurred after the forms and instructions were printed.

New for 2005

Additional reporting requirements for tax shelters — The Tax Law has been amended to provide new reporting requirements with respect to the disclosure of information relating to transactions that present the potential for tax avoidance (tax shelters). These new reporting requirements are similar to the tax shelter disclosure requirements for federal income tax purposes. Separate reporting requirements are imposed on those who utilize tax shelters and on those who promote the use of tax shelters. The amendments impose penalties for nondisclosure and the underpayment of taxes due to participation in these transactions, extend the statute of limitations for assessments relating to these transactions, and create a voluntary compliance initiative to allow taxpayers to report and pay underreported tax liabilities and interest attributable to these transactions with a waiver of penalties. For more information, see TSB-M-05(2)C (for business taxes) or TSB-M-05(4)I (for personal income tax), *Disclosure of Certain Transactions and Related Information Regarding Tax Shelters.* Also see TSB-M-05(2.1)C (for business taxes) or TSB-M-05(4.1)I (for personal income tax), *Supplement to the Disclosure of Certain Transactions and Related Information Regarding Tax Shelters.*

Your refund or overpayment may be applied against outstanding tax debts owed to other states — Due to a recent law change, your refund or overpayment may be reduced by amounts of outstanding tax debts owed to other states. The Commissioner of Taxation and Finance may enter into a reciprocal agreement with other states to offset a New York tax refund or overpayment against tax liabilities owed to other states, provided those other states agree to offset overpayments due their taxpayers against tax debt owed to New York. For more information concerning these changes, see *Collection of debts from your refund or overpayment* on page 4 and TSB-M-05(3)C, *Summary of Corporation Tax Legislative Changes Enacted in 2005.*

Certified capital company (CAPCO) tax credits extended — Section 11 of the Tax Law was amended to provide for CAPCO program 5. This program provides $60 million of certified capital, which may be allocated and allowed as tax credits under sections 11 and 1511(k) of the Tax Law. Although investments in this program may begin in 2005, the credits may not be claimed until 2007. For more information, see TSB-M-05(3)C and Form CT-33.1, *Claim for CAPCO credit.*

Transferability of CAPCO tax credits — The Tax Law has been amended to allow an insurance company that is a certified investor to transfer their unused CAPCO tax credits, in whole or in part, to any affiliate within an affiliated group of taxpayers, who are subject to tax under Article 33. The insurance corporation making the transfer must notify the Tax Department and the Insurance Department within 45 days of a transfer or sale of the credit. This amendment takes effect immediately and applies to all credits transferred on or after August 1, 2003. For more information, see TSB-M-05(3)C and Form CT-33.1, *Claim for CAPCO Credit.*

Qualified empire zone enterprise (QEZE) credits — Chapter 63 of the Laws of 2005 made numerous changes to the Empire Zone (EZ) program. The new legislation extends the sunset date for the EZ program until June 30, 2011, and changes the qualifications for the QEZE benefits under the Tax Law, as well as the formula for calculating the QEZE real property tax credit for QEZEs first certified on or after April 1, 2005. For a complete listing of all changes, see TSB-M-05(3)C.

New and revised QEZE tax credit forms — Due to the numerous changes to the EZ program, the QEZE credit for real property taxes and QEZE tax reduction credit have been separated into two corporation tax credit forms. Form CT-604, *Claim for QEZE Tax Reduction Credit,* will now be used solely to calculate the QEZE tax reduction credit. The new Form CT-606, *Claim for QEZE Real Property Taxes,* will be used to calculate the QEZE credit for real property taxes. Both credit claim forms now have separate sections. The taxpayer must complete the appropriate section(s) based on whether the effective date of the *Certificate of Eligibility* was prior to April 1, 2005, or on or after April 1, 2005. For more information, see Form CT-604 and Form CT-606.

Enhanced EZ wage tax credits — For tax years beginning on or after January 1, 2005, the EZ wage tax credit was enhanced for certain employees. The definition of *targeted employee* is expanded to include veterans and, for investment zones, the dollar amount of credit per employee is increased by $500 for each individual who received wages in excess of $40,000 for the tax year. For more information, see TSB-M-05(3)C and Form CT-601, *Claim for EZ Wage Tax Credit.*

Brownfield credits – For tax years beginning on or after April 1, 2005, a taxpayer who is a participant in the *Brownfield Cleanup Program* and enters into a brownfield site cleanup agreement with the Department of Environmental Conservation may be eligible for any one of three new credits relating to the cleanup and development of brownfield sites. These credits are: brownfield cleanup and redevelopment tax credit (consists of three separate and distinct components involving site cleanup, groundwater cleanup, and development on a qualified site that was formerly a brownfield); the remediated brownfield tax credit for real property taxes; and the environmental remediation insurance credit. In addition, an entire net income (ENI) modification is required for those premiums paid for environmental remediation insurance that were deducted in computing federal taxable income, and for which the environmental remediation insurance credit is being claimed. For more information, see the instructions for Forms CT-611, *Claim for Brownfield Redevelopment Tax Credit;* CT-612, *Claim for Remediated Brownfield Credit for Real Property Taxes;* and CT-613, *Claim for Environmental Remediation Insurance Credit.* For information regarding the *Brownfield Cleanup Program,* visit the Department of Environmental Conservation's Web site at *www.dec.state.ny.us*.

Filing fees for disregarded limited liability corporations (LLCs) — For tax years beginning in 2005 and 2006, the filing fee has been restored for every LLC that is a disregarded entity for federal income tax purposes, and has income derived from New York sources. These disregarded LLCs must file Form IT-204-LL, *Limited Liability Company/Limited Liability Partnership Filing Fee Payment Form,* within 30 days after the last day of its tax year. For more information, see TSB-M-05(3)C and Form IT-204-LL.

General Information

Corporations subject to tax under Article 33:

- Domestic insurance corporations for the privilege of exercising a corporate franchise.
- Foreign and alien insurance corporations doing business, employing capital, owning or leasing property, or maintaining an office in this state.
- Any life insurance company whose *Certificate of Authority* from the Superintendent of Insurance has expired, or that ceases to transact new business in this state, but has business remaining in force in this state.
- Insurance corporations exempt from federal income tax but that conduct business in this state.
- Unauthorized life insurance corporations affiliated with an insurer licensed in this state, and operating from an office within this state pursuant to New York State Insurance Law sections 1101(b)(5) and 2117(i). For more information, see TSB-M-00(1)C, *Amended Definition of Insurance Corporation*.

