2008

New York State Department of Taxation and Finance

Instructions for Form CT-32

Banking Corporation Franchise Tax Return

Tax Law — Article 32

CT-32-I

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 tax return

Visit our Web site for tax law changes or forms corrections that occurred after the forms and instructions were printed (see *Need help?* on page 17).

Changes for 2008

Increase in the mandatory first installment of estimated tax — The Tax Law was amended to provide an increase in the mandatory first installment for taxpayers, other than life insurance corporations filing Forms CT-33 or CT-33-A, and continuing section 186 taxpayers filing Form CT-186, whose preceding year's tax, exclusive of the metropolitan transportation business tax (MTA surcharge), exceeded $100,000. For tax years beginning on or after January 1, 2009, those taxpayers are required to pay a first installment equal to 30% of the preceding year's tax. Additionally, taxpayers who are required to pay their mandatory first installment at the 30% rate and are subject to the MTA surcharge are also required to calculate their estimated tax for the MTA surcharge at 30% of the preceding year's MTA surcharge. The remaining three estimated tax payments are to be adjusted so that the total payments do not exceed 100% of the estimated tax due. The mandatory first installment of estimated tax and estimated MTA surcharge remains at 25% of the preceding year's tax and tax surcharge, respectively, for those taxpayers whose preceding year's tax exceeded $1,000, but was less than or equal to $100,000.

Collection costs or fees for tax debts owed to New York State — The Tax Department has been authorized to charge the taxpayer, as part of the taxpayer's tax debt, any cost or fee imposed or charged by the United States, or any state, for the payment or remittance of a taxpayer's overpayment to satisfy a New York State tax debt.

Voluntary Disclosure and Compliance Program — A Voluntary Disclosure and Compliance Program has been established. The program provides relief from certain penalties and criminal prosecution to eligible taxpayers who come forward and reveal previously undisclosed liabilities. Visit our Web site at *www.nystax.gov* for additional information.

Extension of tax shelter reporting requirements — The expiration date of the reporting requirements and related administrative provisions concerning the disclosure of certain transactions and related information regarding tax shelters, including those related to New York reportable transactions, has been extended to July 1, 2011. Visit our Web site at *www.nystax.gov* for additional information.

Electronic filing and electronic payment mandate — Certain tax preparers using tax software to prepare tax documents, and certain taxpayers preparing their own tax documents using tax software, must, for the applicable calendar year and all succeeding calendar years, e-file all documents authorized by the Commissioner to be e-filed. Any tax liability or other amount due required to be paid with a tax document that must be e-filed must also be e-paid. For more information, visit our Web site at *www.nystax.gov* and click on *e-file*.

Tax treatment of real estate investment trusts (REITs) and regulated investment companies (RICs) — For tax years beginning on or after January 1, 2008, and before January 1, 2011, new legislation eliminates the 2007 amendment disallowing the investment proceeds of banking corporations from a REIT or RIC. The new legislation requires a captive REIT (as defined in new Tax Law Article 1, section 2.9) or a captive RIC (as defined in new Tax Law Article 1, section 2.10) to file a combined return with the closest corporation that directly or indirectly owns or controls over 50% of the voting stock of the captive REIT or the captive RIC. In addition, a qualified REIT subsidiary must be included in the combined return of its captive REIT parent.

However, a captive REIT or captive RIC will not be required to file a combined return with a bank or bank holding company that directly or indirectly owns or controls over 50% of the voting stock of the captive REIT or captive RIC if the members of the affiliated group that includes the bank own assets with a combined average value of $8 billion or less, and if those members are engaged only in businesses that are permissible for bank holding company subsidiaries.

The entire net income (ENI) of the captive REIT or RIC (Tax Law section 1462(f)(3)(ii)) generally has the same meaning as the terms real estate investment trust taxable income and investment company taxable income, respectively, are defined pursuant to the Internal Revenue Code (IRC). However, for tax years beginning on or after January 1, 2008, and before January 1, 2011, the deduction allowed by the IRC for dividends paid by the captive REIT or captive RIC to any member of the affiliated group that includes the corporation that directly or indirectly owns or controls over 50% of the voting stock of the captive REIT or captive RIC will be phased out over four years. Fifty percent of the dividends paid deduction will be allowed for the 2008 tax year, 25% will be allowed for tax years 2009 and 2010, and provided the provisions are extended, no deduction will be allowed for tax years beginning on or after January 1, 2011.

Nexus change for banking corporations — New Tax Law section 1451(c) requires banks to file a New York State franchise tax return if they meet certain thresholds in regard to credit card customers with mailing locations in New York State, or merchant contracts related to locations in New York State. A corporation subject to tax under Article 32 is subject to the MTA surcharge under Tax Law section 1455-B if it exercises its franchise or does business in the MCTD in a corporate or organized capacity. Accordingly, a banking corporation is doing business in the MCTD if it satisfies any one of the criteria under Tax Law section 1451(c) with respect to customers with mailing addresses in the MCTD or merchants with locations in the MCTD.

Tax Law section 1462 has been amended to provide that if a bank is considered to be doing business in New York State solely because it meets one or more of these thresholds (a credit card bank), it will not be included in a combined return with any other banking corporation or bank holding company that is exercising its corporate franchise or doing business in this state, unless a combined return is necessary to properly reflect the tax liability of the credit card bank, the banking corporation, or the bank holding company. The credit card bank may be required to be included in a combined return with a non-taxpayer banking corporation or bank holding company if the non-taxpayer banking corporation or bank holding company provides service or support to the credit card bank's operations. These provisions take effect for tax years beginning on or after January 1, 2008.

Form CT-222, *Underpayment of Estimated Tax by a Corporation*, revised — Previously, Form CT-222 was used by a corporation to report to the Tax Department the amount of the underpayment of estimated tax penalty the corporation was subject to. Beginning with the 2008 Form CT-222, corporations will file Form CT-222 only to inform the Tax Department that the corporation meets one of the exceptions to the underpayment of estimated tax penalty. The Tax Department will compute the amount of any penalty and notify the corporation of any amount due.

Brownfield credits revised — Numerous changes have been made to the brownfield program tax credits. For additional information, see 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.*

Investment tax credit for the financial services industry — The investment tax credit and the EZ investment tax credit for the financial services industry have been extended to include property placed in service before October 1, 2011. In addition, recent legislation has added a new test to determine if you are eligible to claim the credit. For additional information, see Form CT-44, *Claim for Investment Tax Credit for the Financial Services Industry*, and its instructions; or Form CT-605, *Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit for the Financial Services Industry*, and its instructions.

Modification for federal domestic production activities deduction — For tax years beginning on or after January 1, 2008, the amount deducted for income attributable to domestic production activities pursuant to IRC section 199 must be added back in computing ENI. For additional information, see page 7.

Limited liability company (LLC) filing fee — For tax years beginning on or after January 1, 2008, limited liability companies that are disregarded entities for federal income tax purposes are subject to a filing fee of $25. For additional information, see Form IT-204-LL, *Limited Liability Company/Limited Liability Partnership Filing Fee Payment Form*.

Single factor allocation for certain Article 32 (Franchise Tax on Banking Corporations) filers — In 2005 the Tax Law was amended to provide Article 32 filers described below a new single factor allocation percentage for use in allocating entire net income (ENI), alternative ENI, and taxable assets to New York State. For tax years beginning on or after January 1, 2008, the receipts factor will be the allocation percentage for those 65% or more owned subsidiaries of banks and bank holding companies that:

- are subject to tax under Article 32 because of Tax Law section 1452(a)(9); and
- substantially provide management, administrative, or distribution services to an investment company.

The single factor **does not** apply to the Metropolitan Commuter Transportation District (MCTD) gross income allocation percentage used to compute the MTA surcharge. For more information, see TSB-M-05(3)C, *Summary of Corporation Tax Legislative Changes Enacted in 2005*, and Schedule H on page 12 of this form.

General information

Who must file

Tax Law Article 32 imposes a franchise tax on banking corporations for the privilege of exercising their corporation franchise or doing business in New York State in a corporate or organized capacity for all or any part of their tax year. It also imposes the tax on bank holding companies, captive real estate investment trusts (REITs) and captive regulated investment companies (RICs) when included in a combined return. Except for corporations described in section 1453(l), corporations liable for tax under Article 33 are not subject to tax under Article 32.

All banking corporations other than New York S corporations must file franchise tax returns on Form CT-32. A banking corporation that has elected to be treated as a New York S corporation (by filing Form CT-6, *Election by a Federal S Corporation to be Treated As a New York S Corporation*) must file Form CT-32-S, *New York Bank S Corporation Franchise Tax Return,* instead of Form CT-32.

If a combined return is permitted or required, corporations included in the combined return must together file Form CT-32-A, *Banking Corporation Combined Franchise Tax Return.*

Banking corporations include the following:

A. New York State banking corporations — Any corporation organized under the laws of New York State that is authorized to do or is doing a banking business is a banking corporation. Such corporations include, but are not limited to, commercial banks, trust companies, limited purpose trust companies, subsidiary trust companies, savings banks, savings and loan associations, agreement corporations, and the New York Business Development Corporation. Also included as a banking corporation is the New York State Mortgage Facilities Corporation.

B. Banking corporations organized under the laws of another state or country — Any corporation organized under the laws of another state or country that is doing a banking business is a banking corporation. Such corporations include, but are not limited to, commercial banks, trust companies, savings banks, savings and loan associations, and agreement corporations.

C. Banking corporations organized under the laws of the United States — Any national banking association, federal savings bank, federal savings and loan association, and any other corporation organized under the authority of the United States (including an Edge Act corporation) that is doing a banking business is a banking corporation. Also, every production credit association organized under the Federal Farm Credit Act of 1933 that is doing a banking business and all of whose stock held by the Federal Production Credit Corporation has been retired is a banking corporation.

D. Corporations owned by a bank or a bank holding company — Any corporation principally engaged in a business that:

— might lawfully be conducted by a corporation subject to Article 3 of the New York State Banking Law or by a national banking association, or

— is so closely related to banking or managing or controlling banks as to be a proper incident thereto as defined in section 4(c)(8) or section 4(k)(4)(F) of the Federal Bank Holding Company Act of 1956, as amended, or

— holds and manages investment assets, including but not limited to bonds, notes, debentures, and other obligations for the payment of money, stocks, partnership interests or other equity interests, and other investment securities,

is a banking corporation, if its voting stock is 65% or more owned or controlled directly or indirectly by a banking corporation described above or by a bank holding company.

However, a corporation that is 65% or more owned and is principally engaged in a business described in Tax Law section 183, 184, or 186 (as it was in effect on December 31, 1999), such as a telegraph, telephone, trucking, railroad, gas, or electric business, is not subject to Tax Law Article 32 if any of its business receipts from that business are from outside the corporation that controls it. Pursuant to Tax Law section 1452(d), a corporation 65% or more owned that was subject to tax under Article 9-A for its tax year ending in 1984 was allowed in 1985 to make a one-time *grandfather election* to continue to be taxable under Article 9-A. This election remains in effect until revoked by the taxpayer. In no event can the revocation of the election be for part of the tax year. The revocation is made by the filing of a tax return under Tax Law Article 32. However, if any of the conditions set forth below exist or occur in a tax year beginning on or after January 1, 2007, with respect to the electing corporation, the election will be deemed revoked as of the first day of the tax year in which the condition applied.

If any of the conditions set forth below exist or occur in a tax year beginning on or after January 1, 2007, with respect to a corporation required to be taxable under Article 9-A pursuant to the Gramm-Leach-Bliley (GLB) provisions of Tax Law section 1452, then such corporation, if it otherwise meets the requirements of items A, B, C, or D above, will be taxable under Article 32 as of the first day of the tax year in which the condition applied.

