



Instructions for Form CT-3-S

New York S Corporation Franchise Tax Return

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New for 2023

For a detailed list of what's new, including a summary of tax law changes, see *New for 2023* or visit our website at www.tax.ny.gov (search: 2023).

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

This form is for general instructions that apply to all corporation tax forms. It includes a variety of topics about how to fill out your form (for example, entry formats and third-party designee), filing and payment information (such as when Form CT-200-V is required), collection options that we may take, tax shelter information, and your rights under the Tax Law. Form CT-1 also has our contact information if you need help, and our privacy notification.

For details, see Form CT-1 or visit our website at www.tax.ny.gov (search: CT-1).

Note: All citations are to New York State Tax Law sections unless specifically noted otherwise.

Who must file

S corporations

An S corporation is a small business corporation whose shareholders have consented to the corporation's choice of S corporation status, as permitted under Subchapter S of Chapter One of the Internal Revenue Code (IRC). Generally, an S corporation does **not** pay federal income tax; rather, the corporation's income and deductions are passed through to its shareholders to report on their own personal income tax returns.

The shareholders of federal S corporations subject to Tax Law Article 9-A make a *New York S election* by filing Form CT-6, *Election by a Federal S Corporation to be Treated as a New York S Corporation*.

This includes both:

1. corporations organized under New York State law, and
2. foreign corporations (those organized under the laws of any other state) that do business, employ capital, own or lease property, maintain an office, or derive receipts from activity, in New York State.

Federal S corporations wishing to make the election for New York State must file Form CT-6 and receive approval **before** filing Form CT-3-S, *New York S Corporation Franchise Tax Return*, or Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*. If the corporation has been approved federally, this does not mean it is automatically approved in New York State.

Once the Tax Department approves a corporation to be treated as a New York S corporation, it must file Form CT-3-S instead of Form CT-3, *General Business Corporation Franchise Tax Return*. Form CT-3-S is used to pay the entity level franchise tax under Article 9-A. This tax is the fixed dollar minimum tax imposed under § 210.1(d).

To report, in aggregate, the New York S corporation items that the individuals, estates, and trusts who were shareholders of the New York S corporation during any part of the year need for filing their own New York State personal income tax returns, you must attach Form CT-34-SH.

You must report to each shareholder the shareholder's pro rata share of the S corporation items reported on Form CT-34-SH, as well as any additional information the shareholder needs for filing, including the S corporation's business apportionment factor.

Mandated New York S corporation

Shareholders of eligible federal S corporations that have not made the election to be treated as a New York S corporation for the current tax year will be deemed to have made that election if the corporation's investment income is more than 50% of its federal gross income for that year. For purposes of the mandated New York State S election, *investment income* means the sum of an eligible S corporation's gross income from interest, dividends, royalties, annuities, rents and gains derived from dealings in property, including the corporation's share of such items from a partnership, estate, or trust, to the extent such items would be includable in the corporation's federal gross income for the tax year. In determining whether an eligible S corporation is deemed to have made the New York S election, the income of a qualified subchapter S subsidiary owned directly or indirectly by the eligible S corporation will be included with the income of the eligible S corporation. If deemed to have made the New York S election, the taxpayer must file Form CT-3-S.

See § 660(i)(3).

Domestic corporations

A domestic corporation (incorporated in New York State) is generally liable for franchise taxes for each fiscal or calendar year (or partial year) during which it is incorporated until it is formally dissolved with the Department of State.

However, a domestic corporation that is no longer doing business, employing capital, owning or leasing property, or deriving receipts from activity, in New York State is exempt from the fixed dollar minimum tax for years following its final tax year and is no longer required to file a franchise tax return provided it meets the requirements listed in § 209.8.

Foreign corporations

A foreign corporation (incorporated outside of New York State) is liable for franchise taxes during the period in which it is doing business, employing capital, owning or leasing property, maintaining an office, or *deriving receipts* from activity, in New York State.

A corporation is doing business in this state if:

- it has issued credit cards (including bank, credit, travel, and entertainment cards) to 1,000 or more customers who have a mailing address in this state as of the last day of its tax year;
- it has merchant customer contracts with merchants and the total number of locations covered by those contracts equals 1,000 or more locations in this state to whom the corporation remitted payments for credit card transactions during the tax year; **or**
- the sum of the number of customers and the number of locations equals 1,000 or more.

See § 209.1(c).

For a foreign corporation that is a partner in a partnership, see *Corporate partners*.

A foreign corporation is not considered to be doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in this state if their activity is limited to any or all of the following:

- the maintenance of cash balances with banks or trust companies in this state;
- the ownership of shares of stock or securities kept in this state if kept in a safe deposit box, safe, vault, or other receptacle rented for the purpose, or if pledged as collateral security, or if deposited with one or more banks or trust companies, or with brokers who are members of a recognized security exchange, in safekeeping or custody accounts;
- the taking of any action by any such bank or trust company or broker, which is incidental to the rendering of safekeeping or custodian service to the corporation;
- the maintenance of an office in this state by one or more officers or directors of the corporation who are not employees of the corporation if the corporation otherwise is not doing business in this state, and does not employ capital or own or lease property in this state; **or**
- the keeping of books or records of a corporation in this state if such books and records are not kept by employees of the corporation and the corporation does not otherwise do business, employ capital, own or lease property, or maintain an office in this state.

See § 209.2.

Deriving receipts

A corporation is *deriving receipts* in this state if it has receipts within New York of \$1.138 million or more in a tax year. See § 209.1 and TSB-M-21(3)C, *Deriving Receipts Thresholds*.

Receipts within this state means the receipts included in the numerator of the apportionment factor determined under § 210-A and reported in Part 3, line 55, column A.

Corporate partners

- If a partnership is doing business, employing capital, owning or leasing property, maintaining an office, or *deriving receipts* from activity, in New York State, then a corporation that is a **general** partner in that partnership is subject to tax under Article 9-A. See § 209.1(f).
- A foreign corporation is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in New York State, if it is a **limited** partner of a partnership (other than a portfolio investment partnership) that is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in New York State, and if it is engaged, directly or indirectly, in the participation or in the domination or control of all or any portion of the business activities or affairs of the partnership.

A limited liability company or limited liability partnership that is treated as a partnership for federal income tax purposes will be treated as a partnership for New York State tax purposes.

Determining economic nexus

For purposes of determining nexus, determine the \$1.138 million threshold for *deriving receipts* by combining the **general** partner's receipts in New York with the partnership's receipts in New York. Also, when a **limited** partner is engaged, directly or indirectly, in the participation or in the domination or control of all or any portion of the business activities or affairs of the partnership, other than a portfolio investment partnership, for purposes of determining nexus, determine the \$1.138 million threshold for deriving receipts by combining the limited partner's receipts in New York with the partnership's receipts in New York.

In instances where a limited liability company is treated as a partnership, other than a portfolio investment partnership:

- If the limited liability company's operating agreement does **not** limit a corporate member's participation in the management of the limited liability company, combine such member's receipts in New York with the receipts in New York of the limited liability company.
- If the limited liability company's operating agreement **does** limit a corporate member's participation in the management of the limited liability company but such member is engaged, directly or indirectly, in the participation in or domination or control of all or any portion of the business activities or affairs of the limited liability company, combine such member's receipts in New York with the receipts in New York of the limited liability company.

Example: *Partnership A has two general partners: Partner B who owns 60% of the partnership and Partner C who owns 40%. Partnership A has \$800,000 of receipts in New York. Separately, Partner B has \$700,000 of receipts in New York and Partner C has \$600,000 of receipts in New York. For purposes of determining nexus only, both partners B and C would be treated as having \$800,000 from the partnership. Combined with their own receipts, both general partners exceed \$1.138 million in receipts in New York (\$1.5 million for Partner B and \$1.4 million for Partner C). Therefore, both general partners are subject to tax.*

A corporate partner (except for certain foreign corporate limited partners) must compute its tax with respect to its interest in the partnership under either the aggregate or entity method. Under the aggregate method, a corporate partner takes into account its distributive share of receipts, income, gain, loss or deduction, and its proportionate part of assets, liabilities and transactions from the partnership. Under the entity method, a corporate partner is treated as owning an interest in a partnership entity. The interest is considered an intangible asset that constitutes business capital. The aggregate method is the preferred method.

Qualified subchapter S subsidiary

In situations where the federal qualified subchapter S subsidiary treatment is followed for New York State purposes:

- the qualified subchapter S subsidiary is not considered a subsidiary of the parent corporation;
- the qualified subchapter S subsidiary is ignored as a separate taxable entity, and the assets, liabilities, income, and deductions of the qualified subchapter S subsidiary are included with the assets, liabilities, income, and deductions of the parent for franchise tax purposes;
- for other taxes, such as sales and excise taxes, the qualified subchapter S subsidiary continues to be recognized as a separate corporation.

Where the federal qualified subchapter S subsidiary treatment is **not** followed for New York State purposes, the combined reporting rules must still be applied to determine if either the parent, the qualified subchapter S subsidiary, or both should file as distinct members of a combined group on a Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*.

Filing requirements for a qualified subchapter S subsidiary

Filing requirements for a qualified subchapter S subsidiary that is owned by a New York S corporation or a nontaxpayer corporation:

- **Parent is a New York S corporation:** New York State will follow the federal qualified subchapter S subsidiary treatment. The parent (**with** its qualified subchapter S subsidiary's activity included) files as a New York S corporation on a Form CT-3-S.
- **Nontaxpayer parent:** New York State follows the federal qualified subchapter S subsidiary treatment where the qualified subchapter S subsidiary is a New York State taxpayer but the parent is not, if the parent elects to be taxed 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*. The parent and qualified subchapter S subsidiary are taxed as a single New York S corporation, and file Form CT-3-S. If the parent does **not** elect to be a New York S corporation, the qualified subchapter S subsidiary (**without** its parent's activity included) must file as a New York C corporation on a Form CT-3 or, if the combined filing requirements are met with one or more other entities (one of which could be the parent), on a Form CT-3-A. In this case, both the parent and the qualified subchapter S subsidiary, as separate entities, are subject to the combined reporting rules, and if the parent and qualified subchapter S subsidiary are unitary they both file as distinct members of a combined group on the same Form CT-3-A.
- **Exception: excluded corporation:** Notwithstanding the above rules, qualified subchapter S subsidiary treatment is not allowed when the parent and qualified subchapter S subsidiary file under different Articles of the Tax Law (or would file under different Articles if both were subject to New York State franchise tax); in this case, each corporation must file as a distinct entity under its applicable Article, subject to the Article 9-A or Article 33 combined reporting rules, as applicable.