Exceptions: Life insurance corporations specifically exempted by Tax Law section 1512 do not have to File Form CT-33 or Form CT-33-A. Captive insurance companies must file Form CT-33-C, *Captive Insurance Company Franchise Tax Return.*

Definition of insurance corporation — An *insurance corporation* as defined by section 1500 of Tax Law Article 33 is any corporation, association, joint stock company or association, person, society, aggregation, or partnership, doing an insurance business.

Definition of life insurance corporation — A *life insurance corporation* is any insurance corporation that is authorized to transact the business of life insurance in New York State under a certificate of authority from the Superintendent of Insurance of the New York State Insurance Department.

Life insurance corporations subject to a floor limitation on tax — Life insurance corporations are subject to the franchise tax computed under Tax Law section 1502, and the additional franchise tax computed under section 1510, as limited by Tax Law section 1505(a)(2). In addition, life insurance corporations are subject to a floor limitation on tax under section 1505(b). The total franchise tax on life insurance corporations, computed before the application of any tax credits, cannot be less than 1.5% of the premiums subject to tax under Tax Law section 1510.

Deduction for certain reinsurance premiums — Effective for tax years beginning on or after January 1, 1990, Tax Law section 1510(c) has been amended to allow a deduction from gross direct premiums for certain reinsurance premiums received from insurers not authorized by the Superintendent of Insurance to transact business in this state. For more information, see TSB-M-03(3)C, *New Deduction Under Article 33 of the Tax Law for Certain Reinsurance Premiums, and Limited Opportunity for Refund of Tax Paid on These Premiums.*

Who may be permitted or required to file a combined return — Life insurance corporations may be permitted or required to file on a combined basis at the discretion of the Tax Department. When you file Form CT-33-A, you must also provide a *Combined Filer Statement* (Form CT-50 or CT-51) setting forth the names and other identifying information requested for each member of the group. These corporations may file on a combined basis if they meet **any** of the following requirements:

- The taxpayer owns or controls, either directly or indirectly, 80% or more of the voting capital stock of all the other corporations that are to be included in the combined return.
- 80% or more of the voting capital stock of the taxpayer is owned or controlled, either directly or indirectly, by other corporations that are to be included in the combined return.
- 80% or more of the voting capital stock of the taxpayer and 80% or more of the voting capital stock of the other corporations that are to be included in the combined return are owned or controlled, either directly or indirectly, by the same interests.

To file a combined return, taxpayers must also meet a distortion requirement. The activities, business, income, or capital of a taxpayer is presumed to be distorted when filing a return on a separate basis if 50% or more of the transactions are intercorporate transactions among the corporations.

A combined return is **not** required or permitted:

- to include corporations not subject to tax under Tax Law Article 33
- to include any nontaxpayer, unless the Commissioner of Taxation and Finance deems inclusion necessary to properly reflect the tax liability under this Article (see Tax Law section 1515(f))

Reporting period — Your tax year for all members of the combined group in New York State must be the same as the federal tax year. Use this tax return for tax years beginning in 2005, both calendar and fiscal, and for short periods beginning in 2006 and ending before December 31, 2006. Complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

Which forms to file — Each member of the combined group, **including** the parent, must complete and sign Form CT-33-A/ATT, *Schedules A, B, C, D, and E – Attachment to Form CT-33-A*.

A combined group with more than one subsidiary must file Form CT-33-A/B, *Subsidiary Detail Spreadsheet*, which must include all the individual member information. The lines on this form are identical to the lines on Form CT-33-A; therefore separate line instructions are not needed.

Metropolitan transportation business tax (MTA surcharge) section 1505-a — Any insurance corporation taxable under Article 33 that does business, employs capital, owns or leases property, or maintains an office in the Metropolitan Commuter Transportation District (MCTD) must file Form CT-33-M, *Insurance Corporation MTA Surcharge Return,* and pay the MTA surcharge imposed by section 1505-a. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. Corporations not doing business in the MCTD must disclaim liability for the tax surcharge by answering *No* to the question on page 1 of Form CT-33-A. They are not required to file Form CT-33-M.

When and where to file — File your return within 2½ months after the end of your reporting period. If you are reporting for the calendar year, file your return on or before March 15. If your filing date falls on a Saturday, Sunday, or legal holiday, then you must file your return on or before the next business day.

If you cannot meet this filing deadline, you may ask for a six-month extension of time by filing Form CT-5.3, *Request for Six-Month Extension to File (for combined franchise tax return, or combined MTA surcharge return, or both)*.

Mail returns to: **NYS CORPORATION TAX, PROCESSING UNIT, PO BOX 22038, ALBANY NY 12201-2038.**

Also mail a copy to: **NYS INSURANCE DEPARTMENT, ONE COMMERCE PLAZA, ALBANY NY 12257.**

Private delivery services — If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return and pay tax. However, if, at a later date, you need to establish the date you filed your return or paid your tax, you cannot use the date recorded by a private delivery service unless you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services.* See *Need help?* on page 10 of these instructions for information on ordering forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your return, contact that private delivery service for instructions on how to obtain written proof of the date your return was given to the delivery service for delivery. If you use any private delivery service, whether it is a designated service or not, address your return to: State Processing Center, 431C Broadway, Albany NY 12204-4836.

Computerized returns — We will accept computer-produced corporation tax returns if they meet our printing specifications. For information, see Publication 76, *Specifications for Reproduction of New York State Corporation Tax Forms.*

Form CT-33-A/B exception: If you wish, you may substitute a computer printout that replicates all the information requested on Form CT-33-A/B. You may reduce the printout to fit on 8½-by-11-inch paper. This exception applies to Form CT-33-A/B only. It does not apply to Form CT-33-A or most other corporation tax forms.

Amended return — If you are filing an amended return, please mark an ***X*** in the *Amended return* box on the top of Form CT-33-A.

Important identifying information — For us to process your corporation tax forms, it is important that we have the necessary identifying information. Enter your employer identification number and file number above your corporation name and address. If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms.

Change of address — If your address has changed, please enter your new address in the appropriate area and mark an ***X*** in the box above the address so that we can update your address for this tax type. Do not mark an ***X*** in this box for any change of business information other than for your address.

Change in business information — You must report any changes in your business name, ID number, mailing address, physical address, telephone number, or owner/officer information on Form DTF-95, *Business Tax Account Update.* If only your address has changed, you may use Form DTF-96, *Report of Address Change for Business Tax Accounts,* to correct your address for this and all other tax types. You can get these forms from our Web site, or by fax or phone. See *Need help?* on page 10 of these instructions for the Web address and phone number.

NAICS business code number — Enter the six-digit NAICS business code and principal business activity on Form(s) CT-33-A/ATT.

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

If an outside individual or firm prepared the return, the signature of the person and the name of the firm must be included.