If any of the conditions set forth below exist or occur in a tax year beginning on or after January 1, 2007, with respect to a corporation that has made the election to be taxable under Article 9-A pursuant to the GLB provisions of Tax Law section 1452, then the electing corporation will be deemed to have revoked the election as of the first day of the tax year in which the condition applied.

Conditions

- The corporation ceases to be a taxpayer under Article 9-A.
- The corporation has no wages or receipts allocable to New York State pursuant to Tax Law section 210.3, or is otherwise inactive. However, this condition does not apply to a corporation that is engaged in the active conduct of a trade or business, or substantially all of the assets of which are stock and securities of corporations that are directly or indirectly controlled by it and are engaged in the active conduct of a trade or business.
- 65% or more of the voting stock of the corporation becomes owned or controlled directly by a corporation that acquired the stock in a transaction (or series of related transactions) that qualifies as a purchase within the meaning of Internal Revenue Code (IRC) section 338(h)(3), unless both corporations, immediately prior to the purchase, were members of the same affiliated group (as such term is defined in IRC section 1504 without regard to the exclusions provided for in 1504(b)). However, any acquisition that was completed

on or before January 3, 2007, shall be treated as an acquisition made before January 1, 2007.

- The corporation, in a transaction or series of related transactions, acquires assets, whether by contribution, purchase, or otherwise, having an average value as determined in accordance with Tax Law section 210.2 (or, if greater, a total tax basis) in excess of 40% of the average value (or, if greater, the total tax basis) of all assets of the corporation immediately prior to the acquisition and, as a result of the acquisition, the corporation is principally engaged in a business that is different from the business immediately prior to the acquisition (provided that such different business is described in item D above).

Transitional provisions for the GLB Act (Articles 9-A and 32) — Under the federal GLB Act, an entity was created called a *financial holding company* (FHC) that can own banks, insurance companies, and securities firms. As a result of the GLB Act, the Tax Law was amended in 2000 to allow certain corporations that were taxed under Article 9-A or Article 32 in 1999 to retain their tax status in 2000. These transitional provisions expire for tax years beginning on or after January 1, 2010. The GLB provisions do not preclude taxpayers that made the one-time election to remain taxable under Article 9-A, pursuant to section 1452(d) (the grandfather election), from revoking that election.

Credit card banks — A banking corporation that meets one or more of the following tests is subject to tax under Article 32:

- it has issued credit cards to 1,000 or more customers with mailing addresses in New York State as of the last day of its tax year;
- there are 1,000 or more locations in New York State covered by contracts with merchant customers to whom the banking corporation remitted payments for credit card transactions during the tax year;
- it has receipts of $1 million or more during the tax year from customers who have been issued credit cards by the banking corporation and have mailing addresses in New York State;
- it has receipts of $1 million or more from merchant customer contracts with merchants relating to locations in New York State; or
- it has either a) a total number of cardholders and merchant locations in New York State that equals or exceeds 1,000 or b) total receipts from cardholders and merchant locations in New York State that equal or exceed $1 million. Receipts from processing credit card transactions for merchants include merchant discount fees received by the banking corporation.

A credit card includes bank, credit, travel, and entertainment cards.

Other forms you may need to file

Qualified subchapter S subsidiary (QSSS)

The filing requirements for a QSSS that is owned by a New York C corporation or a non-taxpayer corporation are outlined below. Where New York State follows federal QSSS treatment, the parent and QSSS must file a single franchise tax return. The QSSS is ignored as a separate taxable entity, and the assets, liabilities, income, and deductions of the QSSS are included on the parent's franchise tax return. However, for other taxes, such as sales and excise taxes, and the license and maintenance fees imposed under Article 9, the QSSS will continue to be recognized as a separate corporation. As a result, a foreign authorized QSSS included in the parent's return (disregarded as a separate taxable entity for franchise tax purposes) that is filing under Article 32 by reason of *Who must file,* item D, must file Form CT-245, *Maintenance Fee and Activities Return for a Foreign Corporation Disclaiming Tax Liability.* For more information on the maintenance fee, see *License and maintenance fees* below.

a. **Parent is a New York C corporation –** New York State follows the federal QSSS treatment if (1) the QSSS is a New York State taxpayer, or (2) the QSSS is not a New York State taxpayer, but the parent makes a QSSS inclusion election. In both cases, the parent and QSSS are taxed as a single New York C corporation and file Form CT-32. If the parent does not make a QSSS inclusion election, it must file Form CT-32 as a New York C corporation on a stand-alone basis.

b. **Nontaxpayer parent –** New York State follows the federal QSSS treatment where the QSSS is a New York taxpayer but the parent is not, if the parent elects to be taxed as a New York S corporation by filing Form CT-6. The parent and QSSS are taxed as a single New York S corporation and file Form CT-32-S on a joint basis.

If the parent does not elect to be a New York S corporation, the QSSS must file as a New York C corporation on a stand-alone basis on Form CT-32.

c. **Exception: excluded corporation –** Notwithstanding the above rules, QSSS treatment is not allowed unless both parent and QSSS are banking corporations. That is, the corporations must file on a stand-alone basis if one is an Article 32 taxpayer but the other is an Article 9, 9-A, or 33 taxpayer, or is a corporation that would be subject to such taxes if taxable in New York.

Where New York follows federal QSSS treatment, the QSSS will not be considered a subsidiary of the parent corporation.

To notify the department that a QSSS is included in your return, mark an ***X*** in the box for item C on page 1 of Form CT-32 and attach Form CT-60-QSSS, *Qualified Subchapter S Subsidiary Information Schedule.*

License and maintenance fees

Foreign bank holding corporations and foreign corporations that are 65% or more owned by a bank holding company (as defined under *Who must file,* item D) must pay a license fee for the privilege of exercising their corporate franchise or carrying on business in New York State, whether or not the corporation is authorized. Payment of the corporation franchise tax does not satisfy the license fee obligation, which is payable with Form CT-240, *Foreign Corporation License Fee Return.*

Such a corporation, if authorized to do business in New York, must also pay an annual maintenance fee of $300 until it surrenders its authority to do business to the Department of State, whether or not it does business in the state. The fee may be reduced by 25% if the period for which the fee is imposed is more than six months but not more than nine months, and by 50% if the period for which the fee is imposed is not more than six months. Payment of the corporation franchise tax of at least $300 satisfies the maintenance fee requirement. If the corporation has tax plus metropolitan transportation business tax (MTA surcharge) due of less than $300, the corporation must adjust its payment accordingly to satisfy the maintenance fee requirement. The license fee is not considered corporation tax and cannot be considered as a payment toward the maintenance fee. If the corporation is disclaiming tax liability, it must pay the $300 maintenance fee by filing Form CT-245.

Independently procured insurance tax

If you purchase or renew a taxable insurance contract from an insurer not authorized to transact business in New York State under a Certificate of Authority from the Superintendent of Insurance, you are liable for a tax of 3.6% of the premium. See Form CT-33-D, *Tax on Premiums Paid or Payable To an Unauthorized Insurer*, or TSB-M-90(9)C, *1990 Legislation-Direct Writings Tax,* for more information.

Reporting requirements for tax shelters — The Tax Law requires taxpayers to report information about transactions that present the potential for tax avoidance (tax shelters). There are separate reporting requirements for those who use tax shelters and for those who promote the use of tax shelters. For the most recent information on these reporting requirements visit our Web site.

Definition of doing business within New York State

The phrase *doing business* includes all activities that occupy the time and labor of people for profit. In determining whether or not a corporation is doing business in New York State, consideration is given to such factors as: the nature, continuity, frequency, and regularity of the activities of a corporation in New York State; the location of the corporation's offices and other places of business; the employment in New York State of agents, officers, and employees of the corporation; and other relevant factors. Activities that constitute doing business in New York State include: operating a branch, loan production office, representative office, or a bona fide office in New York State. A banking corporation that meets any of the tests under *Credit card banks* above is also doing business in New York State. Activities that do not constitute doing business in New York State include the mere acquisition of one or more security interests in real or personal property located in New York State, or the mere acquisition of title to property located in New York State through the foreclosure of a security interest. In addition, a corporation organized under the laws of another country is not deemed to be doing business, employing capital, owning property, or maintaining an office in New York State, if its activities are limited solely to investing or trading in stocks and securities for its own account under Internal Revenue Code (IRC) section 864(b)(2)(A)(ii), or investing or trading in commodities for its own account under IRC section 864 (b)(2)(B)(ii), or any combination of these activities.

Definition of banking business

The phrase *banking business* means the business a corporation may be created to do under Article 3 (Banks and Trust Companies), Article 3-B (Subsidiary Trust Companies), Article 5 (Foreign Banking Corporations and National Banks), Article 5-A (New York Business Development Corporation), Article 5-C (Interstate Branching), Article 6 (Savings Banks), or Article 10 (Savings and Loan Associations) of the New York State Banking Law, or the business a corporation is authorized to do by such articles. With respect to a national banking association, federal savings bank, federal savings and loan association or production credit association, the phrase *banking business* means the business a national banking association, federal savings bank, federal savings and loan association, or production credit association may be created to do or is authorized to do under the laws of the United States or the laws of New York State. The phrase *banking business* also means such business as any corporation organized under the authority of the United States has authority to do that is substantially similar to the business that a corporation may be created to do under Article 3, 3-B, 5, 5-A, 5-C, 6, or 10, of the New York State Banking Law, or any business that a corporation is authorized to do by such articles.

Definition of a bank holding company

The following are bank holding companies:

— A corporation or association subject to Article 3-A of the New York State Banking Law.

— A corporation or association registered under the Federal Bank Holding Company Act of 1956, as amended.

— A corporation or association registered as a savings and loan holding company (excluding a diversified savings and loan holding company) under the Federal National Housing Act as amended.

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 this box for any change of business information other than for your address.

Changes 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 17).

When and where to file

File Form CT-32 within 2½ months after the end of the tax year. If the due date falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day. If you cannot meet the filing deadline, ask for an extension of time by filing Form CT-5, *Request for Six-Month Extension to File (for franchise/business taxes, MTA surcharge, or both)*.

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

Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to mail in your return and tax payment. 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 17 of these instructions for information on obtaining 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, send the forms covered by these instructions to: State Processing Center, 431C Broadway, Albany NY 12204-4836.

International banking facility (IBF) election

See Schedule G instructions for information on the IBF modification method and the IBF formula allocation method.

Allocation

See Schedule H instructions for information on allocation.

Completing your return

Reporting period

Use this tax return for calendar year 2008 and fiscal years that begin in 2008 and end in 2009. You can also use the 2008 return if:

- you have a tax year of less than 12 months that begins and ends in 2009, **and**
- the 2009 return is not yet available at the time you are required to file the return.

In this case you must show your 2009 tax year on the 2008 return and take into account any tax law changes that are effective for tax years beginning after December 31, 2008.

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

Employer identification number, file number, and other identifying information

We must have the necessary identifying information to process your corporation tax forms. If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms. Keep a record of that information and include it on each corporation tax form mailed.