New York State equivalents to federal Schedule K-1

- Form IT-204-IP, *New York Partner's Schedule K-1*, is completed for each partner who is an individual, estate or trust, or partnership required to file under Tax Law Article 22 (Personal Income Tax).
- Form IT-204-CP, *New York Corporate Partner's Schedule K-1*, is completed for each corporate partner that is taxable under Tax Law Article 9-A.

These forms give each partner its distributive share of income, deductions, New York modifications, credits, and other information the partner needs to complete the partner's New York State personal income tax or corporation franchise tax return.

If you received a complete Form IT-204-CP from your partnership, see Form IT-204-CP-I, *Partner's Instructions for Form IT-204-CP*, before completing your franchise tax return.

Other forms you may need to file

- **Form CT-6.1, Termination of Election to be Treated as a New York S Corporation**, must be filed to terminate New York S corporation status.
- **Form CT-33-D, Tax on Premiums Paid or Payable to an Unauthorized Insurer**, must be filed if you purchased or renewed a taxable insurance contract that covers risks located in New York State directly from an insurer not authorized to transact business in New York State. This return must be filed within 60 days following the end of the calendar quarter in which the contract was purchased or renewed. For more information, see Form CT-33-D.

- **Form CT-60, *Affiliated Entity Information Schedule***: You must file Form CT-60 if:
 - you are a partner in a partnership; **or**
 - you have affiliated entities; **or**
 - you are an Article 9-A taxpayer and you have included the activities of any of the following on your return:
 - a qualified subchapter S subsidiary;
 - a single member limited liability company; **or**
 - a tax-exempt domestic international sales corporation
- **Form CT-186-E, *Telecommunications Tax Return and Utility Services Tax Return***, must be filed by a corporation that provides telecommunication services. The corporation must pay an excise tax on its gross receipts from the sale of telecommunication services under Article 9, § 186-e.
- **Form CT-222, *Underpayment of Estimated Tax by a Corporation***, is used to inform the Tax Department that the corporation meets one of the exceptions to reduce or eliminate the underpayment of estimated tax penalty pursuant to Tax Law, Article 27, § 1085(d).
- **Form CT-223, *Innovation Hot Spot Deduction***, must be filed if you are a corporation that is a qualified entity located both inside and outside a hot spot, or you are a corporate partner of a qualified entity, or both.
- **Form CT-225, *New York State Modifications***, must be filed if you are entering an amount on Form CT-34-SH, line 3, or line 5, or both.
- **Form CT-227, *New York State Voluntary Contributions***, must be filed if you choose to make a voluntary contribution to any of the available funds.
- **Form CT-399, *Depreciation Adjustment Schedule***, must be filed to compute the allowable New York State depreciation deduction if you claim: 1) the federal accelerated cost recovery system (ACRS) depreciation or modified accelerated cost recovery system (MACRS) deduction for certain property placed in service after December 31, 1980, or 2) a federal special depreciation deduction for certain property described in IRC § 168(k)(2) placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002. This form also contains schedules for determining a New York State gain or loss on the disposition of such properties.
- **Form CT-400, *Estimated Tax for Corporations***, must be filed if your New York State franchise tax liability can reasonably be expected to exceed \$1,000.

Most corporations are required to electronically file this form either using tax software or online, after setting up an online services account, through the department's website.

- **Form DTF-664, *Tax Shelter Disclosure for Material Advisors***, assists material advisors in complying with New York State's disclosure requirements.
- **Form DTF-686, *Tax Shelter Reportable Transactions Attachment to New York State Return***, assists taxpayers and persons in complying with New York State's disclosure requirements.
- **Form IT-2658, *Report of Estimated Tax for Nonresident Individual Partners and Shareholders***, must be filed by a New York S corporation that is required to pay estimated tax on behalf of a shareholder who is a nonresident individual.
- **Form IT-2659, *Estimated Tax Penalties for Partnerships and New York S Corporations***, determines if estimated tax has been underpaid on behalf of a shareholder who is a nonresident individual. Form IT-2659 also computes the penalty if the estimated tax has been underpaid.

When to file

File your return within 2½ months after the end of your reporting period. If you are reporting for the calendar year, your return is due on or before March 15. If your filing date falls on a Saturday, Sunday, or legal holiday, then you must file your return on or before the next business day. See Non business days - legal holidays (search: *holidays*).

How to request an extension of time to file

If you cannot meet the filing deadline, file Form CT-5.4, *Request for Six-Month Extension to File New York S Corporation Franchise Tax Return*, and pay the properly estimated franchise tax on or before the original due date of the return. Additional extension of time to file Form CT-3-S will not be granted beyond six months.

Most corporations are required to request their extension electronically. You may use approved commercial software or request your extension using your Business Online Services account. For a list of forms you may Web File through your account, see File a corporation tax extension.

How to file

Electronically

See Approved software developers for corporation tax e-file.

By mail

**NYS CORPORATION TAX
PO BOX 15182
ALBANY NY 12212-5182**

Private delivery services: See Publication 55, *Designated Private Delivery Services*.

Penalties and interest

If you pay after the due date

If you do not pay the tax due on or before the original due date, you must pay interest on the amount of underpayment from the original due date (**without** regard to an extension of time for filing) of the return to the date the tax is paid. Exclude from the interest computation any amount representing the first installment of estimated tax for next period. Interest is always due, without any exceptions, on any underpayment of tax. An extension of time for filing does not extend the due date for payment of tax.

If you file and pay after the due date

Compute additional charges for late filing and late payment on the amount of tax minus any payment made on or before the due date (**with** regard to any extension of time for filing). Exclude from the penalty computation any amount representing the first installment of estimated tax for the 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 a total of 25%. See § 1085(a)(1)(A).
- B. If you do not file a return within 60 days of the due date, the additional charge in item A cannot be less than the smaller of \$100 or 100% of the amount required to be shown as tax. See §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 a total of 25%. See § 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. See § 1085(a).

If you think you are not liable for these additional charges, attach a statement to the return explaining the delay in filing, payment, or both. See § 1085.

Note: You may calculate your penalty and interest online, or you may call and we will compute the penalty and interest for you (see *Need help?* in Form CT-1).

If you understate your tax

If the tax you report is understated by 10% or \$5,000, whichever is greater, you will have to pay a penalty of 10% of the amount of understated tax. You can reduce the amount on which you pay penalty by subtracting any item for which there is or was substantial authority for the way you treated it, **or** there is adequate disclosure on the return or in an attached statement.

See § 1085(k).

If you underpay your estimated tax

If you can reasonably expect your New York State franchise tax liability to exceed \$1,000, you must make payments of estimated tax. A penalty will be imposed if you fail to file a declaration of estimated tax or fail to pay the entire installment payment of estimated tax due. For complete details, see Form CT-222.

If you fail to pay estimated tax on behalf of a shareholder

If the New York S corporation is required to pay estimated tax and fails to pay estimated tax on behalf of a shareholder, a penalty of \$50 per shareholder for each failure to pay may be imposed. The penalty may be waived if it is shown that the failure is due to reasonable cause and not due to willful neglect.

If you underpay estimated tax on behalf of a shareholder

A New York S corporation may be subject to the underpayment of estimated tax penalty. For complete details, see Form IT-2659.

If you fail to provide shareholder information

If you do not file Form CT-3-S on time, or you fail to provide the shareholder information required (all items of income, loss, deduction, and other pertinent information), you will have to pay a penalty. The penalty is \$50 per shareholder per month or fraction of a month, up to a total of \$250 per shareholder. See Article 22 § 685(h)(2). You will also have to pay an additional penalty of \$50 for each shareholder whose Social Security number you do not show. See § 685(k). All shareholders of the S corporation during any part of the tax year must be counted. These penalties may be waived if it is shown that the failure is due to reasonable cause and not due to willful neglect.

Other penalties

Strong civil and criminal penalties may be imposed for negligence or fraud.

Amended returns

If you are filing an amended return for any purpose, mark an **X** in the *Amended return* box on page 1 of the return.

If you file an amended federal return, you must file an amended New York State return within 90 days thereafter.

Important: Use the correct year's form for the tax year you are amending. If you file an amended return using a form for the wrong tax year:

- we may reject your amended return, and
- it may delay any tax benefits you are claiming.

For amended returns based on changes to federal taxable income

If your federal taxable income has been changed or corrected by a final determination of the Commissioner of Internal Revenue, or by renegotiation of a contract or subcontract with the United States, you must file an amended return reflecting the change to federal taxable income within 90 days of the final federal determination (as final determination is described under the regulations of the Commissioner of Taxation and Finance).

You must attach a copy of federal Form 4549, *Income Tax Examination Changes*, to your amended return.

If you filed as part of a consolidated group for federal tax purposes but on a separate basis for New York State tax purposes, you must submit a statement indicating the changes that would have been made if you had filed on a separate basis for federal tax purposes.

For credits or refunds of corporation tax paid

To claim any refund type that requires an amended return, file an amended New York State return for the year being amended and, if applicable, attach a copy of the claim form filed with the IRS and proof of federal refund approval, *Statement of Adjustment to Your Account*. Be sure to use the tax return for the year being amended.

Federal S corporations must file an amended New York State return for the year being amended. If applicable, attach a copy of the amended federal Form 1120S. Every shareholder of the electing New York S corporation must file an amended return on a designated New York State individual, estate, or trust return.