Whole dollar amounts — You may elect to show amounts in whole dollars rather than in dollars and cents. Round any amount from 50 cents through 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar.

Negative amounts — Show any negative amounts with a minus (-) sign.

Percentages — When computing allocation percentages, convert decimals into percentages by moving the decimal point two spaces to the right. Round percentages to four decimal places.
Example: *5,000/7,500 = 0.6666666 = 66.6667%.*

Line instructions for Forms CT-33-A and CT-33-A/B

General explanation

Form CT-33-A/ATT must be completed for each member of the combined group, including the parent, prior to completing Form CT-33-A and CT-33-A/B (if applicable). See instructions for Form CT-33-A/ATT beginning on page 9.

Although the parent corporation is not necessarily the corporation that files Form CT-33-A, for purposes of this form the corporation responsible for filing this form is designated the *parent*. Any other corporations included in the combined form are designated *subsidiaries*.

Use Form CT-33-A to compute the combined tax. The parent reports its figures in Column A *(Parent)* of Form CT-33-A.

If there is only one subsidiary included in the combined group, Form CT-33-A/B is not required. Report the subsidiary's amounts in Column B *(Total subsidiaries)* of Form CT-33-A.

If there are two or more subsidiaries included in the combined group, the subsidiaries report their figures on Form CT-33-A/B. Form CT-33-A/B provides a column for each subsidiary. Add the columns on Form CT-33-A/B together, and transfer the amounts from the *Total* column to Column B *(Total subsidiaries)* of Form CT-33-A.

Add Columns A and B on Form CT-33-A together and enter the subtotal in column C.

Enter in column D any intercorporate eliminations. Attach a list of any intercorporate eliminations for each corporation listed in the combined return. Subtract column D from the subtotal column in column C and enter the balance in column E *(Combined total)*.

The line instructions below are used for both Forms CT-33-A and CT-33-A/B. (Do not complete the shaded areas of these forms.)

Line A — Make your payment in United States funds. We will accept a foreign check or foreign money order only if payable through a United States bank or if marked ***Payable in U.S. funds.***

Lines 1 through 33 — Computation of tax and installment payments of estimated tax

Line 11a — Enter the amount of empire zone (EZ) and zone equivalent area (ZEA) tax credits claimed on line 117. These credits **must** be subtracted from the tax on line 10 and **not** from the tax on line 15.

Line 11b — Subtract line 11a from line 10 and enter the result on this line. The amount after EZ and ZEA tax credits claimed may not reduce the tax due on line 11b to less than the minimum tax of $250.

Line 12 — Enter the number of subsidiaries included in the combined return (**excluding** foreign corporations not doing any insurance business in New York State and the corporation paying the combined tax) in the first box on this line, and multiply by the minimum tax of **$250**.

Line 16 — Enter the amount of tax credits from line 118. A special rule applies to taxpayers claiming EZ and ZEA tax credits. See line 11a.

Line 23 — If you underpaid your estimated tax, use Form CT-222, *Underpayment of Estimated Tax by a Corporation*, to compute the penalty. Enter ***0*** if no penalty is due.

Line 24 — If you do not pay the tax due on or before the original due date (**without** regard to any extension of time for filing), you must pay interest on the amount of underpayment (line 17 minus line 21), from the original due date to the date paid. Exclude from the interest computation any amount shown on line 18 or 19, first installment of estimated tax for next period.

Line 25 — Compute additional charges for late filing and late payments on the amount of tax minus any payment made on or before the due date (**with** regard to any extension of time for filing) (line 17 minus line 21). Exclude from the penalty computation any amount shown on line 18 or 19.

A. If you do not file a return when due or if the request for extension is invalid, add to the tax 5% per month up to 25% (section 1085(a)(1)(A)).
B. If you do not file a return within 60 days of the due date, the addition to tax in item A above cannot be less than the smaller of $100 or 100% of the amount required to be shown as tax (section 1085(a)(1)(B)).
C. If you do not pay the tax shown on a return, add to the tax ½% per month up to 25% (section 1085(a)(2)).
D. The total of the additional charges in items A and C above may not exceed 5% for any one month except as provided for in item B above (section 1085(a)).

If you think you are not liable for these additional charges, attach a statement to your return explaining reasonable cause for the delay in filing, payment, or both (section 1085).

Note: You may compute your penalty and interest by accessing our Web site and clicking on *Electronic Services,* or you may call, and we will compute the penalty and interest for you.

Lines 32a and 32b — If you request a refund of unused tax credits, enter the total amount on line 32a. If you request tax credits to be credited as an overpayment to next year's tax, enter the total amount on line 32b. Attach the appropriate tax credit forms.

Collection of debts from your refund or overpayment — We will keep all or part of your refund or overpayment if you owe a past-due, legally enforceable debt to a New York State agency, or to another state, or if you owe a New York City tax warrant judgment debt. If we keep your refund or overpayment, we will notify you.

A New York State agency includes any state department, board, bureau, division, commission, committee, public authority, public benefit corporation, council, office, or other entity performing a governmental or proprietary function for the state or a social services district. We will refund or apply as an overpayment any amount over your debt.

If you have any questions about whether you owe a past-due, legally enforceable debt to a state agency, or to another state, or whether you owe a New York City tax warrant judgment debt, contact the state agency, the other state, or the New York City Department of Finance.

For New York State tax liabilities only, call 1 800 835-3554 (from areas outside the U.S. and outside Canada, call (518) 485-6800) or write to: NYS Tax Department, Tax Compliance Division, W A Harriman Campus, Albany NY 12227.

For New York City liabilities only, call (212) 232-3550.

Schedule A — Computation of combined allocation percentage

A taxpayer doing business both inside and outside New York State may allocate its combined business and investment capital, combined entire net income, and combined entire net income plus compensation.

Compute the combined allocation percentage by adding the percentages of the taxpayer's premiums allocated to New York State (multiplied by nine) and payroll allocated to New York State, and dividing the total by ten. For both the numerator and denominator of the combined premium allocation percentage, the term *premium* includes all amounts received as consideration for insurance, reinsurance, and annuity contracts, including premium deposits, assessments, policy fees, membership fees, and all other compensation for such contracts. Include premiums received for a long-term care insurance policy exempt under United States Code (USC) Chapter 90, Title 5, and premiums for federal group life insurance exempt under USC Chapter 87, Title 5, when computing the premium percentage.

Attach a separate schedule showing the computation of New York premiums included on lines 34 through 39.

Line 34 — Enter the total combined New York taxable premiums received from Schedule F, line 96, plus any additional premiums on these types of policies that were written, procured, or received in New York on business that cannot be specifically assigned as located or resident in any other state or states, that were not included on line 96 (attach schedules for such additional premiums). Do not include in this amount any separate costs assessed by the insurance corporation upon its policyholders. See Tax Law section 1504(b)(2)(A).