County code

If your headquarters are located in New York State, enter the appropriate county code of the headquarters location from *Table 1* below. If your headquarters are in another state, enter code ***65.*** If your headquarters are outside the United States, enter code ***67.***

Table 1
New York State County Codes

County	Code	County	Code	County	Code
Albany	01	Jefferson	22	Schoharie	43
Allegany	02	Lewis	23	Schuyler	44
Broome	03	Livingston	24	Seneca	45
Cattaraugus	04	Madison	25	Steuben	46
Cayuga	05	Monroe	26	Suffolk	47
Chautauqua	06	Montgomery	27	Sullivan	48
Chemung	07	Nassau	28	Tioga	49
Chenango	08	Niagara	29	Tompkins	50
Clinton	09	Oneida	30	Ulster	51
Columbia	10	Onondaga	31	Warren	52
Cortland	11	Ontario	32	Washington	53
Delaware	12	Orange	33	Wayne	54
Dutchess	13	Orleans	34	Westchester	55
Erie	14	Oswego	35	Wyoming	56
Essex	15	Otsego	36	Yates	57
Franklin	16	Putnam	37	Bronx	60
Fulton	17	Rensselaer	38	Kings	60
Genesee	18	Rockland	39	New York	60
Greene	19	St. Lawrence	40	Queens	60
Hamilton	20	Saratoga	41	Richmond	60
Herkimer	21	Schenectady	42		

Definition of headquarters

Headquarters is defined as the location where the majority of executive officers reside for purposes of work.

Location of headquarters

If your headquarters are located in the United States, enter the five-digit ZIP code of the location of your headquarters. If your headquarters are located outside the United States, enter the name of the country where your headquarters are located.

Copy of federal return

Attach a copy of federal Form 1120 or 1120F, complete with attachments, and any other returns or information requested in this return.

If changes are made to your federal return, you must file an amended New York State return (see *Federal changes and amended returns* on page 16).

Metropolitan transportation business tax (MTA surcharge)

Any corporation taxable under Article 32 that does business in the Metropolitan Commuter Transportation District (MCTD) must file Form CT-32-M, *Banking Corporation MTA Surcharge Return,* and pay a metropolitan transportation business tax (MTA surcharge) on business done in the Metropolitan Transportation Authority region. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

Answer the MTA surcharge question above line A on page 1. Corporations not doing business in the MCTD must disclaim liability for the MTA surcharge by answering *No.* They are not required to file Form CT-32-M.

Whole dollar amounts — You may elect to show amounts in whole dollars rather than 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 using 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%.*

Entering dates — Unless you are specifically directed to use a different format, enter dates in the *mm-dd-yy* format (using dashes and not slashes).

Third-party designee

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

If you mark the *Yes* box, you are authorizing the Tax Department to discuss with the designee any questions that may arise during the processing of your return. You are also authorizing the designee to:

- give the Tax Department any information that is missing from your return;
- call the Tax Department for information about the processing of your return or the status of your refund or payment(s); and
- respond to certain Tax Department notices that you shared with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

You are not authorizing the designee to receive your refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Department. If you want the designee to perform those services for you, you must file Form POA-1, *Power of Attorney,* making that designation with the Tax Department. Copies of statutory tax notices or documents (such as a *Notice of Deficiency*) will only be sent to your designee if you file Form POA-1.

You cannot change the PIN. The authorization will automatically end on the due date (without regard to extensions) for filing your next year's tax return.

Signature

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

The return of a business conducted by a trustee or trustees must be signed by a person authorized to act for the business.

If an outside individual or firm prepared the return, the signature of the person and the name, address, and identification number of the firm must be included. Failure to sign the return will delay the processing of any refunds and may result in penalties.

Line instructions

Line A — Make your check or money order payable 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.***

Schedule A

Line 1 — Enter allocated taxable entire net income (ENI) computed on line 61, and multiply by the tax rate of 7.1% (.071).

Line 2 — Enter allocated taxable alternative ENI computed on line 69, and multiply by the tax rate of 3% (.03).

Line 3 — Enter allocated taxable assets computed on line 73, and multiply by the appropriate tax rate from the chart following Schedule D.

Line 6 — Complete the *Summary of tax credits claimed* on page 10 of Form CT-32, and enter on this line the total amount of the credits that you are applying against this year's tax. When completing the *Summary of tax credits claimed,* enter in the *Other credits* box the total amount of any credit(s) being claimed for which no specific box is provided.

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 claim form, enter this negative amount as such in the applicable box.

Do not include on line 6 any amount of credit that you are having refunded or carried over. Credits for which you are requesting a refund are reported on line 20b. When claiming more than one credit, you must apply them against your tax in the following order:

1. Noncarryover credits that are not refundable.
2. Empire Zone (EZ) and Zone Equivalent Area (ZEA) wage tax credits.
3. Carryover credits that are of limited duration.
4. Carryover credits that are of unlimited duration.
5. Refundable credits.

The credit for servicing mortgages may reduce your tax to zero. However, it is not eligible for refund or carryforward. For the attributes of any other credits you may be claiming, see the applicable credit claim form and/or instructions.

Line 8b — If the net franchise tax on line 7 exceeds $1,000 and you did not file Form CT-5, a mandatory first installment is required for the period following the one that is covered by this return. If the amount on line 7 is greater than $1,000, but does not exceed $100,000, multiply line 7 by 25% (.25) and enter here. If the amount on line 7 exceeds $100,000, multiply line 7 by 30% (.3) and enter here.

Line 12 — Form CT-222, *Underpayment of Estimated Tax by a Corporation*, is filed by a corporation to inform the Tax Department that the corporation meets one of the exceptions to the underpayment of estimated tax penalty pursuant to Tax Law section 1085(d).

Line 13 — Interest on late payment — If you do not pay the franchise tax due on or before the original due date (**without** regard to any extension of time to file), you must pay interest on the amount of the underpayment from the original due date to the date paid. Exclude from the interest computation any amount shown on line 8a or 8b, first installment of estimated tax for next period. Interest will be compounded daily.

Line 14 — Late filing and late payment penalties — Compute additional charges for late filing and late payment on the amount of tax less any payment made on or before the due date (**with** regard to any extension of time to file). Exclude from the penalty computation any amount shown on line 8a or 8b, *First installment of estimated tax for next period*.

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% (Tax Law 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 (Tax Law 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% (Tax Law section 1085(a)(2)).

D. The total of the additional charges in items A and C may not exceed 5% for any one month except as provided for in item B (section 1085 (a)). If you think you are not liable for these additional charges, attach a statement to your return explaining the delay in filing, payment, or both (Tax Law section 1085).

The Tax Law also provides penalties for failure to disclose certain transactions and related information regarding tax shelters, as well as for the underpayment of taxes due to participation in such shelters. See TSB-M-05(2)C, *Disclosure of Certain Transactions and Related Information Regarding Tax Shelters*.

Note: You may compute your interest and penalty by accessing our Web site and clicking on *Online Tax Center,* or you may call and we will compute the interest and penalty for you (see *Need help?* on page 17).

Line 20a — 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 if you owe a New York City tax warrant judgment debt. We may also keep all or part of your refund or overpayment if you owe a past-due legally enforceable debt to another state, provided that state has entered into a reciprocal agreement with New York State. 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, Collections and Civil Enforcement Division, W A Harriman Campus, Albany NY 12227.

Line 20b — If you claim a refund of unused tax credits, enter the total amount to be refunded and attach the appropriate tax credit form(s). Do not include this amount in the total credits claimed on lines 6 and 178.

Line 20c — If you request unused tax credits to be credited as an overpayment to next year's return, enter the total amount to be credited and attach the appropriate tax credit form(s). Do not include this amount in the total credits claimed on line 6 or line 178.

Line 21 — Every corporation subject to tax under Tax Law Article 32, including each corporation included in a combined return, must compute its issuer's allocation percentage on a separate basis (see instructions on page 15).

Compute the issuer's allocation percentage on Form CT-32, page 9. Failure to provide the information necessary to compute the issuer's allocation percentage may result in a $500 penalty (Tax Law section 1085(o)).

Schedule B

Line 22 — Enter federal taxable income (FTI) before net operating loss (NOL) and special deductions.

If you are filing federal returns on a consolidated basis, enter FTI before NOL and special deductions that would be reported as if a separate federal return had been filed.

Attach a copy of the consolidated federal return with spread sheets or work papers supporting the federal consolidated return.

If you have an amount of excess inclusion as a result of having a residual interest in a real estate mortgage investment conduit (REMIC), you must properly reflect this income in FTI.

Line 23 — Corporations organized under the laws of a country other than the U.S. enter dividends (including the IRC section 78 gross-up on dividends to the extent not already included in FTI) and interest on any kind of stock, securities, or indebtedness that are effectively connected with the conduct of a trade or business in the U.S. pursuant to IRC section 864 and are excluded from FTI.

Line 24 — Corporations organized under the laws of a country other than the U.S. enter any income effectively connected with the conduct of a trade or business in the U.S. pursuant to IRC section 864 that is exempt from FTI under any treaty obligation of the U.S., and any income that would be treated as effectively connected with the conduct of a trade or business in the U.S. pursuant to IRC section 864 were it not excluded from gross income pursuant to IRC section 103(a).

Line 25 — Corporations organized under the laws of the U.S. or any of its states enter dividends (including the IRC section 78 gross-up on dividends to the extent not already included in FTI) and interest on any kind of stock, securities, or indebtedness that were excluded from FTI. Include all interest on state and municipal bonds and obligations of the U.S. and its instrumentalities.

Line 26 — Enter any taxes on or measured by income or profit paid or accrued to the United States, any of its possessions, or any foreign country, that were deducted in computing FTI on line 22.

Line 27 — Enter all New York State franchise taxes imposed under Article 9 sections 183, 184, and 186, and Articles 9-A and 32 that were deducted in computing FTI. Also include any MTA surcharge amounts deducted in computing FTI.

Line 28 — Use this line if:

— the corporation claims the federal accelerated cost recovery system/modified accelerated cost recovery system (ACRS/MACRS) deduction for property placed in service **either** inside 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 deduction for the property; or

— the corporation claims a 30%/50% federal special depreciation deduction under IRC section 168(k) for qualified property (excluding qualified resurgence zone property described in Tax Law section 208.9(q), 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 a 30%/50% federal special depreciation and the New York State depreciation modifications applied to the property in any prior years; or

— Form CT-32, Schedule E, applies.

If this line applies, complete Form CT-399, *Depreciation Adjustment Schedule* and enter from line 3, column E, of that form the amount of your federal deduction that must be added back to FTI. If you disposed of property this year, include the amount from Form CT-399, line 10, column A. If Form CT-32, Schedule E, applies, include the combined totals of lines 76 and 78.

Line 30 — Enter any amount claimed as a deduction in computing FTI solely as a result of an election made pursuant to the provision of IRC section 168(f)(8) (safe harbor lease as it was in effect for agreements entered into prior to January 1, 1984).

Line 31 — Enter any amount that the taxpayer would have been required to include in the computation of its FTI had it not made the election permitted pursuant to the provisions of IRC section 168(f)(8) (safe harbor lease as it was in effect for agreements entered into prior to January 1, 1984).

Line 32 — If you are claiming the special additional mortgage recording tax credit, you must adjust ENI by adding back the special additional mortgage recording tax claimed as a credit and used as a deduction in the computation of FTI. The gain on the sale of real property on which you claimed the special additional mortgage recording tax credit must be increased when you used all or any portion of the credit in the basis for computing the federal gain.

Line 34 — A thrift institution must enter any amount allowed as a deduction for federal income tax purposes according to IRC section 166 or 585. See the instructions for line 54 for the definition of a thrift institution.

If you are not a thrift institution but are subject to IRC section 585(c), enter the bad debt deduction allowed pursuant to IRC section 166.