You must file the amended return within three years of the date the original return was filed or within two years of the date the tax was paid, whichever is later. If you did not file an original return, you must make the request within two years of the date the tax was paid. However, a claim for credit or refund based on a federal change must be filed within two years from the time the amended return reporting the change or correction was required to be filed (see *For amended returns based on changes to federal taxable income*). For additional limitations on credits or refunds, see § 1087.

Filing your final return

If the corporation is **any** of the following, mark an **X** in the *Final return* box on page 1 of your return:

- a domestic corporation that ceased doing business, employing capital, owning or leasing property, or deriving receipts from activity, in New York State during the tax year and wishes to dissolve; or
- a foreign corporation that is no longer subject to the franchise tax in New York State.

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

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

Include the full profit from any installment sale made in your final tax year in your final return. Also include in your final return any remaining profit not yet received from a prior year's installment sale.

For information on voluntary dissolution and surrender of authority, see Instructions for voluntary dissolution of a New York corporation (search: *dissolution*) and Instructions for surrender of authority by foreign business corporation (search: *surrender*).

New York S corporation termination year

The New York S election can terminate on a day other than the first day of the tax year, whether or not the federal S election terminates at the same time. In either case, the tax year is divided into two tax periods (an S short year and a C short year). The corporation must file Form CT-3-S for the S short year. For the C short year, the corporation must file Form CT-3. The due date of the S short year return is the same as the New York C short year return.

When an IRC § 338(h)(10) election is made for a target corporation that is a New York S corporation, the target corporation must file two short period reports. When filing the second short period report, the federal taxable income of the new target is the starting point for computing entire net income.

If the federal and New York S elections terminate at the same time, entire net income assigned to Form CT-3 for the C short year is determined using the same method of accounting as used for federal income tax purposes; that is, daily pro rata allocation under IRC §1362(e)(2) or normal tax accounting rules under IRC § 1362(e)(3).

If the federal S election continues but the New York S election terminates, use normal tax accounting rules under IRC § 1362(e)(3) if either of the following applies:

- all persons who are shareholders in the corporation at any time during the New York S short year and all persons who are shareholders in the corporation on the first day of the New York C short year consent to such election; **or**
- there is a sale or exchange of 50% or more of the stock in the corporation during the year.

Otherwise, use the daily pro rata allocation method under IRC § 1362(e)(2).

To indicate which method of accounting the New York S corporation elected for the New York S short year and subsequent New York C short year, mark an **X** in the appropriate line H box on Form CT-3-S, page 1.

The total tax for the New York S short year and New York C short year may not be less than the fixed dollar minimum tax determined as if the corporation were a C corporation for the entire year.

Reporting period

Use this tax return for calendar year 2023 and fiscal years that begin in 2023 and end in 2024.

You can also use the 2023 return if:

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

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

All filers must complete the beginning and ending tax year information in your approved corporation tax software. If you are not subject to the e-file mandate for businesses and you are filing a paper return, complete the tax year boxes in the upper-right corner on page 1 of the form.

Taxpayers using a 52-53 week year

If you report on the basis of a 52-53 week accounting period for federal income tax purposes, you may report on the same basis for Article 9-A purposes. If a 52-53 week accounting period begins within seven days from the first day of any calendar month, the tax year is deemed to begin on the first day of that calendar month. If a 52-53 week accounting period ends within seven days from the last day of any calendar month, the tax period will be deemed to end on the last day of the calendar month.

Computing corporation franchise tax

New York S corporations taxable under Article 9-A are required to pay the *fixed dollar minimum tax* imposed under § 210.1(d).

Fixed dollar minimum tax schedule

A domestic corporation that is no longer doing business, employing capital, owning or leasing property, or deriving receipts from activity, in New York State is exempt from the fixed dollar minimum tax for years following its final tax year and is no longer required to file a franchise tax return provided it meets the requirements listed in § 209.8.

Fixed dollar minimum tax for all New York S corporations (except qualified New York manufacturers or qualified emerging technology companies)

New York receipts of:	Fixed dollar minimum tax equals:
Not more than \$100,000	\$25
More than \$100,000 but not over \$250,000	\$50
More than \$250,000 but not over \$500,000	\$175
More than \$500,000 but not over \$1,000,000	\$300
More than \$1,000,000 but not over \$5,000,000	\$1,000
More than \$5,000,000 but not over \$25,000,000	\$3,000
Over \$25,000,000	\$4,500

Fixed dollar minimum for New York S corporations that are qualified New York manufacturers or qualified emerging technology companies

New York receipts of	Fixed dollar minimum tax equals:
Not more than \$100,000	\$19
More than \$100,000 but not over \$250,000	\$38
More than \$250,000 but not over \$500,000	\$131
More than \$500,000 but not over \$1,000,000	\$225
More than \$1,000,000 but not over \$5,000,000	\$750
More than \$5,000,000 but not over \$25,000,000	\$2,250
Over \$25,000,000	\$3,375

Short periods

If a short period (a tax period of less than 12 months), compute the New York receipts by dividing the amount of the receipts by the total number of months in the short period and multiplying the result by 12.

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

Period	Reduction
Not more than six months	50%
More than six months but not more than nine months	25%
Over nine months	none

Computing tax for corporate partners

A taxpayer that is subject to tax under Article 9-A and is a partner in a partnership (a corporate partner) computes its tax for its interest in the partnership using either the *aggregate method* or *entity method*, whichever applies. For an exception to these methods, see Foreign corporate limited partners – separate accounting election or visit our website at www.tax.ny.gov (search: *separate*).

Aggregate method

Under the aggregate method, a corporate partner is viewed as having an undivided interest in the partnership's assets, liabilities, and items of receipts, income, gain, loss and deduction. The partner is treated as participating in the partnership's transactions and activities.

Corporate partners required to file under the aggregate method

A corporate partner receiving a complete Form IT-204-CP, *New York Corporate Partner's Schedule K-1*, must file using the aggregate method. In addition, a corporate partner must file using the aggregate method if the corporate partner has access to the information necessary to compute its tax using the aggregate method. A corporate partner is presumed to have access to the information and therefore is required to file using the aggregate method if it meets **one or more** of the following conditions:

- it is conducting a unitary business with the partnership;
- it is a general partner of the partnership or is a managing member of a limited liability company which is treated as a partnership for federal income tax purposes;
- it has a 5% or more interest in the partnership;
- it has reported information from the partnership in a prior tax year using the aggregate method;
- its partnership interest constitutes more than 50% of its total assets;
- its basis in its interest in the partnership determined under IRC § 705 on the last day of the partnership year that ends within or with the taxpayer's tax year is more than \$5 million; or
- any member of its *affiliated group* has the information necessary to perform such computation.

Note: An *affiliated group* has the same meaning as defined in IRC § 1504 without regard to the exclusions provided for in § 1504(b). However, the term common parent corporation is deemed to mean any person as defined in IRC § 7701(a)(1).

Computation of tax under the aggregate method

Include the taxpayer's **distributive share** (see IRC § 704) of each partnership item of receipts, income, gain, loss, and deduction and the taxpayer's **proportionate part** of each partnership asset, liability, and partnership activity in the computation of the taxpayer's fixed dollar minimum tax. These items have the same source and character in the hands of the partner for Article 9-A purposes that the items have for the partner for federal income tax purposes.

Entity method

Under the entity method, a partnership is treated as a separate entity and a corporate partner is treated as owning an interest in the partnership entity. The partner's interest is an intangible asset that is classified as business capital.

A corporate partner that does not receive a complete Form IT-204-CP may file using the entity method **only** if it does **not** meet any of the conditions listed above **and** does not have access (and will not have access within the time period allowed for filing a return with regard to all extensions of time to file) to the information necessary to compute its tax using the aggregate method and certifies these facts to the commissioner.

How to fill out your tax return

Important identifying information

For us to process your corporation tax forms, we need your necessary identifying information. Include your employer identification number and file number on each corporation tax form filed and keep a record of that information for future use.

If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms prepared for you.

Signature

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

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

If an outside individual or firm prepared the return, all applicable entries in the paid preparer section must be completed, including identification numbers (see *Paid preparer identification numbers* in Form CT-1). If you fail to sign the return, any refund you are owed will be delayed and it 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**.

Line J

If you are claiming *qualified New York manufacturer* or qualified emerging technology company status for purposes of a lower fixed dollar minimum tax, mark an **X** in the applicable box.

The principally engaged test

A corporation is a *qualified New York manufacturer* if during the tax year the taxpayer is *principally engaged* in the production of goods by:

- manufacturing,
- processing,
- assembling,
- refining,
- mining,
- extracting,
- farming,
- agriculture,
- horticulture,
- floriculture,
- viticulture, or
- commercial fishing.

A taxpayer is *principally engaged* in the foregoing activities if, during the tax year, more than 50% of its gross receipts are derived from receipts for the sale of goods produced by these activities.

In addition, a taxpayer that does **not** satisfy the principally engaged test may be a qualified New York manufacturer if the taxpayer employs during the tax year at least 2,500 employees in manufacturing in New York and the taxpayer has property in the state used in manufacturing, the adjusted basis of which for New York State tax purposes (see TSB-M-19(5)C, *New York State Adjusted Basis for Qualified New York Manufacturers*) at the close of the tax year is at least \$100 million.

The following are not considered qualifying activities for purposes of the principally engaged test, or for purposes of determining if employees are employed in manufacturing, or if property is used in manufacturing:

- the generation of and distribution of electricity

- the distribution of natural gas
- the production of steam associated with the generation of electricity

Any amount of global intangible low-taxed income included in federal taxable income is disregarded for purposes of the principally engaged test used to determine a taxpayer's eligibility for preferential rates and amounts available to manufacturers.

- A *qualified New York manufacturer* is a manufacturer that has property in New York State that is principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture, or commercial fishing, and either:
 - the New York adjusted basis of the property is at least \$1 million at the close of the tax year (see TSB-M-19(5)C); or
 - all of its real and personal property is located in New York State.
- A *QETC* is a qualified emerging technology company as defined under Public Authorities Law 3102-e(1)c, without regard to the \$10 million limitation.