Line 35 — Enter the total ocean marine premiums written, procured, or received on property or risks located or resident in New York State, plus ocean marine premiums written within New York State on property or risks that cannot be specifically assigned as located or resident in any other state or country. See Tax Law section 1504(b)(2)(C).

Line 36 — Enter the total of premiums for annuity contracts and insurance for the elderly that are written, procured, or received on risks located or resident in New York State, and those premiums for annuity contracts and insurance for the elderly written, procured, or received in New York State, on business that cannot be specifically assigned as located or resident in any other state or states.

Line 37 — Enter the total New York premiums on reinsurance assumed from authorized companies. Include premiums allocated to New York State where the location of the risk cannot be determined and premiums from risks located in New York State. Also include reinsurance premiums from unauthorized companies that relate to transactions authorized under Insurance Law section 2105 and that are subject to the premiums tax on excess-lines brokers under Insurance Law section 2118.

Include the amount from the parent's Form CT-33-A/ATT, Schedule A, line 1, in column A *(Parent)*. If there is only one subsidiary in the combined group, include the amount from its Form CT-33-A/ATT, Schedule A, line 1, directly in column B *(Total subsidiaries)*. If there is more than one subsidiary in the combined group, include the amount from Form CT-33-A/B, line 37 *(Total)*, in column B *(Total subsidiaries)*.

Line 39 — Enter the total amount of New York premiums included on line 38 that were ceded to other insurance companies.

Attach a separate schedule showing the computation of total premiums included on line 41.

Line 41 — You must report total premiums on a written or paid-for basis, consistent with the basis required by the annual statement filed with the Superintendent of Insurance.

First, determine total gross premiums, deposit premiums, and assessments, minus returns thereon, on **all** policies, annuity contracts, certificates, renewals, policies subsequently canceled, and insurance and reinsurance executed, issued, or delivered on property or risks, including premiums for reinsurance assumed. Include **only** those special risk premiums written, procured, or received in New York State on risks located or resident in New York State.

From the total amount determined, deduct dividends on total premiums and premiums on reinsurance ceded. When computing the dividend deduction, include unused or unabsorbed portions of premium deposits paid or credited to policyholders, but not deferred dividends paid in cash to policyholders on maturing policies or cash surrender values.

Attach a separate schedule indicating how you computed the amounts shown on lines 44 and 45 and where these amounts are shown on the federal return.

Lines 44 and 45 — Enter total wages, salaries, personal service compensation, and commissions for the tax year of employees, agents, and representatives regularly connected with or working out of an office or place of business maintained within New York State, on line 44. It does not matter where the services were performed. Enter total wages, salaries, personal service compensation, and commissions for the tax year of all employees, agents, and representatives, on line 45. When computing the payroll percentage, include any commissions or personal service compensation derived from policies for a long-term care insurance policy under USC Chapter 90, Title 5, and from policies for federal group life insurance under USC Chapter 87, Title 5.

Line 48 — If the premiums factor is missing from line 42, the income allocation percentage is the payroll factor percentage on line 46. If the payroll factor is missing from line 46, the income allocation percentage is the premium factor percentage on line 42. A factor is missing if both its numerator and denominator are zero. If the numerator is zero and the denominator has a positive figure, the factor has an allocation value of 0% and is included in the computation of the allocation percentage.

Schedule B — Computation and allocation of combined subsidiary capital

If corporations in the combined group have investments in or have received intercompany advances from other corporations in the combined group, eliminate all of these investments and advances before computing and allocating combined subsidiary capital.

Lines 49 through 52 — Obtain the amounts on Forms CT-33-A and CT-33-A/B, lines 49 through 52, as shown below.

Line	Form CT-33-A, Column A *(Parent),* and Form CT-33-A/B	Form CT-33-A, Column B *(Total subsidiaries)*
49	enter amount from CT-33-A/ATT, Schedule B, line 2, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 2, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 49, *Total* column
50	enter amount from CT-33-A/ATT, Schedule B, line 2, column D	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 2, column D; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 50, *Total* column
51	enter amount from CT-33-A/ATT, Schedule B, line 2, column E	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 2, column E; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 51, *Total* column
52	enter amount from CT-33-A/ATT, Schedule B, line 3, column G	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 3, column G; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 52, *Total* column

Schedule C — Computation and allocation of combined business and investment capital

Before computing and allocating combined business and investment capital, eliminate intercompany stockholdings, intercompany bills, intercompany notes receivable and payable, and other intercompany indebtedness.

Lines 53, 54, 55, 57, and 61 — Obtain the amounts on Forms CT-33-A and CT-33-A/B, lines 53, 54, 55, 57, and 61, as shown below.

Line	Form CT-33-A, Column A *(Parent),* and Form CT-33-A/B	Form CT-33-A, Column B *(Total subsidiaries)*
53	enter amount from CT-33-A/ATT, Schedule C, line 4, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 4, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 53, *Total* column
54	enter amount from CT-33-A/ATT, Schedule C, line 5, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 5, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 54, *Total* column
55	enter amount from CT-33-A/ATT, Schedule C, line 6, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 6, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 55, *Total* column
57	enter amount from CT-33-A/ATT, Schedule C, line 7, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 7, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 57, *Total* column
61	enter amount from CT-33-A/ATT, Schedule C, line 8, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 8, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 61, *Total* column

Lines 53 and 55 — Attach copies of your *Annual Statement — Assets Schedule* reflecting admitted and nonadmitted assets for both the previous and current tax years.

Lines 57 and 61 — Attach copies of your *Liabilities, Surplus and Other Funds Schedule* from the *Annual Statement.*

Schedule D — Computation and allocation of combined entire net income

Line 64 — Enter the amount of life insurance company taxable income (LICTI), or taxable income as reported to the U.S. Treasury Department, for the tax year (including, in the case of a stock life insurance company, distributions to shareholders from an existing policyholder's surplus account). Taxpayers that file federal Form 1120-L must enter on this line the total of LICTI per Schedule A, plus the operations loss deduction included in LICTI. Taxpayers filing federal Form 1120-PC must enter the total of taxable income per Schedule A, plus any net operating loss (NOL) included in taxable income. Corporations exempt from federal income tax but subject to tax under Article 33 must enter the taxable income that would have been required to be reported to the U.S. Treasury Department.

Additions

Line 66 — Enter all interest and dividend income, received or accrued, that was exempt from federal income tax and not included in line 64, minus interest expense, bond premium amortization, and other ordinary and necessary expenses, paid or incurred, attributable to this income.