Line 35 — If you compute a bad debt deduction pursuant to Tax Law section 1453(i), enter 20% of the excess of the amount determined pursuant to section 1453(i) over the amount that would have been allowable as a deduction had you maintained a bad debt reserve for all tax years on the basis of actual experience.

Line 36 – Other additions to FTI (attach list)

IRC section 199 deduction — Enter in the first entry box the amount of the deduction for domestic production activities from your federal return that is required to be added back under Tax Law section 1453(b)(14).

If you have any of the following other additions to FTI, add the amount from the first box to the total amount of those additions and enter the result.

A-1 If you computed ENI using the IBF modification method on line 51, you must add any income the IBF received from foreign branches that is included on line 88, and that is not included in FTI.

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 page 11.

A-3 Add back royalty payments made to related members as required by Tax Law section 1453(r).

A-4 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 1456(s).

Line 38 — Enter expenses not deducted on your federal return that are applicable to income from dividends or interest that is exempt from federal tax, shown on lines 23, 24, and 25.

Line 39 — Use this line if:

— the corporation claims the federal ACRS/MACRS deduction for property placed in service **either** inside 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 deduction for the property; or

— the corporation claims a 30%/50% federal special depreciation deduction under IRC section 168(k) for qualified property (excluding qualified resurgence zone property described in Tax Law section 208.9(q), 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 a 30%/50% federal special depreciation and the New York State depreciation modifications applied to the property in any prior years; or

— Form CT-32, Schedule E, applies.

If this line applies, enter the amount from Form CT-399, line 3, column 1. If you disposed of property this year, include the amount from Form CT-399, line 10, column B. Also, if Form CT-32, Schedule E, applies, include the amount from line 79.

Line 41 — Enter any income or gain from installment sales included in FTI that was previously includable in computing tax under Article 9-B or 9-C.

Line 43 — Enter any amount included in FTI solely as a result of an election made pursuant to the provisions of IRC section 168(f)(8) (safe harbor lease as it was in effect for agreements entered into prior to January 1, 1984).

Line 44 — Enter any amount you could have excluded from FTI had you not made the election pursuant to IRC section 168(f)(8) (safe harbor lease as it was in effect for agreements entered into prior to January 1, 1984). For additional information on safe harbor leases, see TSB-M-82(15)C, *1982 Legislation-Safe Harbor Leases*.

Line 45 — 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.

Line 46 — Enter any amount of money or other property (whether or not evidenced by a note or other instrument) received from the following: the Federal Deposit Insurance Corporation (FDIC) under section 13(c) of the Federal Deposit Insurance Act, as amended; the Federal Savings and Loan Insurance Corporation (FSLIC) under section 406(f)(1), (2), (3), or (4) of the Federal National Housing Act, as amended; or the Resolution Trust Corporation (RTC) under section 1823(c)(1), (2), or (3) of Title 12 of the United States Code.

Line 47 — Attach a list showing the names of the subsidiaries and the amount of interest income received from each (see TSB-M-87(11)C, *Article 32 Franchise Tax on Banking Corporations*).

A *subsidiary* is a corporation that is controlled by the taxpayer because the taxpayer owns more than 50% of the total number of the shares of the corporation's voting capital stock. The test of ownership is actual beneficial ownership, rather than mere record title as shown by the stock books of the issuing corporation. Actual beneficial ownership of stock does not mean indirect ownership or control of a corporation through a corporate structure consisting of several tiers, chains, or both. For additional information see 20 NYCRR 16-2.22.

Subsidiary capital is the taxpayer's total investment in shares of stock in its subsidiaries, and the amount of indebtedness owed to the taxpayer by its subsidiaries (whether or not evidenced by written instruments) on which interest is not claimed and deducted by the subsidiary against any tax imposed by Tax Law Article 9-A, 32, or 33.

Subsidiary capital does not include accounts receivable acquired in the ordinary course of trade or business either for services rendered or for sales of property held primarily for sale to customers.

Line 48 — Attach a list showing the names of each subsidiary and the amount of dividend income received from each subsidiary to the extent included in FTI on line 22 or line 24, or both (see TSB-M-87(11)C). Deduct from subsidiary dividend income any section 78 dividends deducted on line 42 that are attributable to dividends from subsidiary capital. Do not include on this line any amount that should be included on line 57 (S-6).

Line 49 — Attach a list showing the names of each subsidiary and the amount of gains or losses received from each subsidiary to the extent included in FTI on line 22 (see TSB-M-87(11)C). Include any gain or loss from the sale of a subsidiary corporation, as a result of an IRC section 338 election, to the extent the gain or loss is included in FTI on line 22. Subsidiary gains must be offset by subsidiary losses. If subsidiary gains exceed subsidiary losses, multiply the net gain by 60% (.6). If subsidiary losses exceed subsidiary gains, enter ***0***.

Line 50 — Attach a list showing the name and amount of interest income received from each obligation of New York State, political subdivisions of New York State, and the United States. The term *obligation* refers to obligations incurred in the exercise of the borrowing power of New York State or any of its political subdivisions or of the United States. The term *obligation* does not include obligations held for resale in connection with regular trading activities or obligations that guarantee the debt of a third party. The following do not qualify under this provision: guaranteed student loans, industrial development bonds issued under Article 18-A of the New York State General Municipal Law, Federal National Mortgage Association (FNMA) mortgage-backed securities, and Government National Mortgage Association (GNMA) mortgage-backed securities. This is not, however, a comprehensive list.

For additional information see TSB-M-86(7.1)C, *Determinations-Obligations of the United States, New York State, and Political Subdivisions of New York State*.

Line 51 — Enter the amount from line 107 if you elected to compute ENI using the IBF modification.

Note: See instructions for lines 36 and 57 for adjustments to FTI that are attributable to transactions between the taxpayer's foreign branches and its IBF.

Line 52 — Enter any amount that is included in FTI under IRC section 585(c).

Line 53 — Enter any amount that is included in FTI as a result of a recovery of a loan by a taxpayer subject to the provisions of IRC section 585.

Line 54

(1) For purposes of this instruction, a *thrift institution* is a banking corporation that satisfies the requirements of (1)(A) and (1)(B) below.

(A) Such banking corporation must be:

(i) a banking corporation as defined in Tax Law section 1452(a)(1) created or authorized to do business under Article 6 or 10 of the New York State Banking Law, or

(ii) a banking corporation as defined in Tax Law section 1452(a)(2) or 1452(a)(7) that is doing a business substantially similar to the business that a corporation or association may be created to do under Article 6 or 10 of the New York State Banking Law, or any business that a corporation or association is authorized by such article to do, or

(iii) a banking corporation as defined in Tax Law section 1452(a)(4) or 1452(a)(5).

(B) At least 60% of the amount of the total assets (at the close of the tax year) of a banking corporation must consist of one or more of the following:

(i) Cash.

(ii) Obligations of the United States or of a state or political subdivision thereof, and stock or obligations of a corporation that is an instrumentality of the United States or of a state or political subdivision thereof, but not including obligations the interest on which is excludable from gross income under IRC section 103.

(iii) Loans secured by a deposit or share of a member.

(iv) Loans secured by an interest in real property that is (or from the proceeds of the loan, will become) residential real property or real property used primarily for church purposes, or loans made for the improvement of residential real property or real property used primarily for church purposes. For purposes of this clause, *residential real property* includes single or multifamily dwellings, facilities in residential developments dedicated to public use or property used on a nonprofit basis for residents, and mobile homes not used on a transient basis.

(v) Property acquired through the liquidation of defaulted loans described in (1)(B)(iv) above.

(vi) Any regular or residual interest in a real estate mortgage investment conduit (REMIC), as such term is defined in IRC section 860D, and any regular interest in a financial asset securitization investment trust (FASIT), as such term is defined in IRC section 860L, but only in the proportion which the assets of such REMIC or FASIT consist of property described in (1)(B)(i) through (1)(B)(v) above, except that if 95% or more of the assets of such REMIC or FASIT are assets described in (1)(B)(i) through (1)(B)(v) above, the entire interest in the REMIC or FASIT will qualify.

(vii) Any mortgage-backed security that represents ownership of a fractional undivided interest in a trust, the assets of which consist primarily of mortgage loans, provided that the real property that serves as security for the loans is (or from the proceeds of the loan, will become) the type of property described in (1)(B)(iv) above and any collateralized mortgage obligation, the security for which consists primarily of mortgage loans, provided that the real property that serves as security for the loans is (or from the proceeds of the loan, will become) the type of property described in 1(B)(iv) above.

(viii) Certificates of deposit in, or obligations of, a corporation organized under a state law that specifically authorizes such corporation to insure the deposits or share accounts of member associations.

(ix) Loans secured by an interest in real property located within any urban renewal area, to be developed for predominantly residential use under an urban renewal plan approved by the Secretary of Housing and Urban Development under Part A or Part B of Title I of the Housing Act of 1949, as amended, or located within any area covered by a program eligible for assistance under section 103 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended, and loans made for the improvement of any such real property.

(x) Loans secured by an interest in educational, health, or welfare institutions or facilities, including structures designed or used primarily for residential purposes for students, residents, persons under care, employees, or members of the staff of such institutions or facilities.

(xi) Loans made for the payment of expenses of college or university education or vocational training.

(xii) Property used by the taxpayer in the conduct of business that consists principally of acquiring the savings of the public and investing in loans.

(xiii) Loans for which the taxpayer is the creditor and that are wholly secured by loans described in 1(B)(iv) above, but excluding loans for which the taxpayer is the creditor to any banking corporation described in Tax Law sections 1452(a)(1) through 1452(a)(7) or a real estate investment trust (REIT), as such term is defined in IRC section 856, and excluding loans that are treated by the taxpayer as subsidiary capital for purposes of the deductions provided by Tax Law section 1453(e)(11).

(xiv) Small business loans or small farm loans located in low-income or moderate-income census tracts or block numbering areas delineated by the United States Bureau of the Census in the most recent decennial census.

(xv) Community development loans or community development investments.

A *community development loan* is a loan that:

— has as its primary purpose community development;

— has not been reported or collected by the taxpayer for consideration in the taxpayer's community reinvestment act evaluation pursuant to the federal Community Reinvestment Act of 1977 as amended, or section 28-b of the New York State Banking Law, as a mortgage loan described in 1(B)(iv) above, or as a small business loan, small farm loan, or consumer loan;

— benefits the taxpayer's assessment area or areas for purposes of the federal Community Reinvestment Act of 1977 as amended, or section 28-b of the New York State Banking Law, or a broader statewide or regional area that includes the taxpayer's assessment area; and

— is identified in the taxpayer's books and records as a community development loan for purposes of its community reinvestment act evaluation pursuant to the federal Community Reinvestment Act of 1977, as amended, or section 28-b of the New York State Banking Law.

A *community development investment* is an investment that:

— is a security that has as its primary purpose community development and that is identified in the taxpayer's books and records as a qualified investment for purposes of its community reinvestment act evaluation pursuant to the federal Community Reinvestment Act of 1977 as amended, or section 28-b of the New York State Banking Law.