Part 2: Computation of tax

Important: To avoid an incorrect assessment or a delay of your refund, you **must** enter an amount on line 22, *New York receipts*. If you do not have receipts, enter **0** on line 22.

Line 22: New York receipts

Include the total receipts included in the numerator of the apportionment factor from Part 3, line 55, column A (New York State). For a short period, annualize such receipts by dividing by the number of months in the short period and multiplying the result by 12.

Line 23: Fixed dollar minimum tax

The fixed dollar minimum tax is determined by your New York receipts. To determine the applicable fixed dollar minimum tax, see *Fixed dollar minimum tax schedule*. Qualified New York manufacturers and qualified emerging technology companies **must** also mark an **X** in the applicable box on line J. The fixed dollar minimum tax may be reduced for short periods. See instructions under the fixed dollar minimum tax tables for the appropriate reduction for *short periods*.

Line 24: Recapture of tax credits

If you claimed any New York State tax credits for any tax year prior to becoming a New York S corporation, and the Tax Law requires recapture of some or all of the credit, under stated conditions, then the tax credit must be recaptured in the year required even when the year is a New York S year. Use the appropriate credit form to compute the recaptured tax credits.

Line 26: Special additional mortgage recording tax credit

Enter the amount of nonrefundable special additional mortgage recording tax credit from Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*, line 9, and any deferred nonrefundable special additional mortgage recording tax credit from Form CT-501, *Temporary Deferral Nonrefundable Payout Credit*, line 7. The special additional mortgage recording tax credit cannot reduce your tax liability below the amount of your fixed dollar minimum tax.

Composition of prepayments

If you need additional space, enter **see attached** in this section and attach all relevant prepayment information.

Line 37: Overpayment credited from prior years

Include overpayment credited from prior years. You may also include, from last year's return, any amount of refundable special additional mortgage recording tax credit you chose to be credited as an overpayment.

Line 40: Estimated tax penalty

To inform the Tax Department that the corporation meets one of the exceptions to reduce or eliminate the underpayment of estimated tax penalty pursuant to §1085(d), file Form CT-222.

Lines 41 and 42

If you are not filing this return on time, you must pay interest and additional charges. See *Penalties and interest*.

Line 47: Overpayments

If you have overpaid your tax, you will not automatically receive a refund. Instead, we will credit your overpayment to the following tax year unless you indicate a refund on line 49. We will notify you that the overpayment has been credited and explain how to request a refund of the credited amount. If you choose to request a refund of such credited amount, you must claim a refund of such overpayment prior to the original due date of the following year's return.

Lines 48 and 49

You may apply an overpayment as a credit to your next state franchise tax period or you may have it refunded. Indicate on lines 48 and 49 the amount of overpayment you wish to be credited or refunded.

Line 50: Refund of unused special additional mortgage recording tax credit

Enter the amount of refundable special additional mortgage recording tax credit from Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*, line 13. Do not include on this line any amount of special additional mortgage recording tax credit shown on Form CT-43, line 9, or Form CT-501, line 7.

Part 3: Computation of business apportionment factor

Include all receipts, net income (not less than zero), net gains (not less than zero), and other items you reported on your federal Form 1120S, Schedule K (including income and loss **not computed separately**, and separately stated items of income and loss), even if there are amounts that would have qualified as investment income or other exempt income for an Article 9-A New York C corporation filer under § 208. Include all such receipts, net income, net gains, and other items in the apportionment fraction (see the rules in § 210-A and the applicable regulations).

Note: Generally, you should report receipts from services on line 53 (*Receipts from other services/activities not specified*).

You must complete the computation of the business apportionment factor section, even if your business apportionment factor is 100%, to report the computation of the New York State receipts used to determine your fixed dollar minimum tax.

Nonresident and part-year resident shareholders of a New York S corporation need the business apportionment factor to determine their New York State source income pursuant to § 632(a)(2) and TSB-M-15(7)C, (6)I, *Impact of New York State Corporate Tax Reform on New York S Corporations and their Nonresident and Part-Year Resident Shareholders*.

Columns A and B

In this section, we provide **specific** instructions for column A (New York State column) and column B (Everywhere column) as follows:

- **New York State column:** Refer to the specific line instructions to determine New York State amounts and enter those amounts in column A for each line.
- **Everywhere column:** Enter 100% of the amount of the item you report on a line in column B, unless otherwise specified.

If only one line of Part 3 applies to your business, you must still complete **both** columns for that line. Skip a line only if **both** the numerator (column A) and the denominator (column B) are zero.

If you have **no receipts** (see *Examples*) required to be included in the denominator of the apportionment factor, mark the box at the beginning of Form CT-3-S, Part 3, *Computation of business apportionment factor*.

Note: If you have any other Everywhere receipts, this box does **not** apply. If you mark the box, you must attach a statement explaining why you have no receipts required to be included in the business apportionment factor.

Examples: *Taxpayers that own property in New York State but have no federal taxable income, effectively connected income, or receipts from the rental, sale, or lease of such property amounts, or taxpayers whose only income is dividends and net gains from the sales of stock or sales of partnership interests when the fixed percentage election is not made.*

Section 210-A.2: Sales of tangible personal property, electricity and net gains from real property

Line 1

New York State column: Include receipts from the sale of tangible personal property when shipments are made to points in the state, or the destination of the property is a point in the state.

Include receipts from sales of tangible personal property and electricity that are traded as commodities, as defined in IRC section 475, on *line 27*.

Line 2

New York State column: Include receipts from the sale of electricity when delivered to points in the state.

Include receipts from sales of tangible personal property and electricity that are traded as commodities, as defined in IRC § 475, on *line 27*.

Line 3

New York State column: Net the gains from the sales of real property located within the state against the losses from the sales of real property located within the state and enter the result (but not less than zero).

Everywhere column: Net the gains from the sales of real property located everywhere against the losses from the sales of real property located everywhere and enter the result (but not less than zero).

Section 210-A.3: Rentals of real and tangible personal property, royalties, and rights for certain closed-circuit and cable TV transmissions

Line 4

New York State column: Include receipts from rentals of real and tangible personal property located within the state.

Line 5

New York State column: Include receipts of royalties from the use of patents, copyrights, trademarks, and similar intangible personal property within the state.

Line 6

New York State column: Include receipts from the sales of rights for closed-circuit and cable television transmissions of an event (other than events occurring on a regularly scheduled basis) taking place within the state as a result of the rendition of services by employees of the corporation, as athletes, entertainers, or performing artists, to the extent that those receipts are attributable to those transmissions received or exhibited within the state.

Section 210-A.4: Receipts from sale of, license to use, or granting of remote access to digital products

Line 7

Digital products

For Article 9-A apportionment purposes, the term *digital product* generally means any property or service, or combination thereof, of whatever nature delivered to the purchaser through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite or similar successor media, or any combination of these. It does not include legal, medical, accounting, architectural, research, analytical, engineering, or consulting services.

If the receipt for a digital product is comprised of a combination of digital property and services, it **cannot** be divided into separate components and is considered **one** receipt sourced under the appropriate method below regardless of whether it is separately stated for billing purposes.

New York State column: Apply the following methods in the order presented below to determine the amount of receipts to enter. You must exercise due diligence under each method to obtain the information necessary to source these receipts under a method before rejecting it and proceeding to the next method. The determination must be based on information known to the taxpayer or information that would be known to the taxpayer upon reasonable inquiry.

1. the customer's primary use location of the digital product
2. the location where the digital product is received by the customer or is received by a person designated for receipt by the customer
3. the apportionment fraction for the preceding tax year for such digital product
4. the apportionment fraction in the current tax year for those digital products that can be sourced using the methods in items 1 and 2

Note: Item 3 does not apply to your first tax period you are subject to Article 9-A.

Section 210-A.5(a)1: Qualified financial instruments (qualified financial instruments), the 8% fixed percentage method

Line 8

A *qualified financial instrument* means a financial instrument of the following types that is marked to market in the tax year by the taxpayer under IRC § 475 or 1256:

- type A (loans not secured by real property): reported on lines 11 and 12
- type B (federal, state, and municipal debt): reported on lines 13 through 18
- type C (asset-backed securities and other government agency debt): reported on lines 19, 20, and 21
- type D (corporate bonds): reported on lines 22, 23, and 24
- type I (physical commodities): reported on line 27
- type H (other financial instruments): reported on lines 29 and 30
- type G (certain stock or partnership interests): also reported on line 30

Types A, B, C, D, and I

If you have marked to market a financial instrument within types A, B, C, D, and I in the tax year, then **any** financial instrument within that same type that you have **not** marked to market under IRC § 475 or 1256 **is also** a qualified financial instrument in the tax year.

When the **only** loans that are marked to market under IRC § 475 or 1256 are loans secured by real property, then **no** loans are qualified instruments.

Types G and H

When a financial instrument within type H or type G is marked to market, **not** all financial instruments within type H or G are qualified financial instruments, *as explained further below*.

When reporting interest from other financial instruments on line 29, and net gains and other income from other financial instruments on line 30, marking to market one other financial instrument does **not** necessarily cause all other financial instruments to be qualified financial instruments. You must determine separately for each instrument whether other financial instruments are of the same type. Thus, you may report more than one **type** of other financial instruments on either of lines 29 and 30, and some types may be qualified financial instruments while other types may not be qualified financial instruments.

You may use line 30 to report financial instruments under § 210-A.5(a)(2), clause **(G)**, or clause **(H)**, or **both**.

Use line 30 to report financial instruments under clause (G) **only** when the financial instrument is a qualified financial instrument **and** the 8% fixed percentage method has been elected.

Determining whether a type G or H financial instrument is a qualified financial instrument

When **any** stock has been marked to market, **all** stock is a qualified financial instrument.

When **any** partnership interest in a widely held or publicly traded partnership has been marked to market, **all** partnership interests in a widely held or publicly traded partnership are qualified financial instruments.