Line 67 — Enter interest paid or accrued on indebtedness directly or indirectly owed to any stockholder (including subsidiaries of a corporate stockholder) or members of his or her immediate family that own more than 5% of the issued capital stock of the taxpayer. *Immediate family* includes brothers and sisters of whole or half blood, spouse, ancestors, and descendants. If no such interest was paid or accrued, enter ***0***.

Line 68 — Enter the amount from Form CT-33-A/ATT, Schedule D, line 10, column F, in column A *(Parent)*. If there is more than one subsidiary in the combined group, enter the amount from Form CT-33-A/B, line 68 *(Total),* in column B *(Total subsidiaries)*. If there is only one subsidiary in the combined group, enter the amount directly from Form CT-33-A/ATT, Schedule D, line 10, column F, in column B *(Total subsidiaries)*.

Line 69 — Enter all capital losses from sales and exchanges of subsidiary capital, all other losses and bad debts, interest expense (direct or indirect), foreign taxes, and any carrying charge attributable to subsidiary capital deducted in computing FTI.

Line 70 — Enter the amount of New York State franchise taxes, including MTA surcharge, imposed by Article 33 and deducted on your federal return.

Line 71 — Enter any amount claimed as a deduction in computing FTI solely as a result of an election made under the provision of IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984).

Line 72 — Enter any amount you would have been required to include in the computation of FTI had you not made the election permitted by the provisions of IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984).

Line 73 — Use this line if :

- The corporation claims the federal ACRS/MACRS deduction for property placed in service either **in or outside** New York State after 1980, in tax periods beginning before 1985; or
- The corporation claims the federal ACRS/MACRS deduction for property placed in service **outside** New York State in tax periods beginning after 1984, and before tax periods beginning in 1994, and the corporation made the election to continue using the IRC section 167 depreciation modification for the property (see TSB-M-99(1)(C)), *New York Depreciation Deduction for Property Placed in Service Outside New York State in Tax Years 1985 – 1993;* or
- The corporation claims the 30%/50% federal special depreciation under IRC section 168(k) for property (excluding qualified resurgence zone property described in section 208.9(q) of Tax Law Article 9-A or qualified New York liberty zone property described in IRC section 1400L(b)(2)) placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002; or
- The corporation disposes this year of either ACRS/MACRS property, or property for which you claimed the 30%/50% federal special depreciation, and the New York State depreciation modifications applied to the property in any prior years.

If this line applies, enter the amount from Form CT-399, Part I, line 3, column E, or, if you disposed of certain property this year, use the amount from CT-399, Part III, line 10, column A.

Line 74 — Other additions:

A-1 The portion of the special additional mortgage recording tax claimed as a credit that was claimed as a deduction in arriving at federal taxable income. The gain or loss on the sale of real property on which the special additional mortgage recording tax credit was claimed must be increased in the case of a gain, or decreased in the case of a loss, when any portion of the credit was also used in the basis for computing the federal gain.

A-2 Qualified Emerging Technology Investments (QETI) — If you elected to defer the gain from the sale of QETI, then **you must** add to FTI the amount previously deferred when the reinvestment in the New York qualified emerging technology company that qualified you for that deferral is sold. See subtraction S-3 on line 83.

A-3 Enter the amount deducted from federal gross income on Form 1120-PC as a result of IRC section 847(1).

A-4 Enter the amount of unearned premiums on outstanding business at the end of the preceding tax year excluded from premiums earned as a result of IRC sections 832(b)(4)(B), 832(b)(7)(B)(i), and 832(b)(8)(A)(i).

A-5 Enter the difference between the amount of discounted unpaid losses at the end of the preceding tax year used in the computation of losses incurred as a result of IRC section 832(b)(5)(A), and the amount of unpaid losses at the end of the preceding tax year that would have been used in such computation if such losses were not discounted for federal income tax purposes. Provide a copy of the loss reserves discount summary schedule used to compute discounted unpaid losses from federal Form 1120-PC, and a copy of *Schedule P, Analysis of Losses and Loss Expenses, Part 1 Summary*, from the prior year's *Annual Statement*.

A-6 Amount of related member royalty expense required to be added back pursuant to Tax Law section 1503(b)(14).

A-7 If you are claiming an environmental remediation insurance credit, you must include on this line the amount of premiums paid for environmental remediation insurance and deducted in determining FTI, to the extent of the amount of the credit allowed under Tax Law sections 23 and 1511(w).

Subtractions

Line 76 — Enter interest and dividend income from subsidiary capital, and capital gains from sales and exchanges of subsidiary capital. This deduction **cannot** exceed the amount used to compute FTI.

Line 77 — Enter 50% of dividend income from corporations that are not subsidiaries. A life insurance company may enter only 50% of the company's share (IRC section 812(a)(1)) of such dividend income.

Line 78 — Enter any income or gain from installment sales of real or personal property made before January 1, 1974, that was used to compute federal taxable income.

Line 79 — The operations loss or NOL allowed as a deduction for New York State purposes is calculated on a combined basis; therefore, Form CT-33-A/B does not have a corresponding line 79. Enter New York State combined operations losses or NOLs. Attach a separate schedule providing details of both federal and New York State losses claimed.

In determining the operations loss or NOL of any given year, the following rules apply:

- Federal operations losses (IRC section 810) or NOLs (IRC section 172) must be adjusted in accordance with Article 33, section 1503(b).
- The operations losses incurred may be carried back three years and carried forward 15 years for all periods.
- If the life insurance company is a new company for the loss year, the operations loss may be carried forward 18 years (see IRC sections 810(b)(1)(C)).
- For NOLs incurred, refer to IRC section 172 for carry back and carry forward periods.
- If you have elected for federal purposes to relinquish the carry back of an operations loss or NOL, you may not carry back an operations loss or NOL for state purposes, and you must submit a copy of your federal election.

- The New York State operations loss deduction or NOL deduction for any particular year is limited to the operations loss deduction (IRC section 810) or federal NOL deduction (IRC section 172) for that year.
- No deduction is allowed for an operations loss or NOL sustained during any year in which the corporation was not subject to tax under Article 33.

Line 80 — Enter any amount included in federal income solely as a result of an election made under the provisions of IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984).

Line 81 — Enter any amount that you could have deducted from FTI had you not made an election under IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984). For more information, see TSB-M-82(15)C, *1982 Legislation — Safe Harbor Leases*.

Line 82 — In place of the disallowed deduction entered on line 73, a New York State depreciation deduction is allowed under Article 33, sections 1503(b)(10), 1503(b)(14), 1503(b)(15), and 1503(b)(16). For more information, see the instructions for Form CT-399.