For purposes of the above, *community development* means:

— affordable housing (including multi-family rental housing for low-income or moderate-income individuals);

— community services targeted to low-income or moderate-income individuals;

— activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Development Company Program or the Small Business Investment Company Program of the Small Business Administration, or have gross annual revenues of one million dollars or less;

— activities that revitalize or stabilize low-income or moderate-income census tracts or block numbering areas delineated by the U.S. Bureau of the Census in the most recent decennial census; or

— activities that seek to prevent defaults and/or foreclosures in loans included in the first and third items above under the explanation of *community development.*

(C) At the election of the taxpayer, the percentage specified in (1)(B) is applied on the basis of the average assets outstanding during the tax year, in lieu of the close of the tax year. For purposes of (1)(B)(iv), if a multifamily structure securing a loan is used in part for nonresidential use purposes, the entire loan is deemed a residential real property loan if the planned residential use exceeds 80% of the property's planned use (determined as of the time the loan is made). Also, for purposes of (1)(B)(iv), loans made to finance the acquisition or development of land will be deemed to be loans secured by an interest in residential real property if there is a reasonable assurance that the property will become residential real property within a period of three years from the date of acquisition of such land; but this sentence will not apply for any tax year unless, within such three-year period, such land becomes residential real property. For purposes of determining whether any interest in a REMIC qualifies under (1)(B)(vi), any regular interest in another REMIC held by such REMIC will be treated as a loan described in (1)(B)(i) through (1)(B)(v) under principles similar to the principle of (1)(B)(vi); except that if such REMICS are part of a tiered structure, they shall be treated as one REMIC for purposes of (1)(B)(vi).

(2) A thrift institution must exclude from the computation of its ENI on line 34, any amount allowed as a deduction for federal income tax purposes according to IRC section 166 or 585.

(3) A thrift institution is allowed the amount of a reasonable addition to its reserve for bad debts as a deduction in computing ENI. This amount must be equal to the sum of:

(A) the amount determined to be a reasonable addition to the reserve for losses on nonqualifying loans, computed in the same manner as is provided for additions to the reserves for losses on loans of banks under Tax Law section 1453(i)(1), plus

(B) the amount determined by the taxpayer to be a reasonable addition to the reserve for losses on qualifying real property loans, but such amount shall not exceed the amount determined under (4) or (5), whichever is the larger, but the amount determined under (3)(B) shall in no case be greater than the larger of:

(i) the amount determined under (5), or

(ii) the amount that, when added to the amount determined under (3)(A), equals the amount by which 12% of the total deposits or withdrawable accounts of depositors of the taxpayer at the close of such year exceeds the sum of its surplus, undivided profits, and reserves at the beginning of such year (taking into account any portion thereof attributable to the period before the first tax year beginning after December 31, 1951).

The taxpayer **must** include in its tax return for each year a computation of the amount of the addition to the bad debt reserve determined under (3)(B). The use of a particular method in the return for a tax year is not a binding election by the taxpayer.

(4) (A) Subject to (4)(B) and (4)(C), the amount determined under (4)(A) for the tax year must be an amount equal to 32% of the ENI for such year.

(B) The amount determined under (4)(A) must be reduced (but not below zero) by the amount determined under (3)(A).

(C) The amount determined under (4) must not exceed the amount necessary to increase the balance at the close of the tax year of the reserve for losses on qualifying real property loans to 6% of such loans outstanding at such time.

(D) For purposes of (4), ENI must be computed:

(i) By excluding from income any amount included therein by reason (8)(B).

(ii) Without regard to any deduction allowable for any addition to the reserve for bad debts.

(iii) By excluding from income an amount equal to the net gain for the tax year arising from the sale or exchange of stock of a corporation or of obligations the interest on which is excludable from gross income under IRC section 103.

(iv) Whenever a thrift institution is properly includable in a combined return, ENI for purposes of (4) shall not exceed the lesser of the thrift institution's separately computed ENI as adjusted under (4)(D)(i) through (4)(D)(iii), or the combined group's ENI as adjusted pursuant to (4)(D)(i) through (4)(D)(iii).

(5) The amount determined under (5) for the tax year must be computed in the same manner as is provided under Tax Law section 1453(i)(1) for additions to reserves for losses on loans of banks. Provided, however, that for any tax year beginning after 1995, for purposes of such computation, the base year must be the later of (A) the last tax year beginning in 1995, or (B) the last tax year before the current year in which the amount determined under the provisions of (3)(B) exceeded the amount allowable under (5).

(6) (A) (i) Each taxpayer described in (1) must establish and maintain a New York reserve for losses on qualifying real property loans, a New York reserve for losses on nonqualifying loans, and a supplemental reserve for losses on loans. Such reserves shall be maintained for all subsequent tax years that Tax Law section 1453(h) applies to the taxpayer.

(ii) For purposes of Tax Law section 1453(h), such reserves must be treated as reserves for bad debts, but no deduction is allowed for any addition to the supplemental reserve for losses on loans.

(iii) Except as noted below, the balances of each such reserve at the beginning of the first day of the first tax year beginning after December 31, 1995, must be the same as the balances maintained for federal income tax purposes in accordance with IRC section 593(c)(1) as in existence on December 31, 1995, for the last day of the last tax year beginning before January 1, 1996. A taxpayer that maintained a New York reserve for loan losses on qualifying real property loans in the last tax year beginning before January 1, 1996, must have a continuation of such New York reserve balance in lieu of the amount determined under the preceding sentence.

(iv) Notwithstanding (6)(A)(ii), any amount allocated to the reserve for losses on qualifying real property loans according to IRC section 593(c)(5) as in effect immediately prior to the enactment of the Tax Reform Act of 1976, must not be treated as a reserve for bad debts for any purpose other than determining the amount referred to in (3)(B), and for such purpose such amount must be treated as remaining in such reserve.

(B) Any debt becoming worthless or partially worthless in respect of a qualifying real property loan must be charged to the reserve for losses on such loans. Any debt becoming worthless or partially worthless in respect of a nonqualifying loan must be charged to the reserve for losses on nonqualifying loans, except that any such debt may, at the election of the taxpayer, be charged in whole or in part to the supplemental reserve for losses on loans.

(C) The New York reserve for losses on qualifying real property loans shall be increased by the amount determined under (3)(B). The New York reserve for losses on nonqualifying loans must be increased by the amount determined under (3)(A).

(7) (A) For purposes of Tax Law section 1453(h), the term *qualifying real property loan* means any loan secured by an interest in improved real property or secured by an interest in real property that is to be improved out of the proceeds of the loan. Such term shall include any mortgage-backed security that represents ownership of a fractional undivided interest in a trust, the assets of which consist primarily of mortgage loans, provided that the real property that serves as security for the loans is (or from the proceeds of the loan, will become) the type of property described in (1)(B)(i) through (1)(B)(v). However, such term does not include:

(i) Any loan evidenced by a security (as defined in IRC section 165(g)(2)(C)).

(ii) Any loan, whether or not evidenced by a security, as defined in section 165(g)(2)(C), the primary obligor of which is:

— a government or political subdivision or instrumentality thereof,

— a banking corporation, or

— any corporation 65% or more of whose voting stock is owned or controlled, directly or indirectly, by the taxpayer or by a banking corporation or bank holding company that owns or controls, directly or indirectly, 65% or more of the voting stock of the taxpayer.

(iii) Any loan, to the extent secured by a deposit in or share of the taxpayer.

(iv) Any loan that, within a 60-day period beginning in one tax year of the creditor and ending in its next tax year, is made or acquired and then repaid or disposed of, unless the transactions by which the loan was made or acquired and then repaid or disposed of are established to be for bona fide business purposes.

(B) For purposes of Tax Law section 1453(h), *nonqualifying loan* means any loan that is not a qualifying real property loan.

(C) For purposes of Tax Law section 1453(h), *loan* means debt, as the term *debt* is used in IRC section 166.

(D) A regular or residual interest in a REMIC, as such term is defined in IRC section 860D, is treated as a qualifying real property loan, except that, if less than 95% of the assets of such REMIC are qualifying real property loans (determined as if the taxpayer held the assets of the REMIC), such interest is so treated only in the proportion that the assets of such REMIC consist of such loans. For purposes of determining whether any interest in a REMIC qualifies under the preceding sentence, any interest in another REMIC held by such REMIC is treated as a qualifying real property loan under principles similar to the principles of the preceding sentence, except that if such REMIC are part of a tiered structure, they are treated as one REMIC for purposes of (7).

(8) (A) Any distribution of property, as defined in IRC section 317(a), by a thrift institution to a shareholder with respect to its stock, if such distribution is not allowable as a deduction under IRC section 591, must be treated as made:

(i) first out of its New York earnings and profits accumulated in tax years beginning after December 31, 1951, to the extent thereof,

(ii) then out of the New York reserve for losses on qualifying real property loans, to the extent additions to such reserve exceed the additions that would have been allowed under (5),

(iii) then out of the supplemental reserve for losses on loans to the extent thereof,

(iv) then out of such other accounts as may be proper.

(8)(A) applies in the case of any distribution in redemption of stock or in partial or complete liquidation of a thrift institution, except that any such distribution must be treated as made first out of the amount referred to in (8)(A)(ii), second out of the amount referred to in (8)(A)(iii), third out of the amount referred to in (8)(A)(i), and then out of such other accounts as may be proper. (8)(A) does not apply to any transaction to which IRC section 381 (relating to carryovers and certain corporate acquisitions) applies, or to any distribution to the FSLIC or the FDIC in redemption of an interest in an association or institution, if such interest was originally received by the FSLIC or the FDIC in exchange for financial assistance according to section 406(f) of the Federal National Housing Act or according to section 13(c) of the Federal Deposit Insurance Act.

(B) If any distribution is treated under (8)(A) as having been made out of the reserves described in (8)(A)(ii) and (8)(A)(iii), the amount charged against such reserve must be the amount that, when reduced by the amount of tax imposed under the IRC and attributable to the inclusion of such amount in gross income, is equal to the amount of such distribution; and the amount so charged against such reserve must be included in the ENI of the taxpayer.

(C) (i) For purposes of (8)(A)(ii), additions to the New York reserve for losses on qualifying real property loans for the tax year in which the distribution occurs must be taken into account.

(ii) For purposes of computing, under Tax Law section 1453(h), the amount of a reasonable addition to the New York reserve for losses on qualifying real property loans for any tax year, the amount charged during any year to such reserve under the provisions of (8)(B) cannot be taken into account.

(9) A taxpayer that maintains a New York reserve for losses on qualifying real property loans, and that ceases to meet the definition of a thrift institution as defined in section (1)(A) and (1)(B), must include in its ENI, for the last tax year such definition applied, the excess of its New York reserve for losses on qualifying real property loans over the greater of (A) its reserve for losses on qualifying real property loans as of the last day of the last tax year (generally December 31, 1995) such reserve is maintained for federal income tax purposes; or (B) the balance of the New York reserve for losses on qualifying real property loans that would be allowable to the taxpayer for the last tax year such taxpayer met the definition of a thrift institution, if the taxpayer had computed its reserve balance according to the method described in Tax Law section 1453(i)(1)(A).

Line 55

(1) A taxpayer subject to the provisions of IRC section 585(c) and not subject to Tax Law section 1453(h) may, in computing ENI, deduct an amount equal to or less than the amount determined pursuant to (1)(A) or (1)(B), whichever is greater. However, the deduction must not be less than the amount determined in (1)(A).

(A) The amount determined in (1)(A) shall be the amount necessary to increase the balance of its New York reserve for losses on loans (at the close of the tax year) to the amount that bears the same ratio to loans outstanding at the close of the tax year as (i) the total bad debts sustained during the tax year and the five preceding tax years (or, with the approval of the Commissioner of Taxation and Finance, a shorter period), adjusted for recoveries of bad debts during such period, bears to (ii) the sum of the loans outstanding at the close of such six or fewer tax years.

(B) (i) The amount determined according to (1)(B) must be the amount necessary to increase the balance of its New

York reserve for losses on loans (at the close of the tax year) to the lower of:

(1) the balance of the reserve at the close of the base year, or

(2) if the amount of loans outstanding at the close of the tax year is less than the amount of loans outstanding at the close of the base year, the amount that bears the same ratio to loans outstanding at the close of the tax year as the balance of the reserve at the close of the base year bears to the amount of loans outstanding at the close of the base year.