Marking to market a financial instrument of the type under clause (G) does **not** cause financial instruments of the type under clause (H) to be qualified financial instruments. The same is true in regard to clause (H) in respect to clause (G). Therefore:

- Marking to market stock does **not** cause partnership interests in a widely held or publicly traded partnership that are **not** marked to market to be qualified financial instruments.
- Marking to market of partnership interests in a widely held or publicly traded partnership does **not** cause stock that is **not** marked to market to be qualified financial instruments.
- When a financial instrument falling under clause (H) has been marked to market, it does **not** necessarily cause all financial instruments under clause (H) to be qualified financial instruments. It is an instrument by instrument determination as to when instruments under clause (H) are of the same **type**. Thus, you may have more than one type of other financial instruments under clause (H) to report on line 30.

Electing the 8% fixed percentage method

You may elect to use the 8% *fixed percentage method* to apportion business receipts from qualified financial instruments. This election is irrevocable, applies to **all** qualified financial instruments, and must be made on an annual basis on the original timely filed return (determined with regard to valid extensions of time for filing) by marking an **X** in the box on line 8. If you do not mark the box but still apportion qualified financial instrument receipts by 8%, you will be considered to have made the election and to have marked the box.

General lines 9 through 53 instructions

For all financial instruments that do **not** meet the definition of a qualified financial instrument, or for instruments that meet the definition of a qualified financial instrument where the 8% fixed percentage method election is **not** in effect, use the customer-based sourcing rules as detailed in the specific line instructions for lines 9 through 27, 29, and 30.

- Worksheets A, B, and C of these instructions compute certain amounts for lines 10, 12, 21, 24, 28, and 30 of Part 6.
- When **any** financial instrument has been marked to market that is described on:
 1. **either** line 11 or 12, mark the boxes on **both** lines 11 and 12, and all financial instruments reported on such lines are qualified financial instruments (Type A financial instruments);
 2. **any** of lines 13 through 18, mark the box above line 13, and all financial instruments reported on such lines are qualified financial instruments (Type B financial instruments);
 3. **any** of lines 19 through 21, mark the box above line 19, and all financial instruments reported on such lines are qualified financial instruments (Type C financial instruments);
 4. **any** of lines 22 through 24, mark the box above line 22, and all financial instruments reported on such lines are qualified financial instruments (Type D financial instruments);
 5. line 27, mark the box above line 27, and all financial instruments reported on line 27 are qualified financial instruments (Type I financial instruments);

6. line 28, mark the box above line 28;
7. line 29, mark the § 210-A.5(a)(2)(H) box above line 29;
8. line 30, due to clause (H), mark the § 210-A.5(a)(2)(H) box above line 29; and
9. line 30, due to clause (G), mark the § 210-A.5(a)(2)(G) box above line 29.

A marked qualified financial instrument box does **not** indicate which method of sourcing (8% fixed percentage method or customer-based sourcing rule) is being used to apportion such instruments. Also, because you may report more than one **type** of financial instrument on lines 28, 29, and 30, when the qualified financial instrument box above line 28 is marked, or one of the boxes above lines 29 is marked:

- in the case of line 28, it does **not** indicate that all financial instruments being reported on line 28 are qualified financial instruments, and
- in the case of lines 29 and 30 it does **not** indicate that all financial instruments being reported on lines 29 and 30 are qualified financial instruments.

For purposes of these apportionment instructions, an individual is deemed to be located in New York State if the billing address is in the state. A business entity is deemed to be located in New York State if its commercial domicile is located in the state.

Use the following methods, in order, to determine the *commercial domicile* of a business entity, based on known information, or information that **would be** known upon reasonable inquiry:

1. the seat of management and control of the business entity
2. the billing address of the business entity in the taxpayer's records

You must exercise due diligence before rejecting the first method and proceeding to the second method.

For purposes of these apportionment instructions, *registered securities broker or dealer* means a broker or dealer registered as such by the Securities and Exchange Commission or a broker or dealer registered as such by the Commodities Futures Trading Commission and includes an over-the-counter derivatives dealer as defined under regulations of the Securities and Exchange Commission (17 CFR 240.3b-12).

Section 210-A.5(a)(2)(A): Loans

A loan is secured by real property if 50% or more of the value of the collateral used to secure the loan (when valued at fair market value as of the time the loan was originated) consists of real property.

Line 9

New York State column: Include interest from loans secured by real property located within the state.

Everywhere column: Include interest from loans secured by real property located anywhere.

Line 10

New York State column: Multiply the amount of **net** gains (not less than zero) from sales of loans secured by real property by a fraction, the numerator of which is the amount of gross proceeds from sales of loans secured by real property located within the state, and the denominator of which is the amount of gross proceeds from sales of such loans everywhere.

Everywhere column: Include the amount of net gains (not less than zero) from sales of loans secured by real property both within and outside New York State.

Use *Worksheet A*.

Line 11

When the 8% fixed percentage method **is** elected (the box on Part 3, line 8, is marked), **and** the qualified financial instrument box on line 11 **is** marked, use that method for **all** financial instruments to be reported on this line.

Otherwise, use the customer-based sourcing rule below for **all** financial instruments to be reported on this line.

New York State column: Include interest from loans **not** secured by real property if the borrower is located in New York State.

Everywhere column: Include interest from all loans **not** secured by real property.

Line 12

New York State column: Multiply net gains (not less than zero) from sales of loans **not** secured by real property by a fraction, the numerator of which is the amount of gross proceeds from sales of loans not secured by real property to purchasers located within the state, and the denominator of which is the amount of gross proceeds from sales of such loans to purchasers located within and outside the state.

Everywhere column: Include the amount of net gains (not less than zero) from sales of loans **not** secured by real property within and outside the state.

Use *Worksheet A*.

Section 210-A.5(a)(2)(B): Federal, state, and municipal debt

Lines 13 through 18

New York State column: Do not include receipts in column A **unless** you have made the election to apportion qualified financial instrument receipts using the 8% fixed percentage method.

Everywhere column:

- For lines 13, 15, and 16, enter 100% of the applicable receipts regardless of if the 8% fixed percentage method election was made.
- For lines 17 and 18, if the 8% fixed percentage method election was made, and the qualified financial instrument box above line 13 is marked, enter 100% of the receipts constituting interest and net gains from sales of debt instruments issued by other states or their political subdivisions.
- Otherwise, enter 50% for lines 17 and 18.

Line 16

When netting gains against losses, only net the gains from federal, NYS, and NYS political subdivisions debt against the losses from federal, NYS, and NYS political subdivisions debt. Do not enter less than zero.

Line 18

When netting gains against losses, only net the gains from other states and their political subdivisions debt against the losses from other states and their political subdivisions debt. Do not enter less than zero.

Section 210-A.5(a)(2)(C): Asset-backed securities and other government agency debt

Line 19

Everywhere column: Enter 100% of the interest income from **all**:

- asset-backed securities issued by government agencies;
- other securities issued by government agencies, including but not limited to securities issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or the Small Business Administration (SBA); and
- asset-backed securities issued by other entities.

New York State column: Enter 8% of the amount in the Everywhere column.

Line 20

Everywhere column: Enter the result (but not less than zero) of netting the gains and losses from all:

- sales of asset-backed securities or other securities issued by government agencies, including but not limited to securities issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or the Small Business Administration (SBA); and
- sales of other asset-backed securities that are sold through a registered securities broker or dealer, or through a licensed exchange.

New York State column: Enter 8% of the amount in the Everywhere column.

Line 21

New York State column: Multiply net gains (not less than zero) from sales of other asset-backed securities **not** reported on line 20 by a fraction, the numerator of which is the amount of gross proceeds from such sales to purchasers located in the state, and the denominator of which is the amount of gross proceeds from such sales to purchasers located within and outside the state.

Everywhere column: Enter 100% of the amount of net gains (not less than zero) from sales of other asset-backed securities not reported on line 20.

Use *Worksheet A*.

Section 210-A.5(a)(2)(D): Corporate bonds

Line 22

New York State column:

- Enter interest from corporate bonds when the commercial domicile of the issuing corporation is in the state.
- If the 8% fixed percentage method election has been made (the box on line 8 is marked), **and** the qualified financial instrument box above line 22 is marked, enter 8% of the applicable receipts.

Line 23

Everywhere column: Enter the result (but not less than zero) of netting the gains and losses from the sales of all corporate bonds sold through a registered securities broker or dealer, or through a licensed exchange.

New York State column: Enter 8% of the amount in the Everywhere column.

Line 24

New York State column: Multiply net gains (not less than zero) from those sales of corporate bonds **not** reported on line 23 by a fraction, the numerator of which is the amount of gross proceeds from such sales to purchasers located within the state, and the denominator of which is the amount of gross proceeds from such sales to purchasers located within and outside the state.

Everywhere column: Enter the amount of net gains (not less than zero) from sales of corporate bonds to purchasers within and outside the state.

Use *Worksheet A*.

Section 210-A.5(a)(2)(E): Interest income from reverse repurchase and securities borrowing agreements

Line 25

New York State column: Enter 8% of net interest income (not less than zero) from reverse repurchase agreements and securities borrowing agreements.

For this calculation, *net interest income* is determined after the deduction of the amount of interest expense from the taxpayer's repurchase agreements and securities lending transactions. This amount **cannot** be less than zero.

The amount of such interest expense is:

- the interest expense associated with the sum of the value of the taxpayer's repurchase agreements where the taxpayer is the seller or borrower, **plus**
- the value of the taxpayer's securities lending agreements where the taxpayer is the securities lender, provided:
 - such sum is limited to the sum of the value of the taxpayer's reverse repurchase agreements where the taxpayer is the purchaser or lender, **plus**
 - the value of the taxpayer's securities lending agreements where the taxpayer is the securities borrower.

Section 210-A.5(a)(2)(F): Interest income from federal funds

Line 26

Everywhere column: Enter 100% of the net interest from federal funds. In determining net interest from federal funds, deduct interest expense that is from federal funds. The resulting net interest cannot be less than zero.