Use this line if:

- The corporation claims the federal ACRS/MACRS deduction for property placed in service either **in or outside** New York State after 1980, in tax periods beginning before 1985; or
- The corporation claims the federal ACRS/MACRS deduction for property placed in service **outside** New York State in tax periods beginning after 1984, and before tax periods beginning in 1994, and the corporation made the election to continue using the IRC section 167 depreciation modification for the property (see TSB-M-99(1)(C)); or
- The corporation claims the 30%/50% federal special depreciation under IRC section 168(k) for property (excluding qualified resurgence zone property described in section 208.9(q) of Tax Law Article 9-A or qualified New York liberty zone property described in IRC section 1400L(b)(2)) placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002; or
- The corporation disposes this year of either ACRS/MACRS property, or property for which you claimed the 30%/50% federal special depreciation, and the New York State depreciation modifications applied to the property in any prior years.

If this line applies, enter the amount from Form CT-399, Part I, line 3, column I, or, if you disposed of certain property this year, use the amount from CT-399, Part III, line 10, column B.

Line 83 — Other subtractions:

S-1 Include the amount of wages disallowed under IRC section 280C in the computation of your FTI because you claimed a federal credit. Attach a copy of the appropriate federal credit form.

S-2 Interest deductions under section 1503(b)(3) to the extent not deducted on line 66.

S-3 You may defer the gain on the sale of qualified emerging technology investments (QETI) that are held for more than 36 months and rolled over into the purchase of a QETI within 365 days. You must purchase replacement QETI within the 365-day period beginning on the date of sale. Gain is not deferred and must be recognized to the extent that the amount realized on the sale of the original QETI exceeds the cost of a replacement QETI. The gain deferral applies to any QETI sold on or after March 12, 1998, that meets the holding-period criteria. You must add back the gain deferred in the year the replacement QETI is sold.

If you elect the gain deferral, deduct from FTI the amount of the gain deferral (to the extent the gain is included in federal taxable income). If purchase of the replacement QETI within the 365-day period occurs in the same taxable year as the sale of the original QETI, or in the following taxable year and before the date the corporation's franchise tax return is filed, take the deduction on that return. If purchase of the replacement QETI within the 365-day period occurs in the following taxable year and on or after the date the corporation's franchise tax return is filed, you must file an amended return to claim the deduction. For more information, see pages 5 and 6 of TSB-M-98(7)C, *1998 Summary of Corporation Tax Legislative Changes*.

S-4 Enter the amount included in federal gross income as a result of IRC sections 847(5) and 847(6).

S-5 Enter the amount of unearned premiums on outstanding business at the end of the tax year included in premiums earned as a result of IRC sections 832(b)(4)(B), 832(b)(7)(B)(i), and 832(b)(8)(A)(i).

S-6 Enter the difference between the amount of discounted unpaid losses at the end of the tax year used in the computation of losses incurred as a result of IRC section 832(b)(5)(A), and the amount of unpaid losses at the end of the tax year that would have been used in such computation if such losses were not discounted for federal income tax purposes. Provide a copy of the loss reserves discount summary schedule used to compute discounted unpaid losses from federal Form 1120-PC, and a copy of *Schedule P, Analysis of Losses and Loss Expenses, Part 1 Summary*, from the current year's *Annual Statement*.

S-7 Enter the amount by which losses incurred were reduced as a result of IRC section 832(b)(5)(B).

S-8 Victims or targets of Nazi persecution: Include the amount received (including accumulated interest) from an eligible settlement fund, or from an eligible grantor trust established for the benefit of these victims or targets, if included in your FTI. Do not include amounts received from assets acquired with such assets or with the proceeds from the sale of such assets (Tax Law section 13).

S-9 Amount of related member royalty income required to be subtracted pursuant to Tax Law section 1503(b)(14).

Schedule E — Computation of alternative base

Line 87 — Enter the amount from Form CT-33-A/ATT, Schedule E, line 11, column D, in column A (*Parent*). If there is more than one subsidiary in the combined group, enter the amount from Form CT-33-A/B, line 87 *(Total)*, in column B *(Total subsidiaries)*. If there is only one subsidiary in the combined group, enter the amount directly from Form CT-33-A/ATT, Schedule E, line 11, column D, in column B *(Total subsidiaries)*.

Line 89 — Enter $15,000 (or a proportionate part if the return is for a period of less than one year).

Schedule F — Computation of combined premiums

Any life insurance corporation subject to Article 33 of the Tax Law is subject to the additional premiums tax under section 1510, the limitation on tax under section 1505(a)(2), and the floor limitation on tax under section 1505(b). For more information on the floor limitation on tax, see TSB-M-03(9)C, *Summary of Insurance Corporation Tax Legislative Changes Enacted in 2003.*

Use this schedule to compute premiums due under sections 1510, 1505(a)(2), and 1505(b), and transfer the combined total to the appropriate boxes on page 1. Report direct premiums on a written or paid-for basis, consistent with the basis required by the annual statement filed with the Superintendent of Insurance. For purposes of this schedule, the term *premium* includes all amounts received as consideration for insurance or reinsurance contracts (except annuity contracts), including premium deposits, assessments, policy fees, membership fees, any separate costs by carriers assessed upon their policyholders, and all other consideration for such contracts.

Exclude premiums received for a long-term care insurance policy under USC Chapter 90, Title 5, and any premiums for federal group life insurance under USC Chapter 87, Title 5.

Taxable premiums include gross direct premiums minus return premiums, reinsurance premiums, and dividends paid or credited.

Gross direct premiums

Include total gross premiums, deposit premiums and assessments, minus returns thereon, on all policies, certificates, renewals subsequently canceled, and insurance and reinsurance executed, issued, or delivered on property or risks located or resident in New York State, and premiums written, procured, or received in New York State on business that cannot be specifically allocated or apportioned and reported as taxable premiums or that have not been used as a measure of a tax on business of any other state or states. Also include special risk premiums written, procured, or received in New York State on risks located or resident in New York State. When computing taxable premiums under Tax Law section 1510, do not include premiums on annuity contracts, ocean marine insurance, and policies issued under Insurance Law section 4236. Also exempt from the tax on premiums are premiums on risks located outside the United States that were written, procured, or received in New York State, **except** for insurance written by foreign and alien title insurance corporations, and accident and health insurance.

Insurance corporations receiving more than 95% of their gross direct premiums from annuity contracts, ocean marine insurance, and policies issued under Insurance Law section 4236 **must** include these premiums in the tax limitation computation under section 1505(a)(2).