(ii) For purposes of (1), the base year is, for tax years beginning after 1987, the last tax year beginning before 1988.

(2) (A) Each taxpayer described in (1) must establish and maintain a New York reserve for losses on loans. Such reserve shall be maintained for all subsequent tax years. The balance of the New York reserve for losses on loans at the beginning of the first day of the first tax year the taxpayer becomes subject to Tax Law section 1453(i) must be the same as the balance at the beginning of such day of the reserve for losses on loans maintained for federal income tax purposes. The New York reserve for losses on loans shall be reduced by an amount equal to the deduction allowed, but not more than the amount allowable, for worthless debts for federal income tax purposes pursuant to IRC section 166, plus the amount, if any, charged against its reserve for losses on loans according to IRC section 585(c)(4).

(B) For purposes of (2)(A), a taxpayer that had previously been subject to the provisions of Tax Law section 1453(h) shall establish a New York reserve for losses on loans equal to the sum of:

(i) the greater of (1) the balance of its federal reserve for losses on qualifying real property loans, as of the first day of the first tax year the taxpayer becomes subject to the provisions of section 1453(i), or (2) the greater of the amounts determined under 1453(h)(9)(A) and 1453(h)(9)(B) applied to the taxpayer; and

(ii) the greater of (1) the balance in its federal reserve for losses on nonqualifying loans, as of the first day of the first tax year the taxpayer becomes subject to section 1453(i), or (2) the balance in its New York reserve for losses on nonqualifying loans, as of the last date the taxpayer was subject to the provisions of section 1453(h); and

(iii) the balance in its supplemental reserve for losses on loans, as of the last date the taxpayer was subject to the provisions of section 1453(h).

(3) The determination and treatment of the New York reserve balance, including any additions thereto, subtractions therefrom, or recapture thereof, for

(A) any banking corporation that was subject to tax for federal income tax purposes but not subject to tax under Article 32 for prior tax years,

(B) any taxpayer that ceases to be subject to tax under Article 32, or

(C) any other unusual circumstances, will be determined by the Commissioner of Taxation and Finance. However, any banking corporation that was subject to tax for federal income tax purposes, but not subject to tax under Article 32 for prior tax years, must have as its opening New York reserve for losses on loans the amount determined by applying the provisions of (1)(A) to loans outstanding at the close of its last tax year for federal income tax purposes ending prior to the first tax year for which the taxpayer is subject to tax under Article 32, and provided, further, that the provisions of (1)(B) do not apply.

Line 56 — New York State NOL deduction

A New York State NOL deduction is allowed for NOLs sustained in tax years beginning on or after January 1, 2001 (Tax Law section 1453(k-1)).

Enter any New York State NOL carried forward from tax years beginning on or after January 1, 2001. Attach a separate sheet with full details of both federal and New York State NOLs claimed.

These rules apply:

(a) No deduction is allowed for a NOL incurred during any tax year beginning before January 1, 2001.

(b) No deduction is allowed for a NOL incurred during any tax year in which the corporation was not subject to tax under Article 32.

(c) IRC section 172 federal losses must be adjusted to reflect the inclusions and exclusions from ENI required by the provisions of Article 32, section 1453 (other than the NOL deduction provision).

(d) The New York State NOL deduction is computed as if the corporation elected under IRC section 172 to relinquish the carryback provisions.

(e) The New York State NOL deduction may not exceed the allowable deduction for the tax year under IRC section 172, as augmented by the excess of the amount allowed as a New York State bad debt deduction over the federal bad debt deduction in each loss year (except to the extent such excess was previously deducted in computing ENI).

(f) The NOL may be carried forward for 20 years.

These rules also apply to any corporation included in a consolidated group for federal purposes, but filing on a separate basis for New York State purposes. These corporations should compute their NOLs and NOL deductions as if filing on a separate basis for federal income tax purposes.

Line 57 — Other subtractions from FTI (attach list)

S-1 If you computed ENI using the IBF modification method on line 51, you must subtract any expenses of the IBF that were paid to foreign branches of the taxpayer that are included on line 91 that are not included in FTI.

S-2 In the case of a taxpayer that is currently or has previously been subject to Tax Law section 1453(h), subtract any amount that is included in FTI according to IRC section 593(e)(2), and any amount that is included in FTI according to IRC section 593(g) (added to the IRC by P.L. 104-188).

S-3 You may defer the gain on the sale of QETIs that are held for more than 36 months and rolled over into the purchase of a QETI within 365 days. Replacement QETI must be purchased 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 replacement QETI. The gain deferral applies to any QETI sold on or after March 12, 1998, that meets the holding-period criteria. The gain deferred must be added back 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 FTI). If purchase of the replacement QETI within the 365-day period occurs in the same tax year as the sale of the original QETI, or in the following tax 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 tax 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 TSB-M-98(7)C, *1998 Summary of Corporation Tax Legislative Changes,* pages 5 and 6.

S-4 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-5 Subtract royalty income from related members as described in Tax Law section 1453(r).

S-6 Subtract 100% of dividend income from subsidiary capital received during the tax year if that dividend income is directly attributable to a dividend from a captive REIT or captive RIC for which the captive REIT or captive RIC claimed a federal dividends paid deduction and that captive REIT or captive RIC is included in a combined return under Article 9-A, 32, or 33. Enter in the first entry box the total amount of all such dividend income that is being included on this line.

Line 60 — If you claim a deduction for optional depreciation, enter the total of line 77 and line 82.

Schedule C

Line 62 — ENI must be the same as that reported on line 59a. Whatever election you make concerning the IBF modification to ENI applies to the computation of alternative ENI.

Schedule D

A taxpayer is not subject to the tax on taxable assets for that portion of the tax year in which it had outstanding net worth certificates issued to the following: the FSLIC in accordance with section 406(f)(5) of the Federal National Housing Act, as amended, (12 United States Code (USC) 1729(f)(5)); the FDIC in accordance with section 13(i) of the Federal Deposit Insurance Act, as amended, (12 USC 1823(i)); or the Resolution Trust Corporation (RTC) under section 1823(c)(1), (2), or (3) of Title 12 of the United States Code.

Line 70 — Compute the average value of total assets that includes money or other property received from the FSLIC, FDIC, or RTC and interbank placements. Average value of total assets is generally computed on a quarterly basis. However, you may use a more frequent basis, such as monthly, weekly, or daily. Total assets are those assets that are properly reflected on a balance sheet, the income or expenses of which are properly reflected (or would have been properly reflected if not fully depreciated or expensed, or depreciated or expensed to a nominal amount) in the computation of the taxpayer's alternative ENI for the tax year, and in the computation of the eligible net income of the taxpayer's IBF for the tax year. Tangible real and personal property, such as buildings, land, machinery, and equipment is valued at cost. Intangible property such as loans, investments, coin, and currency is valued at book value.

Line 71 — Include any amount of money or other property (whether or not evidenced by a note or other instrument) received from or attributable to amounts received from the following: the FDIC pursuant to Federal Deposit Insurance Act section 13(c), as amended; the FSLIC pursuant to section 406(f)(1), (2), (3), or (4) of the Federal National Housing Act, as amended; or the Resolution Trust Corporation under section 1823(c)(1), (2), or (3) of Title 12 of the United States code.

Line 74 — The term *net worth ratio* means the percentage of net worth to assets on the last day of the tax year. The term *net worth* means the sum of preferred stock, common stock, surplus, capital reserves, undivided profits, mutual capital certificates, reserve for contingencies, reserve for loan losses, and reserve for security losses, minus assets classified loss. The term *assets* means the sum of mortgage loans, nonmortgage loans, repossessed assets, real estate held for development, investment, or resale, cash, deposits, investment securities, fixed assets and other assets (such as financial futures, goodwill, and other intangible assets) minus assets classified loss. In no event shall assets be reduced by reserves for losses.

Line 75 — Determine the percentage of mortgages included in total assets by dividing the average of the four quarterly balances of mortgages ending within the tax year by the average of the four quarterly balances of all assets ending within the tax year. Such quarterly balances shall be computed in the same manner as the Report of Condition required for FDIC or FSLIC purposes, whether or not such report is required. The term *mortgages* means loans secured by real property within or outside New York State, participations in and securities collateralized by pools of residential mortgages (whether or not issued or guaranteed by a United States government agency), and loans secured by stock in a cooperative housing corporation.

Schedule E

Complete Schedule E when the computation of New York depreciation on property differs from federal depreciation. However, do not include depreciation adjustments required to be included on Form CT-399.

Part 1

The taxpayer may elect to deduct up to double the amount of federal depreciation on qualified tangible property (except personal property leased to others) in lieu of the amount of normal depreciation. The original use of such property must commence with the taxpayer and the property must be (1) depreciable tangible property as defined by IRC section 167, (2) constructed or acquired after December 31, 1963, and on or before December 31, 1967, and (3) be located in New York. The total deduction of all years, including years covered by Article 9-B or 9-C for any unit of property, may not exceed the cost of such property. Any unused optional depreciation may be carried forward to succeeding years. Determine the amount of carryover by limiting allocated ENI (line 59b) to zero.

Part 2

Include property on which the method of depreciation under Article 9-B or 9-C was different from that used for federal purposes.

Schedule F

Complete Schedule F when the computation of New York gain or loss on disposition of property differs from federal gain or loss (do not include disposition adjustments required to be included on Form CT-399).

In computing gain, enter the higher of cost or fair market price or value at the applicable date. In computing loss, enter the lower of cost or fair market price or value at the applicable date.

Upon sale or disposition, compute the net gain or loss by adjusting the federal basis of such property to reflect the total deductions allowed for all years, including years covered by Article 9-B or 9-C.

Schedule G

A corporation with an IBF located in New York State may do one of the following:

1. Use the IBF modification method, and deduct from ENI on line 51, the adjusted eligible net income of the IBF computed on line 107. The decision to use the IBF modification method for a tax year is made with the filing of the return for the tax year. Mark the IBF modification boxes on Schedule G and Schedule H, Part 1. The decision to use the IBF modification may be changed by filing an amended return for the tax year. A corporation that uses the IBF modification method must complete lines 84 through 107.
2. Elect to use the IBF formula modification method, and do not modify ENI. The election to use the IBF formula allocation method for a tax year is made with the filing of the return for the tax year. Mark an ***X*** in the IBF formula allocation method boxes on Schedule G and Schedule H, Part 1. The election to use the IBF formula allocation method may be changed by filing an amended return for the tax year. A corporation that uses the IBF formula allocation method must complete lines 84 through 88.

For the effect of the IBF modification method and the IBF formula allocation method on allocation percentages, see *Allocation percentage for taxpayers with an IBF located in New York State* on page 15.

Schedule H

A corporation that is doing business both within and outside New York State is entitled to allocate its ENI, alternative ENI, and taxable assets within and outside New York State. A corporation not doing business outside New York State must allocate its ENI, alternative ENI, and taxable assets 100% to New York State. However, a corporation that has an IBF located in New York State may elect, on an annual basis, to reflect the results of its IBF operations in its ENI allocation percentage and in its alternative ENI allocation percentage (see *Allocation percentage for taxpayers with an IBF located in New York State* on page 15).

In determining whether a corporation is doing business outside New York State, consideration is given to the same factors used to determine if business is being carried on within New York State. See *Definition of doing business within New York State* on page 3 of these instructions. A corporation that claims to be doing business outside New York State must attach a statement describing the activities of the corporation within and outside New York State.