New York State column: Enter 8% of the amount in the Everywhere column.

Section 210-A.5(a)(2)(I): Net income from sales of physical commodities

Line 27

New York State column: Multiply the net income from sales of physical commodities by a fraction:

- the numerator of which is:
 - the amount of receipts from sales of physical commodities actually delivered to points within the state or,
 - if there is no actual delivery of the physical commodity, the amount sold to purchasers located in the state, and

- the denominator of which is:
 - the amount of receipts from all sales of physical commodities actually delivered to points within and outside the state or,
 - if there is no actual delivery of the physical commodity, the amount sold to purchasers located both within and outside the state.

Net income (not less than zero) from sales of physical commodities is determined after the deduction of the cost to acquire or produce the physical commodities.

If you marked the box on line 8 to elect the 8% fixed percentage method, **and** you marked the qualified financial instrument box above line 27, enter 8% of the applicable receipts in the New York State column.

Everywhere column: Enter 100% of the net income (not less than zero) from sales of physical commodities.

Section 210-A.5(a)(2)(J): Marked to market net gains

Line 28

Report **all** marked to market net gains on this line for **all** financial instruments.

For the purposes of computing marked to market net gains for this line, *marked to market* means that a financial instrument is **treated** by the taxpayer as sold for its fair market value on the last business day of the taxpayer's tax year, despite no actual sale having taken place, under IRC §475 or 1256.

The term *marked to market gain or loss* means the gain or loss recognized by the taxpayer under IRC § 475 or 1256 because the financial instrument is **treated** as sold for its fair market value on the last business day of the tax year.

Report **all** marked to market net gains on this line.

If you **did** elect the 8% fixed percentage method:

- use that method to source marked to market net gains for all financial instruments **that are qualified financial instruments**.
- use the customer-based sourcing rule below to source the marked to market net gains for those financial instruments that are **not** qualified financial instruments.

If you **did not** elect the 8% fixed percentage method, use the customer-based sourcing rule below to source **all** marked to market net gains for **all** financial instruments.

New York State column: To determine the amount of marked to market net gains to be included on line 28 for financial instruments **described** on any certain line of Form CT-3-S, Part 3, multiply those gains by a fraction as follows:

- **numerator**—the amount included in the numerator of the apportionment fraction for the net gains from **actual** sales of financial instruments reported on that **same** certain line of Form CT-3-S, Part 3
- **denominator**—the amount included in the denominator of the apportionment fraction for the net gains from **actual** sales of the financial instruments reported on that **same specific** line of Form CT-3-S, Part 3

Everywhere column: Enter 100% of the marked to market net gains from financial instruments for which the amount to be included in the New York State column is determined in the New York State column above.

New York State column: If financial instruments that are **described** on any certain line of Form CT-3-S, Part 3, have marked to market net gains, but there are **no actual** sales of financial instruments reported on that **same** certain line of Form CT-3-S, Part 3, **or** if there are **actual** sales of financial instruments reported on that **same** certain line of Form CT-3-S, Part 3, but those **actual** sales resulted in a net **loss**, determine the amount of the marked to market net gains to include on line 28 for those same financial instruments by multiplying such marked to market net gains by a fraction as follows:

- **numerator**—the **sum** of the amounts entered in the New York column for Part 3, lines 9 through 30
- **denominator**—the **sum** of the amounts entered in the Everywhere column of Part 3, lines 9 through 30

Everywhere column: Enter 100% of the marked to market net gains from financial instruments for which the amount to be included in the New York State column is determined in the New York State column above.

Use *Worksheet C*.

Note: When sourcing the marked to market net gain from loans secured by real property, always use customer-based sourcing (even when the 8% fixed percentage method election was made). If using customer-based sourcing to source such marked to market net gains, when § 210-A.5(a)(2)(j)(iii) applies, never include any amounts sourced under the 8% fixed percentage method election in computing the New York State aggregate marked to market factor in Part 2 of Worksheet C.

Section 210-A.5(a)(2)(H): Income from other financial instruments

Line 29

When the 8% fixed percentage method **is** elected:

- use such method for all financial instruments to be reported on this line that are qualified financial instruments.
- use the customer-based sourcing rule below for those financial instruments to be reported on this line that are **not** qualified financial instruments.

Also, use the customer-based sourcing rule below for **all** financial instruments to be reported on this line when the 8% fixed percentage method **is not** elected.

Interest income from other financial instruments includes, but is not limited to, interest income on:

- deposit accounts;
- money market accounts; and
- debt issued by a country, or political subdivision thereof, other than the United States.

New York State column: Enter interest from other financial instruments when the payor is located in New York State.

Line 30

You may report more than one type of financial instrument on this line. Report financial instruments under clause (G) or clause (H) of § 210-A.5(a)(2).

Include clause (G) financial instruments **only** when the 8% fixed percentage method **is** elected. Include the following clause (G) instruments:

- dividends and net gains from stock if you have, in the tax year, marked to market any stock under IRC § 475 or 1256; and
- net gains from the sale of partnership interests in widely held or publicly traded partnerships if you have, in the tax year, marked to market any partnership interest in a widely held or publicly traded partnership under IRC § 475 or 1256.

Customer-based sourcing rules for clause (H) instruments included on line 30:

Gains from other financial instruments

Everywhere column: For gains from other financial instruments, net the gains from all sales of a type of other financial instrument against the losses from all sales of the **same** type of other financial instrument.

New York State column: For the **same** type of other financial instrument being reported in the *Everywhere* column, net the gains from all sales of such **same** type of other financial instrument, where the purchaser or payor is located in New York State, against the losses from all sales of such **same** type of other financial instrument, where the purchaser or payor is located in New York State.

However, if the purchaser or payor is a registered securities broker or dealer, or the transaction is made through a licensed exchange, then include 8% of the Everywhere amount in the New York State column.

Other income from other financial instruments

Everywhere column: Compute the other income (but not less than zero) from a type of other financial instrument.

New York State column: For the **same** type of other financial instrument being reported in the *Everywhere* column, compute the other income (but not less than zero) from such **same** type of other financial instrument, where the purchaser or payor is located in New York State.

However, if the purchaser or payor is a registered securities broker or dealer, or the transaction is made through a licensed exchange, then include 8% of the Everywhere amount in the New York State column.

Use *Worksheet B*.

Section 210-A.5(b): Other receipts from broker or dealer activities

For the purposes of lines 31 through 37, *securities* has the same meaning as in IRC § 475(c)(2), and *commodities* has the same meaning as in IRC § 475(e)(2).

If the taxpayer receives any of the receipts reported on lines 31 through 35 as a result of a securities correspondent relationship that the taxpayer has with another broker or dealer (with the taxpayer acting in this relationship as the introducing or clearing firm), those receipts are deemed generated within the state using the rules for lines 31 through 37, provided the amount of those receipts excludes the amount the taxpayer is required to pay to the correspondent firm for the correspondent relationship, as applicable.

If the taxpayer is unable to determine the mailing address of the customer from its records, include 8% of the receipts in the numerator of the apportionment fraction.

Line 31

New York State column: Enter brokerage commissions derived from the execution of securities or commodities purchase or sales orders for the accounts of customers if in the records of the taxpayer, the mailing address of the customer responsible for paying the commissions is in the state.

Line 32

New York State column: Enter margin interest earned on behalf of brokerage accounts if in the records of the taxpayer, the mailing address of the customer responsible for paying such margin interest is in the state.

Line 33

New York State column: Enter the amount of fees for advisory services to a customer in connection with the underwriting of securities for the entity that is contemplating issuing or is issuing securities, or fees for managing an underwriting, if in the records of the taxpayer, the mailing address of the customer responsible for paying such fees is in the state.

Line 34

New York State column: Enter the receipts constituting the *primary spread* of selling concession from underwritten securities if the customer is located in the state.

The term *primary spread* means the difference between the price paid by the taxpayer to the issuer of the securities being marketed and the price received from the subsequent sale of the underwritten securities at the initial *public offering price*, less any *selling concession* and any fees paid to the taxpayer for advisory services or any manager's fees, if those fees are not paid by the customer to the taxpayer separately.

The term *public offering price* means the price agreed upon by the taxpayer and the issuer at which the securities are to be offered to the public. The term *selling concession* means the amount paid to the taxpayer for participating in the underwriting of a security where the taxpayer is not the lead underwriter.

Line 35

New York State column: Enter account maintenance fees if in the records of the taxpayer, the mailing address of the customer responsible for paying such account maintenance fees is in the state.

Line 36

New York State column: Enter fees for management or advisory services, including fees for advisory services in relation to merger or acquisition activities, if in the records of the taxpayer, the mailing address of the customer responsible for paying such fees is in the state. Exclude fees paid for services you reported on line 43.

Line 37

New York State column: Interest earned on loans and advances made by the taxpayer to a corporation affiliated with the taxpayer arises from services performed at the principal place of business of the affiliated corporation. If such principal place of business is in New York State, include the interest in the New York State column.

Section 210-A.5(c): Receipts from credit card and similar activities

Lines 38 through 42 are used by corporations that **issue or process** credit cards and **not** by businesses that accept credit cards as payment for goods or services.

Line 38

New York State column: Enter interest, fees, and penalties in the nature of interest from bank, credit, travel, and entertainment card receivables if in the records of the taxpayer, the mailing address of the card holder is in the state.

Line 39

New York State column: Enter service charges and fees from such cards, if in the records of the taxpayer, the mailing address of the card holder is in the state.

Line 40

New York State column: Enter receipts from merchant discounts when the merchant is located within the state. If the merchant has locations both within and outside of New York State, **only** receipts from merchant discounts attributable to sales made from locations within New York State are entered in the New York State column. The location of the merchant is presumed to be the address of the merchant shown on the invoice submitted to the taxpayer by the merchant.

Line 41

New York State column: Enter receipts from credit card authorization processing, and clearing and settlement processing, received by credit card processors if the location where the customer of the credit card processor accesses the credit card processor's network is located within the state.