Deductions from gross direct premiums

- **Reinsurance premiums —** When computing gross direct premiums, you may deduct (1) reinsurance premiums, minus return premiums, that have been received by way of reinsurance from corporations or other insurers authorized to transact business in this state; and (2) reinsurance premiums assumed from unauthorized companies that relate to transactions authorized under Insurance Law section 2105, and that are subject to the premiums tax on excess-lines brokers under Insurance Law section 2118.
- **Dividends paid or credited —** You may deduct dividends on direct premiums and unused or unabsorbed portions of premium deposits paid or credited to policyholders. This deduction does not include deferred dividends paid in cash to policyholders on maturing policies or cash surrender values.

Schedule G — Computation of combined issuer's allocation percentage

Complete this schedule by entering combined New York gross direct premiums on line 105 and combined total gross direct premiums on line 106, as reported in your annual statement filed with the Superintendent of Insurance for the tax year.

Tax Law section 1085(a) provides for a penalty of $500 for failure to provide information needed to compute your issuer's allocation percentage.

Lines 108 through 116 — Composition of prepayments

If you need more space, write ***see attached*** in this section and attach a separate sheet showing all relevant prepayment information. Transfer the total shown on the attached sheet to line 21.

Line 113 — Include overpayment credited from prior years. You may also include from last year's return any amount of refundable tax credits you chose to be credited as an overpayment.

Summary of tax credits claimed against current year's franchise tax

See instructions for lines 11a and 16.

Ordering of credits — You must apply tax credits under Article 33 in the following order:

1. EZ capital tax credit
2. EZ and ZEA wage tax credits
3. Noncarryover credits that are not refundable
4. Carryover credits that are of limited duration
5. Carryover credits that are of unlimited duration
6. Refundable credits

EZ wage tax credit — Attach a copy of Form CT-601, *Claim for EZ Wage Tax Credit.*

ZEA wage tax credit — Attach a copy of Form CT-601.1, *Claim for ZEA Wage Tax Credit.*

EZ capital tax credit — Attach a copy of Form CT-602, *Claim for EZ Capital Tax Credit.*

Line 117 — Enter the total EZ and ZEA tax credits (EZ capital tax credit, EZ and ZEA wage tax credits) claimed above that were used to reduce the tax. The amount of these credits may not reduce the tax to less than the $250 minimum tax. Enter in the appropriate boxes the total amount of the EZ and ZEA tax credits claimed. If you are required to recapture the EZ capital tax credit that was allowed in a previous reporting period, and the result is a negative credit amount on your credit form, enter this negative amount as such in the applicable box.

Fire insurance premiums tax credit — Credit for taxes on premiums for any insurance on loss or damage by fire under Insurance Law sections 9104 and 9105, or under the charters of the cities of Buffalo or New York. These taxes must have been paid or accrued during the tax year covered by this return. The credit is limited to the amount reported on line 15 minus the credits mentioned above. The credit cannot be carried over to any other year. Attach the *Report of Premiums*, including *Supplementary Schedules I and II*, when claiming this credit.

Retaliatory tax credits — Attach Form CT-33-R, *Claim for Retaliatory Tax Credits*. Do not claim the MTA surcharge retaliatory tax credit on Form CT-33-R.

CAPCO credit — Attach Form CT-33.1, *Claim for CAPCO Credit.*

Credit for employment of persons with disabilities — Attach Form CT-41, *Claim for Credit for Employment of Persons with Disabilities.*

Special additional mortgage recording tax credit — Attach Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit.*

Investment tax credit for the financial services industry —

Attach Form CT-44, *Claim for Investment Tax Credit for the Financial Services Industry.*

Long-term care insurance credit — Attach Form CT-249, *Claim for Long-Term Care Insurance Credit*.

Defibrillator credit — Attach Form CT-250, *Credit for Purchase of an Automated External Defibrillator*.

QEZE tax reduction credit — Attach Form CT-604, *Claim for QEZE Tax Reduction Credit.*

QEZE credit for real property taxes — Attach Form CT-606, *Claim for QEZE Credit for Real Property Taxes.*

Brownfield redevelopment tax credit — Attach Form CT-611, *Claim for Brownfield Redevelopment Tax Credit.*

Remediated brownfield credit for real property taxes — Attach Form CT-612, *Claim for Remediated Brownfield Credit for Real Property Taxes.*

Environmental remediation insurance credit — Attach Form CT-613, *Claim for Environmental Remediation Insurance Credit.*

Low-income housing credit — Attach Form DTF-624, *Claim for Low-Income Housing Credit.*

Green building credit — Attach Form DTF-630, *Claim for Green Building Credit.*

Enter in the *Other credits* box any credits being claimed on line 16 that are not specifically listed above and attach the appropriate form(s).

Line 118 — Enter the total tax credits claimed, **excluding** the EZ and ZEA tax credits claimed on line 117, that were used to reduce the tax due. Generally, these credits may not reduce the tax below the combined minimum tax. However, the retaliatory tax credits and the fire insurance premiums tax credit may further reduce the tax due to zero. Enter in the appropriate boxes the total amount of each tax credit claimed. If you are required to recapture a tax credit that was allowed in a previous reporting period, and the result is a negative credit amount on your credit form, enter this negative amount as such in the applicable box.

Line 119 — Enter the total amount of refund eligible tax credits claimed on line 118. The retaliatory tax credits, QEZE real property tax credit, the brownfield redevelopment tax credit, the remediated brownfield credit for real property taxes, the environmental remediation insurance credit, and the ITC for financial services industry (if a qualified new business) are the only refund eligible credits under Article 33.

Instructions for Form CT-33-A/ATT Schedules A, B, C, D, and E

Schedule A — Allocation of reinsurance premiums when location of risks cannot be determined

Complete this schedule to allocate reinsurance premiums to New York State when the location or residence of the property or risks covered by the reinsurance cannot be determined. Complete this schedule for premiums assumed from authorized companies.

Column C — Enter the percentage each ceding corporation's New York premiums bear to its total premiums for the preceding tax year (reinsurance allocation percentage). You may obtain this percentage from tax service publications or by applying, in duplicate, to the address shown under *Need help?* on page 10 of these instructions. If the ceding corporation did not do business in New York State during the preceding year and therefore did not file a New York State tax return, the percentage is zero.

Schedules B and C — Computation and allocation of subsidiary capital and business and investment capital

Subsidiary capital — A subsidiary is a corporation of which over 50% of the voting stock is owned by the taxpayer. The term *subsidiary capital* means all investments in the capital stock of subsidiary corporations, plus all indebtedness from subsidiary corporations (other than accounts receivable acquired in the ordinary course of trade or business for services rendered, or for sales of property held primarily for sale to customers). When computing the amount of indebtedness owed to the taxpayer by its subsidiaries, consider each subsidiary separately. Loans and advances from the parent to the subsidiary may be offset by loans and advances from the same subsidiary to the parent, but may not be reduced to less than zero. Loans and advances from a subsidiary to the parent may not offset the parent's investment in the stock of the subsidiary, or offset loans and advances from the parent to any other subsidiary.