Each allocation percentage is determined by a formula consisting of a payroll factor, a receipts factor, and a deposits factor.

For tax years beginning on or after January 1, 2008, corporations that are 65% or more owned subsidiaries of banks and bank holding companies that are subject to tax under Article 32 because of Tax Law section 1452(a)(9), and that substantially provide management, administrative, or distribution services to an investment company must use the receipts factor only. Thus, for these corporations, the allocation percentage for ENI and alternative ENI is on line 123, while the allocation percentage for taxable assets is on line 153.

The receipts factor includes only receipts that are included in the computation of alternative ENI for the tax year. The deposits and payroll factors include only deposits and payroll, the expenses of which are included in the computation of alternative ENI for the tax year. Each factor is computed on a cash or accrual basis, according to the method of accounting used by the taxpayer for the tax year in computing its alternative ENI.

Payroll factor

Determine the percentage of a corporation's payroll allocated to New York State by dividing 80% (100% when computing the alternative ENI allocation percentage) of the wages, salaries, and other personal service compensation of the corporation's employees (except general executive officers) within New York State during the period the corporation is entitled to allocate, by the total amount of wages, salaries, and other personal service compensation of the corporation's employees (except general executive officers) both within and outside New York State during the period the corporation is entitled to allocate.

If a corporation organized under the laws of a country other than the United States has employees that are regularly connected with or working out of an office of the corporation that is located outside of the U.S., no amount of the wages, salaries, and other personal service compensation of these employees is included in either the numerator or the denominator of the payroll factor.

The term *employees* includes every individual, except general executive officers, where the relationship existing between the corporation and the individual is that of employer and employee.

The phrase *employees within New York State* includes all employees regularly connected with or working out of an office of the corporation within New York State, irrespective of where the services of such employees were performed.

The phrase *general executive officer* includes every officer of the corporation charged with and performing general executive duties of the corporation who is elected by the shareholders, elected or appointed by the board of directors, or, if initially appointed by another officer, ratified by the board of directors. A general executive officer must have company-wide authority with respect to assigned functions or duties, or must be responsible for an entire division of the company.

Receipts factor

Determine the percentage of the taxpayer's receipts allocated to New York State by dividing 100% of the taxpayer's receipts from loans (including the taxpayer's portion of a participation in a loan), financing leases, and all other business receipts earned within New York State during the period the taxpayer is entitled to allocate, by the total amount of the taxpayer's receipts from loans (including the taxpayer's portion of a participation in a loan), financing leases, and all other business receipts earned within and outside New York State during the period the taxpayer is entitled to allocate.

Interest income from loans and financing leases

Allocate to New York State interest income from loans and financing leases if such income is attributable to a loan or financing lease that is located in New York State. Interest income from a loan or financing lease does not include repayments of principal. A loan or financing lease is located where the greater portion of income producing activity relating to the loan or financing lease occurred.

Except for a taxpayer that is a production credit association or a corporation described on page 2 of these instructions under *Who must file,* item D, a loan or financing lease attributed by the taxpayer to a branch outside New York State will be presumed to be properly so attributed, provided that such presumption may be rebutted if the Commissioner of Taxation and Finance demonstrates that the greater portion of income producing activity related to the loan or financing lease did not occur at such branch. If a loan or financing lease is recorded on the books of a place outside New York State that is not a branch, it is presumed that the greater portion of income-producing activity related to such loan or financing lease occurred within New York State if the taxpayer had a branch within New York State at the time the loan or financing lease was made. The taxpayer may rebut such presumption by demonstrating that the greater portion of income-producing activity related to the loan or financing lease did not occur within New York State.

If a taxpayer is a production credit association or a corporation described on page 2 of these instructions under *Who must file,* item D, a loan or financing lease attributed by the taxpayer to a bona fide office outside New York State is presumed to be properly so attributed, provided that such presumption may be rebutted if the Commissioner of Taxation and Finance demonstrates that the greater portion of income-producing activity related to the loan or financing lease did not occur outside New York State.

Income producing activity includes such activities as: solicitation, investigation, negotiation, approval, and administration of the loan or financing lease. A loan or financing lease is made when such loan or financing lease is approved. The term *loan* means any loan, whether the transaction is represented by a promissory note, security, acknowledgment of advance, due bill, or any other form of credit transaction, if the related asset is properly recorded in the financial accounts of the taxpayer. Loans include the taxpayer's portion of a participation in a loan. The term *financing lease* means a lease where the taxpayer is not treated as the owner of the property for purposes of computing alternative ENI.

Other income from loans and financing leases

Other income from loans and financing leases includes, but is not limited to, arrangement fees, commitment fees, and management fees, but does not include repayments of principal. Other income from loans and financing leases is allocated to New York State when the greater portion of income producing activity relating to such income is within New York State.

Lease transactions and rents

Receipts from real property and tangible personal property leased or rented from the corporation are allocated to New York State if such property is located in New York State. Receipts from rentals include all amounts received by the corporation for the use of or occupation of property, whether or not such property is owned by the taxpayer. Gross receipts received from real property and tangible personal property that is subleased must be included in the receipts factor.

Interest from bank, credit, travel, entertainment, and other card receivables

Interest, fees in the nature of interest, and penalties in the nature of interest, from bank, credit, travel, entertainment, and other card receivables are allocated to New York State if the mailing address of the cardholder in the records of the taxpayer is in New York State.

Service charges and fees from bank, credit, travel, entertainment, and other cards

Service charges and fees from bank, credit, travel, entertainment, and other cards are allocated to New York State if the mailing address of the cardholder in the records of the taxpayer is in New York State.

Receipts from merchant discounts

Receipts from merchant discounts are allocated to New York State if the merchant is located within New York State. If a merchant has locations both within and outside New York State, only receipts from merchant discounts attributable to sales made from locations within New York State are allocated to New York State. It is presumed that the location of the merchant is the address of the merchant shown on the invoice submitted by the merchant.

Income from trading activities and investment activities

The portion of total net gains and other income from trading activities and investment activities that is attributed within New York State is ascertained by multiplying such total net gains and other income by a fraction, the numerator of which is the average value of trading assets and investment assets attributable to New York State, and the denominator of which is the average value of all trading and investment assets. A trading asset or investment asset is attributable to New York State if the greater portion of income-producing activity related to the trading asset or investment asset occurred within New York State. Trading activities include, but are not limited to, foreign exchange transactions, the purchase and sale of options and financial futures, and, in appropriate cases, interbank fund transfers.

Interbank fund transfers include, but are not limited to, trading in negotiable certificates of deposit, currency swaps, interest rate swaps, Eurodollar transfers (purchases or sales), federal funds (sales, transfers, and purchases), and repurchase agreements representing transfer of funds.

Fees or charges from letters of credit, traveler's checks, and money orders

Fees or charges from the issuance of letters of credit, traveler's checks, and money orders are allocated to New York State if such letters of credit, traveler's checks, or money orders are issued within New York State.

Performance of services

Receipts for services performed by the taxpayer's employees regularly connected with or working out of a New York State office of the taxpayer are allocated to New York State if such services are performed within New York State.

When allocating receipts for services performed, it is immaterial where such receipts are payable or where they are actually received.

When allocating receipts for services to regulated investment companies for tax periods beginning on or after January 1, 2001, the amount of receipts received from an investment company (mutual fund) for management, administration, or distribution services, is allocated to New York State based on the domicile of the shareholders of the investment company (Tax Law section 1454(a)(2)(G)). For more information, see TSB-M-88(9)C, *Allocation of Receipts from services provided to a Regulated Investment Company (Mutual Fund) and Similar Investment Companies*.

If services are performed both within and outside New York State, determine the portion of the receipts attributable to services performed within New York State on the basis of the relative value of, or amount of time spent in performance of, such services within New York State, or by some other reasonable method. Full details must be submitted with the taxpayer's return.

Royalties

Receipts of royalties from the use of patents, copyrights, and trademarks are allocated to New York State if the taxpayer's actual seat of management or control is located in New York State. Royalties include all amounts received by the taxpayer for the use of patents, copyrights, or trademarks, whether or not such patents, copyrights, or trademarks were issued to the taxpayer.

All other business receipts

Income from securities used to maintain reserves against deposits to meet federal and state reserve requirements shall be allocated to New York State based upon the ratio that total deposits in New York State bears to total deposits everywhere.

All other business receipts earned by the taxpayer in New York State are allocated to New York State.

A receipt from the sale of a capital asset is not a business receipt and is not included in the receipts factor. For example, the receipt from the sale of a capital asset as scrap or at a gain is not included in the receipts factor.

Deposits factor

Determine the percentage of the taxpayer's deposits allocated to New York State by dividing the average value of deposits maintained at branches of the taxpayer within New York State during the period the taxpayer is entitled to allocate, by the average value of all deposits maintained at branches of the taxpayer both within and outside New York State during the period the taxpayer is entitled to allocate.

The term *deposit* means:

— The unpaid balance of money or its equivalent received or held by a bank in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account, or that is evidenced by its certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar name, or a check or draft drawn against a deposit account and certified by the bank, or a letter of credit or a traveler's check on which the bank is primarily liable. However, without limiting the generality of the term *money or its equivalent,* any such account or instrument must be regarded as evidencing the receipt of the equivalent of money when credited or issued in exchange for checks or drafts or for a promissory note, upon which the person obtaining any such credit or instrument is primarily or secondarily liable, or for a charge against a deposit account, or in settlement of checks, drafts, or other instruments forwarded to such bank for collection.

— Trust funds received or held by such bank, whether held in the trust department or held or deposited in any other department of such bank.

— Money received or held by a bank, or the credit given for money or its equivalent received or held by a bank, in the usual course of business for a special or specific purpose, regardless of the legal relationship thereby established, including without being limited to escrow funds, funds held as security for an obligation due to the bank or others (including funds held as dealers' reserves) or for securities loaned by the bank, funds deposited by a debtor to meet maturing obligations, funds deposited as advanced payment on subscriptions to United States Government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes. However, funds that are received by the bank for immediate application to the reduction of an indebtedness to the receiving bank, or under condition that the receipt thereof immediately reduces or extinguishes such an indebtedness are not included.

— Outstanding drafts (including advice or authorization to charge a bank's balance in another bank), cashier's checks, money orders, or other officer's checks issued in the usual course of business for any purpose, but not including those issued in payment for services, dividends, purchases, or other costs or expenses of the bank itself.

A deposit is maintained at the branch of the taxpayer at which it is properly booked.

A deposit, the value of which at all times during the tax year was less than $100,000, that is booked by a taxpayer at a branch outside New York State is presumed to be properly booked, provided that such presumption may be rebutted if the Commissioner of Taxation and Finance demonstrates that the greater portion of contact relating to the deposit did not occur at such branch.

A deposit, the value of which at any time during the tax year was $100,000 or more, is considered to be properly booked at the branch with which it has a greater portion of contact.

In determining whether a deposit has a greater portion of contact with a particular branch, consideration is given to such activities as:

— Whether the deposit account was opened at or transferred to that branch by or at the direction of the depositor or by a broker of deposits, regardless of where subsequent deposits or withdrawals may be made.

— Whether employees regularly connected with that branch are primarily responsible for servicing the depositor's general banking and other financial needs.

— Whether the deposit was solicited by an employee regularly connected with that branch, regardless of where such deposit was actually solicited.

— Whether the terms governing the deposit were negotiated by employees regularly connected with that branch, regardless of where the negotiations were actually conducted.