Line 42

New York State column: Multiply the total amount of all other receipts received by credit card processors not reported on lines 1 through 41, 43 through 52, or 54 by the average of 8% and the percent of its New York access points. The *percent of New York access points* is the number of locations within the state from which the credit card processor's customers access the credit card processor's network, divided by the total number of locations in the United States where the credit card processor's customers access the credit card processor's network.

Section 210-A.5(d): Receipts from certain services to investment companies

Line 43

New York State column: Multiply the receipts received from an investment company arising from the sale of management, administration, or distribution services to such investment company by a fraction, the numerator of which is the sum of the monthly percentages determined for each month of the investment company's federal tax year that ends within the tax year of the taxpayer (but excluding any month during which the investment company had no outstanding shares), and the denominator of which is the number of those monthly percentages.

To determine the monthly percentage for each month, divide the number of shares in the investment company that are owned on the last day of the month by shareholders that are located in New York State by the total number of shares in the investment company outstanding on that date.

Everywhere column: Enter 100% of the receipts received from an investment company arising from the sale of management, administration, or distribution services to the investment company.

For purposes of these receipts, the following apply:

- An individual, estate or trust is deemed located in the state if their mailing address in the records of the investment company is in the state. A business entity is deemed located in the state if its commercial domicile is located in the state.
- *Investment company* means a regulated investment company, as defined in IRC § 851, and a partnership to which IRC § 7704(a) applies [by virtue of § 7704(c)(3)] and that meets the requirements of IRC § 851(b). This is applied to the tax year, for federal income tax purposes, of the business entity that is asserted to constitute an investment company that ends within the tax year of the taxpayer.
- *Receipts from an investment company* includes amounts received directly from an investment company as well as amounts received from the shareholders in the investment company, in their capacity as such.
- *Management services* means the rendering of investment advice to an investment company, making determinations as to when sales and purchases of securities are to be made on behalf of an investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed pursuant to a contract with the investment company entered into according to the federal Investment Company Act of 1940, § 15(a), as amended.
- *Distribution services* means the services of advertising, servicing investor accounts (including redemptions), marketing shares or selling shares of an investment company; but in the case of advertising, servicing investor accounts (including redemptions) or marketing shares, **only** where such service is performed by a person who is (or was, in the case of a closed end company) also engaged in the service of selling such shares. In the case of an open-end company, the service of selling shares must be performed pursuant to a contract entered into pursuant to the federal Investment Company Act of 1940, § 15(b), as amended.
- *Administration services* includes clerical, accounting, bookkeeping, data processing, internal auditing, legal, and tax services performed for an investment company, but only if the provider of such service or services during the tax year in which such service or services are sold also sells management or distribution services (as defined above), to such investment company.

Section 210-A.5-a: Global intangible low-taxed income

Line 44

Everywhere column: If the S corporation elected to be treated as an entity for purposes of IRC § 951A under IRS Notice 2020-69, enter 100% of global intangible low-taxed income that is included in New York business income.

New York State column: Do **not** include global intangible low-taxed income in the New York column. If no election was made under IRS Notice 2020-69, do not include global intangible low-taxed income in the apportionment factor.

Section 210-A.6: Receipts from railroad and trucking businesses

Line 45

New York State column: Multiply receipts from the conduct of a railroad business or a trucking business (including surface railroad, whether or not operated by steam, subway railroad, elevated railroad, palace car or sleeping car business) by a fraction, the numerator of which is the revenue miles in such business within the state during the period covered by this return, and the denominator of which is the revenue miles in such business both within and outside the state during such period.

Section 210-A.6-a: Receipts from operation of vessels

Line 46

New York State column: Multiply receipts from the operation of vessels by a fraction, the numerator of which is the aggregate number of working days of the vessels owned or leased by the taxpayer in territorial waters of the state during the period covered by this return, and the denominator of which is the aggregate number of working days of all vessels owned or leased by the taxpayer during such period.

Section 210-A.7: Receipts from aviation services

Line 47

New York State column: Enter the receipts from the activity of air freight forwarding acting as principal and like indirect air carrier receipts arising from that activity as follows:

- 100% of such receipts if both the pickup and delivery associated with those receipts are made in the state; and
- 50% of such receipts if either the pickup or delivery associated with those receipts is made in this state.

Everywhere column: Enter the amount of receipts from all such activity.

Line 48

For the *New York State* and *Everywhere* columns, complete *Worksheet for Part 3, line 48* to determine the portion of receipts from aviation services, other than services described in line 47 (but including the receipts of a *qualified air freight forwarder*, as described below) to enter on line 48.

Aircraft arrivals and departures means the number of landings and takeoffs in the tax year, **plus** the number of air pickups and deliveries by such aircraft.

Include:

Arrivals and departures of flights transporting officers and employees receiving air transportation without regard to remuneration (see *Exceptions*).

Do not include:

- arrivals and departures solely for maintenance, repair, or refueling (where no debarkation or embarkation of traffic occurs)
- arrivals and departures of ferry and personnel training flights, or in the event of emergency situations

Exceptions:

The Commissioner of Taxation and Finance may exempt from the calculation arrivals and departures of all non-revenue flights including flights involving the transportation of officers and employees receiving air transportation to perform maintenance or repair services, or where such officers or employees are transported in conjunction with an emergency or the investigation of an air disaster (other than on a scheduled flight).

Revenue tons handled by the taxpayer at airports means the weight, in tons, of revenue passengers (at 200 pounds per passenger) and revenue cargo first received, either as originating or connecting traffic or finally discharged at an airport.

Originating revenue means revenue to the taxpayer from the transportation of revenue passengers and revenue property first received by the taxpayer as originating or connecting traffic at airports.

A corporation is a *qualified air freight forwarder* with respect to another corporation if:

- it owns or controls, either directly or indirectly, all of the capital stock of such other corporation; or if all of its capital stock is owned or controlled, either directly or indirectly, by such other corporation; or if all of the capital stock of both corporations is owned or controlled, either directly or indirectly, by the same interests;
- it is principally engaged in the business of air freight forwarding; and
- its air freight forwarding business is carried on principally with the airline or airlines operated by such other corporation.

Worksheet for Part 3, line 48

Worksheet for Part 3, line 48	A Within New York State		B Column A X 60% (0.60)		C Everywhere		D New York State percentage (round to three decimal places)	
1. Aircraft arrivals and departures during the period of this return	1							
2. Divide line 1, column B, by line 1, column C	2							
3. Revenue tons handled at airports during the period of this return	3							
4. Divide line 3, column B, by line 3, column C	4							
5. Originating revenue during the period of this return	5							
6. Divide line 5, column B, by line 5, column C						6		
7. Add all percentage amounts in column D, lines 2, 4, and 6; then divide by 3						7		
8. Enter 100% of receipts from other aviation services; also enter on line 48, in column B						8		
9. Multiply line 7 by line 8; also enter on line 48, in column A						9		

Section 210-A.8: Advertising: newspapers/periodicals, TV/radio, and other means

Line 49

New York State column: Multiply receipts from sales of advertising in newspapers or periodicals by a fraction, the numerator of which is the number of newspapers and periodicals delivered to points within the state, and the denominator of which is the number of newspapers and periodicals delivered to points both within and outside the state.

Line 50

New York State column: Multiply receipts from sales of advertising on television or radio by a fraction, the numerator of which is the number of viewers or listeners within the state, and the denominator of which is the number of viewers or listeners both within and outside the state.

Line 51

New York State column: Multiply receipts from sales of advertising **not** reported on either line 49 or 50 that is furnished, provided, or delivered to or accessed by the viewer or listener through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite or similar successor media, or any combination of these by a fraction, the numerator of which is the number of viewers or listeners within the state, and the denominator of which is the number of viewers or listeners both within and outside the state.

Section 210-A.9: Receipts from the transportation or transmission of gas through pipes

Line 52

New York State column: Multiply receipts from the transportation or transmission of gas through pipes by a fraction, the numerator of which is the taxpayer's transportation units within the state, and the denominator of which is the taxpayer's transportation units both within and outside the state. A *transportation unit* is the transportation of one cubic foot of gas over a distance of one mile.

Section 210-A.10: Receipts from other services/activities not specified

Line 53

New York State column: Enter receipts from services and other business receipts not reported on lines 1 through 52 or 54, if the location of the customer is within the state.

Apply the following methods in the order presented below to determine the amount of receipts included in the New York State column. You must exercise due diligence under each method to obtain the information necessary to source these receipts under a method before rejecting it and proceeding to the next method. The determination must be based on information known to the taxpayer or information that would be known to the taxpayer upon reasonable inquiry.

Methods

1. The location where the benefit is received
2. Delivery destination
3. The apportionment fraction for such receipts within the state determined according to § 210-A.10 for the preceding tax year
4. The apportionment fraction for the current tax year determined according to § 210-A.10 for those receipts that can be sourced using the sourcing method in item 1 or 2

Note: Item 3 does **not** apply to your **first** tax period for which you are subject to Article 9-A.

Section 210-A.11: Discretionary adjustments

Line 54

If it appears that the apportionment fraction determined according to § 210-A does not result in a proper reflection of the taxpayer's business income or capital within the state, the Commissioner of Taxation and Finance is authorized to adjust it, or the taxpayer may request that the commissioner adjust it. This is done by:

- excluding one or more items in such determination,
- including one or more other items in such determination, or
- any other similar or different method calculated to effect a fair and proper apportionment of the business income and capital reasonably attributed to the state.

The party seeking the adjustment has the burden of proof to demonstrate that the apportionment fraction determined according to § 210-A does not result in a proper reflection of the taxpayer's business income or capital within the state and that the proposed adjustment is appropriate.

Where you have received approval from the commissioner to make such adjustment, use line 54 to report it. Do not use line 54 to report an adjustment unless you have received the approval of the commissioner. If you received the approval of the commissioner, you must attach a copy of such approval to your return. If you have not received the approval of the commissioner before filing this return, you must file using the statutory rules for apportionment. You may file an amended return after you have received approval.