This indebtedness, whether or not evidenced by bonds or other written instruments, qualifies as subsidiary capital as long as the subsidiary does not claim and deduct the interest for the purpose of taxation under any Article of the New York State Tax Law. Each item of subsidiary capital must be reduced by any liabilities of the taxpayer (parent), payable by their terms on demand or not more than one year from the date incurred. These liabilities do not include loans or advances outstanding for more than a year, as of any date during the year covered by the return.

Definition of *total capital* — *Total capital* is the average fair market value of all the corporation's assets, minus its average current liabilities. It does not include assets held to maintain reserves of an insurance corporation, as required under Insurance Law sections 1303, 1304, and 1305.

Valuation of capital — *Business and investment capital* is total capital minus subsidiary capital. In computing business and investment capital you are normally required to value assets at fair market value. But in valuing real and tangible personal property, you may elect to substitute book values for these assets (that is, the value established and regularly kept on the books of the company). If you make this election you must so indicate on each return. Once you have made the election, it is binding for all subsequent tax years and cannot be changed without prior permission. You must value stocks, bonds, and other securities at fair market value.

Average fair market value — The *fair market value* of an asset is the price (without deduction of any encumbrance) at which a willing seller will sell and a willing buyer will buy. The fair market value, on any date, of stocks, bonds, and other securities regularly traded on an exchange or in the over-the-counter market is the mean between the highest and lowest selling prices on that date. Average value is generally computed quarterly if your usual accounting practice permits it. However, you may use a more frequent basis such as monthly, weekly, or daily. If your usual accounting practice does not permit a quarterly or more frequent computation of the average value of assets, you may use a semiannual or annual computation if no distortion of average fair market value results.

Current liabilities — Include **only** liabilities maturing in one year or less from the date originally incurred. Do not include loans or advances outstanding for more than a year as of any date during the year covered by this return, notes payable that are renewed from year to year, or the current portion of a long-term liability. Do not include reserves required under New York State Insurance Law sections 1303, 1304, and 1305. Use the same method of averaging used to determine average fair market value of assets.

Issuer's allocation percentage — For Schedule B, column F, enter the percentage of the entire capital or the issued capital stock or the gross direct premiums or net income of each issuing corporation allocable to New York State as determined on the corporation's New York State tax return for the preceding tax year. If the issuing corporation did not do business in New York State during the preceding year and therefore did not file a New York State tax return, the percentage is zero.

You may obtain up to three issuer's allocation percentages by calling toll free 1 800 972-1233. From areas outside the U.S. and outside Canada, call (518) 485-6800. You may obtain more than three only by written request. Mail the written request to: **NYS Tax Department, Business Tax Information Center, W A Harriman Campus, Albany NY 12227.** Issuer's allocation percentages are also available from many online services, printed tax services, or on the department's Web site: *www.nystax.gov*

Schedule D — Computation of adjustment for gains or losses on disposition of property acquired before January 1, 1974

Tax Law section 1503(b)(5) details the adjustments you must make when reporting the gain or loss from sale or exchange of property acquired before January 1, 1974.

Columns B, D, and F — Enter the amounts used in computing FTI.

Column C — The *fair market price or value* is the price at which a willing seller will sell and a willing buyer will buy.

Column E

- If **both** the amounts entered in columns B **and** C are less than the amount entered in column D, a New York gain is realized. Enter in column E the difference between column D and the higher of column B or C.
- If **both** the amounts entered in columns B **and** C are more than the amount entered in column D, a New York loss is sustained. Enter in column E (with a minus sign) the difference between column D and the lower of column B or C.
- If only one of the amounts entered in column B **or** C is more than the amount entered in column D, no New York gain is realized. Enter ***0*** in column E.
- If only one of the amounts entered in column B **or** C is less than the amount entered in column D, no New York loss is sustained. Enter ***0*** in column E.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Need help?

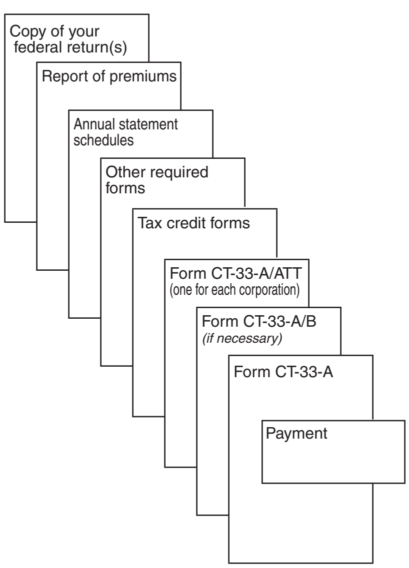
Internet access: *www.nystax.gov*
(for information, forms, and publications)

Fax-on-demand forms:	1 800 748-3676
To order forms and publications:	1 800 462-8100
Business Tax Information Center:	1 800 972-1233
From areas outside the U.S. and outside Canada:	(518) 485-6800
Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only):	1 800 634-2110

When preparing and mailing your life insurance corporation combined franchise tax return:

- Carefully read the instructions.
- Use the correct forms and include all pages.
- Accurately complete the corporation's identifying information including your current address. Enter your employer identification number and file number above your corporation name and address. If you use a paid preparer or accounting firm, make sure they use your complete and accurate information when completing all forms prepared for you.

  Keep a record of your identifying information for future use.
- Have the appropriate individuals sign the completed Form(s) CT-33-A and CT-33-A/ATT.
- Attach a completed copy of your federal return(s) to your Form CT-33-A.
- Attach Forms CT-33-A/ATT, CT-33-A/B, and all other schedules you are required to file.
- Attach appropriate tax credit forms.
- Attach Form CT-51, *Combined Filer Statement for Newly Formed Groups Only,* or Form CT-50, *Combined Filer Statement for Existing Groups.*
- Attach a copy of your *Annual Report of Premiums* as filed with the New York State Insurance Department.
- Attach appropriate schedules from your *Annual Statement.*
- Make your check or money order payable to: ***New York State Corporation Tax***
- Assemble your return and attachments this way:



- Mail your return to: **NYS CORPORATION TAX PROCESSING UNIT PO BOX 22038 ALBANY NY 12201-2038**
- Also mail a copy to: **NYS INSURANCE DEPARTMENT ONE COMMERCE PLAZA ALBANY NY 12257**
- See page 2 of these instructions for private delivery service information.