— Whether essential records relating to the deposit are kept at that branch, and whether the deposit is serviced at that branch.

The value of deposits maintained at branches of the taxpayer is the total of the amounts credited to depositors, including the amount of any interest so credited. The average value of deposits is to be computed on a daily basis. However, if the taxpayer's usual accounting practices do not permit the computation of average value on a daily basis, a computation on a weekly basis will be permitted. The Commissioner of

Taxation and Finance will not permit the computation of average value of deposits on a basis less frequent than weekly, unless the taxpayer demonstrates that requiring it to use a weekly computation would produce an undue hardship.

Allocation percentage for taxpayers with an IBF located in New York State

A corporation with an IBF located in New York State that uses the IBF modification must, when computing its ENI allocation percentage and its alternative ENI allocation percentage:

— Exclude from the numerator and denominator of the payroll factor, the wages, salaries, and other personal service compensation of employees, the expenses of which are attributable to the production of eligible gross income of the IBF.

— Exclude from the numerator and denominator of the receipts factor those receipts that are attributable to the production of eligible gross income of the IBF.

— Exclude from the numerator and denominator of the deposits factor those deposits the expenses of which are attributable to the production of eligible gross income of the IBF.

A corporation that has an IBF located in New York State and that has elected to use the IBF formula allocation method must, when computing its ENI allocation percentage and its alternative ENI allocation percentage, adjust such percentages to:

— Exclude from the numerator of the payroll factor the wages, salaries, and other personal service compensation of employees, the expenses of which are attributable to the production of eligible gross income of the IBF. Include in the denominator of the payroll factor the wages, salaries, and other personal service compensation of employees (except general executive officers), the expenses of which are attributable to the production of eligible gross income of the IBF.

When attributing the IBF wage, salary, and other personal service compensation expenses to the production of eligible gross income of the IBF, only those IBF wages, salaries, and other personal service compensation of IBF employees, the expenses of which are attributable to the production of eligible gross income under the IBF formula allocation method, are considered. Eligible gross income under the IBF formula allocation method does not include gross income from transactions with branches of the taxpayer [see Regulation section 19-2.3(d)] or gross income that is not eligible gross income under the IBF modification method (including any not effectively connected income of an alien bank's IBF) [see Regulation sections 18-3.3(b) and 18-3.4].

— Exclude from the numerator, but include in the denominator of the receipts factor, those receipts that are attributable to the production of eligible gross income of the IBF.

— Exclude from the numerator, but include in the denominator of the deposits factor, deposits the expenses of which are attributable to the production of eligible gross income to the IBF.

When an IBF has income not considered eligible gross income under the IBF formula allocation method (as discussed in the payroll factor above) then, due to the fungibility of money, the IBF deposits received from foreign persons serve to fund both eligible and ineligible gross income. As a result, to determine the IBF deposits, the expenses of which are attributable to the production of eligible gross income under the IBF formula allocation method, the taxpayer multiplies the IBF deposits from foreign persons by the following ratio:

$$\frac{\text{IBF eligible gross income under the IBF formula allocation method}}{\text{IBF gross income (includes both eligible and ineligible income)}}$$

The product of this multiplication is the portion of the deposits received from foreign persons that may be excluded from the numerator of the deposits factor.

Every corporation that has an IBF located in New York State (whether or not it has made the IBF election) must compute its taxable assets allocation percentage as follows:

— Include in the numerator and denominator of the payroll factor wages, salaries, and personal service compensation of employees (except general executive officers), the expenses of which are attributable to the production of eligible gross income of the IBF.

— Include in the numerator and denominator of the receipts factor those receipts that are attributable to the production of eligible gross income of the IBF.

— Include in the numerator and denominator of the deposits factor those deposits and expenses that are attributable to the production of eligible gross income of the IBF.

A corporation that is not doing business outside New York State and that has made the IBF election must allocate taxable assets 100% to New York State.

Line 123 — Divide line 122, column A, by line 122, column B. Corporations entitled to allocate ENI and alternative ENI using a single receipts factor, enter the result here and on: Schedule B, next to line 59b; Schedule C, next to line 67; line 131; and line 137. Continue with Part 3.

All other corporations continue with line 124.

Line 131, line 137, and line 161 — If a factor is missing, add the remaining factors and divide by the number of factors present. A factor is missing only if both the numerator (column A) and the denominator (column B) are zero.

Line 131 — Divide line 130 by five, or by the number of percentages present (see previous instructions for when a factor is missing). Enter the result on line 131, and on Schedule B, next to line 59b.

Line 137 — Divide line 136 by three, or by the number of percentages present (see previous instructions for when a factor is missing). Enter the result on line 137, and on Schedule C, next to line 67.

Line 153 — Divide line 152, column A by line 152, column B. Corporations entitled to allocate taxable assets using a single receipts factor, enter the result here and on Schedule D, next to line 73, and on line 161.

All other corporations continue with line 154.

Line 161 — Divide line 160 by five, or by the number of percentages present (see previous instructions for when a factor is missing). Enter the result on line 161, and on Schedule D, next to line 73.

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 10.

Line 165 — You may also include from last year's return any amount of refundable tax credits you chose to be credited as an overpayment.

Computation of issuer's allocation percentage

Compute the issuer's allocation percentage using one of three methods. Determine which one of the following three methods applies and compute the issuer's allocation percentage on Form CT-32, page 9. Tax Law section 1085(o) provides for a penalty of $500 for failure to provide the information necessary to compute the issuer's allocation percentage. See additional information under the line 21 instructions and TSB-M-86(10)C, *Computation of the Issuer's Allocation Percentage by Banking Corporations Taxable Under Article 32 of the Tax Law*.

Method 1 — A banking corporation (excluding corporations described in *Who must file,* item D) organized under the laws of the United States, New York State, or any other state, enters as its issuer's allocation percentage the alternative ENI allocation percentage from line 137.

Method 2 — A banking corporation (excluding corporations described in *Who must file,* item D) organized under the laws of a country other than the United States enters as its issuer's allocation percentage the percentage determined by dividing gross income within New York State by worldwide gross income.

— Enter as gross income within New York State total receipts as shown in column A on line 122.

— Enter as worldwide gross income total receipts as shown in column B on line 122, plus all receipts as defined on lines 111 through 121, from sources outside the United States that were **not** taken into account in computing FTI.

— Every corporation with an IBF located in New York State (whether or not it has made the IBF election) must include in the numerator and denominator of the issuer's allocation percentage receipts as defined on lines 111 through 121 that are attributable to the production of eligible gross income of the IBF.

— When the receipts shown in the computation of the issuer's allocation percentage are different from the receipts shown in column A or B on line 122, attach an explanation.

Method 3 — A corporation that is filing under Article 32 solely as a result of *Who must file,* item D, and every bank holding company that is included in a combined return, enters as its issuer's allocation percentage the percentage determined by dividing business and subsidiary capital allocated to New York State by total worldwide capital.

Method 3 — Computation of subsidiary capital allocated to New York State

Column A

Enter the full name and federal employer identification number of each subsidiary. *Subsidiary corporation* is defined by Tax Law section 1450(d) and the instructions for line 47. For each subsidiary, complete columns B through G on the corresponding item line. Attach a separate sheet if additional space is needed.

Column C

Enter the average value of each subsidiary. The average value is computed on a quarterly, monthly, weekly, or daily basis. Use the same basis of averaging subsidiary capital used to average total assets on line 70. *Subsidiary capital* is defined by Tax Law section 1450(e) and the instructions for line 47.

Column D

Enter the average value of current liabilities attributable to each subsidiary. The average value is computed on a quarterly, monthly, weekly, or daily basis. Use the same basis of averaging current liabilities used to average subsidiary capital in column C.

Column F

Enter the issuer's allocation percentage for each subsidiary. Obtain the issuer's allocation percentage from the New York State corporation franchise tax return filed by the subsidiary corporation for the preceding year.

Issuer's allocation percentages are available on the Tax Department's Web site and from many online and printed services. You may obtain up to three issuer's allocation percentages by calling toll free (see *Need help?* on page 17).

Method 3 — Computation of business capital allocated to New York State

Line 169 — Enter the average value of total assets as computed on line 70.

Line 170 — Deduct the total average value of current liabilities that are properly reflected on a balance sheet. The average value is computed on a quarterly, monthly, weekly, or daily basis.

Use the same basis of averaging current liabilities as used to average total assets on line 70. Current liabilities are any liabilities maturing in one year or less from the date originally incurred.

Line 171 — Deduct the total net average value of subsidiary capital as computed on line 168, column E.

Method 3 — Computation of issuer's allocation percentage

Line 176 — Enter as total worldwide capital the average value of total assets as computed on line 70, plus the average value of all assets from sources outside the United States that were **not** taken into account in computing FTI.

When valuing assets from sources outside the United States, compute the average value of such assets in the same manner as the average value of total assets on line 70.

Deduct from total assets the total average value of current liabilities maturing in one year or less from the date originally incurred. Compute the average value of such current liabilities in the same manner as the average value of total assets.

If the assets shown in the computation of the issuer's allocation percentage are different from the assets shown on line 70, attach an explanation.

Line 179 — Enter the total amount of credits that are **refund eligible** claimed on line 178 against your current year's franchise tax. Do not include any credit amounts actually requested as a refund on line 20b, or requested as an overpayment credited to next year's tax on line 20c.

The following are refund-eligible credits:

- Qualified empire zone enterprise (QEZE) credit for real property taxes (Form CT-606)
- Brownfield redevelopment tax credit (Form CT-611)
- Remediated brownfield credit for real property taxes (Form CT-612)
- Environmental remediation insurance credit (Form CT-613)
- Investment tax credit for the financial services industry (refundable to new businesses only) (Form CT-44)
- Security officer training tax credit (Form CT-631)

Federal changes and amended returns

A banking corporation is required to file an amended return with New York State if its federal taxable income or federal alternative minimum taxable income is changed as a result of:

— a final federal determination, or

— the filing of an amended federal return with the Internal Revenue Service (IRS).

If you are filing an amended return, check the *Amended return* box on page 1 of Form CT-32 and attach a copy of the federal revenue agent's report or the amended federal return to the amended Form CT-32.

A banking corporation that files Form CT-32 on a separate basis must file an amended return on Form CT-32 within 90 days after the final federal determination or the filing of an amended federal return.

A banking corporation that files Form CT-32-A on a combined basis must file an amended return on Form CT-32-A:

— within 90 days, or

— within 120 days (if the final federal determination or the filing of an amended return was made after November 30, 1993).

If you are required to file a federal change or amended return with New York State, attach amended Form CT-32 to New York State Form CT-3360, *Federal Changes to Corporate Taxable Income.*

The Corporate Tax Procedure and Administration provisions of Article 27 and Article 32 Regulation sections 21-1.3, 21-1.4, and 21-4.2, that existed prior to the 120-day amendment above, remain in effect to the extent these laws and regulations are not inconsistent with the 120-day amendment.

Your rights under the Tax Law

The Taxpayer Bill of Rights requires, in part, that the Tax Department advise you, in writing, of your rights and obligations during an audit, when you appeal a departmental decision, and when your appeal rights have been exhausted and you need to understand enforcement capabilities available to the department to obtain payment. For a complete copy of the information contained in all of these statements, you may request Publication 131, *Your Rights and Obligations Under the Tax Law*, by calling (see *Need help?* on page 17).

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 5-a, 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: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676

Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

To order forms and publications:	1 800 462-8100
Corporation Tax Information Center:	1 888 698-2908
From areas outside the U.S. and outside Canada:	(518) 485-6800

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at 1 800 634-2110. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.

Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.