Calculation of business apportionment factor

Line 56

Calculate the business apportionment factor as a decimal, not a percentage. When computing the business apportionment factor, round to six decimal places.

Example: $5,000/7,500 = 0.666666 = 0.666667$.

Note: If all your receipts are New York State receipts, enter the decimal as **1.000000**.

Worksheet A – Gross proceeds factors and net gains for lines 10, 12, 21, and 24

Line 10	§ 210-A.5(a)(2)(A)(iii) – Gross proceeds from sales of loans secured by real property (see instructions)		
	10a	New York State	
	10b	Everywhere	
	10c	New York State gross proceeds factor	
	§ 210-A.5(a)(2)(A)(iii) – Net gains from sales of loans secured by real property (see instructions)		
	10d	Everywhere	
	10e	New York State	
Line 12	§ 210-A.5(a)(2)(A)(iv) – Gross proceeds from sales of loans not secured by real property (see instructions)		
	12a	New York State	
	12b	Everywhere	
	12c	New York State gross proceeds factor	
	§ 210-A.5(a)(2)(A)(iv) – Net gains from sales of loans not secured by real property (see instructions)		
	12d	Everywhere	
	12e	New York State	
Line 21	§ 210-A.5(a)(2)(C) – Gross proceeds from all other asset backed securities not reported on line 20 (see instructions)		
	21a	New York State	
	21b	Everywhere	
	21c	New York State gross proceeds factor	
	§ 210-A.5(a)(2)(C) – Net gains from all other asset backed securities not reported on line 20 (see instructions)		
	21d	Everywhere	
	21e	New York State	

Line 24	§ 210-A.5(a)(2)(D) – Gross proceeds from other sales of corporate bonds not reported on line 23 (see instructions)		
	24a	New York State	
	24b	Everywhere	
	24c	New York State gross proceeds factor	
	§ 210-A.5(a)(2)(D) – Net gains from other sales of corporate bonds not reported on line 23 (see instructions)		
	24d	Everywhere	
	24e	New York State	

Worksheet A: Gross proceeds factors and net gains– Form CT-3-S, Part 3, lines 10, 12, 21, and 24.

General information

This worksheet computes the amounts for Form CT-3-S, Part 3, lines 10, 12, 21, and 24. See the corresponding Form CT-3-S-I, Part 3 line instructions and also the specific instructions below. In the instructions below, **all lines** refers to lines 10, 12, 21, and 24, and specific rows (a, b, c, d, or e) are indicated to clarify which rows of these lines the specific instruction applies to.

Line instructions for Worksheet A

Use the instructions for Condition 1 or Condition 2 below, whichever applies; however:

- For **line 10**, use the specific instructions under Condition 1 below and skip Condition 2.
- For **lines 12, 21, and 24**, when the receipts for a certain line are **not** from qualified financial instruments (the qualified financial instrument box pertaining to that specific line is not marked), use the specific instructions under Condition 1 below.

Condition 1: If the fixed percentage method for qualified financial instruments is **not** in effect (use when Form CT-3-S, Part 3, line 8 box is **not** marked)

1.1. For all lines, rows a and b respectively, enter the total New York State and Everywhere gross proceeds amount for that line's category of receipts; do not enter an amount less than zero. In determining such total gross amounts for each line, deduct any cost incurred to acquire the securities. When this results in a negative proceeds amount for an individual security reported on a line, such negative amount is not limited to zero, and is netted against any positive proceeds amounts for securities also reported on the **same** line.

1.2. For all lines, row c, divide the amount in row a by the amount in row b, and enter the result rounded to four decimal places; however, if either the amount in row a or the amount in row b is equal to zero, enter **0**. This is the New York State gross proceeds factor for each respective line. It is used to compute the row e (*New York State*) amount for all lines.

1.3. For all lines, row d, enter the *Everywhere* receipts for that line's category of receipts, but if the result is less than zero, enter **0**.

1.4. For all lines, row e, multiply the factor in that line's row c (the New York State gross proceeds factor) by the amount in that line's row d, and enter the result. If the result is zero, enter **0**.

Condition 2: If the fixed percentage method for qualified financial instruments **is** in effect (use for a specific line when Form CT-3-S, Part 3, line 8 box is marked **and** the qualified financial instrument box pertaining to **that** specific line is also marked)

2.1. Leave rows a through c blank, for such specific lines.

2.2. For such specific lines, row d, enter the *Everywhere* receipts for that line's category of receipts, but if the result is less than zero, enter **0**.

2.3. In **row e**, for such specific lines, multiply row d by 8% (0.08) and enter the result; however, if the result is an amount equal to zero, enter **0** in row e.

Where to enter the amounts calculated on Worksheet A

For all lines, the amounts entered or calculated in rows a, b, and c are only used for Worksheet A calculations. Do **not** transfer them to any other form or worksheet. Enter the amounts entered or calculated in rows d and e on Form CT-3-S, as follows:

Amount from Worksheet A	Amount is entered on
Line 10d (Everywhere)	CT-3-S, Part 3, line 10 Everywhere (column B)
Line 10e (New York State)	CT-3-S, Part 3, line 10 New York State (column A)
Line 12d (Everywhere)	CT-3-S, Part 3, line 12 Everywhere (column B)
Line 12e (New York State)	CT-3-S, Part 3, line 12 New York State (column A)
Line 21d (Everywhere)	CT-3-S, Part 3, line 21 Everywhere (column B)
Line 21e (New York State)	CT-3-S, Part 3, line 21 New York State (column A)
Line 24d (Everywhere)	CT-3-S, Part 3, line 24 Everywhere (column B)
Line 24e (New York State)	CT-3-S, Part 3, line 24 New York State (column A)

Worksheet B – Net gains and other income for line 30

Part 1			
§ 210-A.5(a)(2)(H) – Net gains from all other financial instruments of one type (see instructions)			
30.1a	Everywhere		
30.1b	New York State		
§ 210-A.5(a)(2)(H) – Net gains from all other financial instruments of a second type (see instructions)			
30.1a	Everywhere		
30.1b	New York State		
§ 210-A.5(a)(2)(H) – Net gains from all other financial instruments of a third type (see instructions)			
30.1a	Everywhere		
30.1b	New York State		

§ 210-A.5(a)(2)(H) – Other income from all other financial instruments of one type (see instructions)			
30.2a	Everywhere		
30.2b	New York State		
§ 210-A.5(a)(2)(H) – Other income from all other financial instruments of a second type (see instructions)			
30.2a	Everywhere		
30.2b	New York State		
§ 210-A.5(a)(2)(H) – Other income from all other financial instruments of a third type (see instructions)			
30.2a	Everywhere		
30.2b	New York State		
Part 2 (see instructions)			
§ 210-A.5(a)(2)(G) – Dividends from stock (see instructions)			
30.3a	Everywhere		
30.3b	New York State		
§ 210-A.5(a)(2)(G) – Net gains from sales of stock (see instructions)			
30.4a	Everywhere		
30.4b	New York State		
§ 210-A.5(a)(2)(G) – Net gains from sales of partnership interests (see instructions)			
30.5a	Everywhere		
30.5b	New York State		
Totals of Parts 1 and 2			
§ 210-A.5(a)(2)(H) and (G) – Net gains and other income from other financial instruments (see instructions)			
30a	Total Everywhere		
30b	Total New York State		

Worksheet B: Net gains and other income: Form CT-3-S, Part 3, line 30

General information

This worksheet computes certain amounts for Form CT-3-S, Part 3, line 30. See the *line 30 instructions* in Part 3 and also the specific instructions below. In the instructions below, **all lines** refers to all lines 30.1 and 30.2, and lines 30.3, 30.4, 30.5, and 30, and specific rows (a or b) are indicated to clarify which rows of these lines the specific instruction applies to.

Note: Lines 30.1 through 30.5 are specific to this worksheet only. Since Form CT-3-S, Part 3, line 30 is comprised of different types of receipts that have to be netted separately, these receipts amounts are shown separately on lines 30.1 through 30.5.

Line instructions for Worksheet B

Part 1

Report only clause (H) receipts in Part 1.

Step 1: Lines 30.1 and 30.2, row a (Everywhere): Regardless of whether or not the fixed percentage method is in effect for **lines 30.1 and 30.2**, for **row a (Everywhere)**, follow the applicable Form CT-3-S-I, Part 3, line 30 instructions to determine the amount of everywhere receipts, except that if the amount is less than zero, enter **0**.

When you have **net gains** from sales of more than one type of other financial instruments, use separate lines 30.1 to report sales of all other financial instruments of each such type. The same is true for lines 30.2 when reporting **other income** from other financial instruments.

If you have receipts reportable on lines 30.1 or 30.2 from **more** than three separate types of other financial instruments, use an additional line 30.1 or line 30.2 for **each** additional separate type of other financial instrument for which you have net gains (line 30.1) or other income (line 30.2); include the amounts from these additional lines in the same manner as you would for the three lines 30.1 and 30.2 provided on the worksheet, as you complete the steps below, as applicable.

Step 2: Complete lines 30.1 and 30.2, row b (New York State), using the instructions for Condition 1 or Condition 2, or both, as applicable.

Condition 1: If the fixed percentage method for qualified financial instruments is **not** in effect (Form CT-3-S, Part 3, line 8 box is **not** marked); **or** if the receipts from line 30.1 or 30.2 do **not** represent receipts from qualified financial instruments (see instructions for *Form CT-3-S, Part 3, line 8*):

1.1. For such **lines 30.1 and 30.2, row b**, follow the applicable line 30 instructions to determine the amount of New York State receipts, except that if the amount is less than zero, enter **0**. Use a separate line 30.1 for **net gains** from sales of all other financial instruments of each certain type, and use a separate line 30.2 for **other income** from all other financial instruments of each certain type.

Condition 2: If the fixed percentage method for qualified financial instruments **is** in effect (Form CT-3-S, Part 3, line 8 box is marked) **and**:

2.1. The clause (H) qualified financial instrument box is **not** marked on Form CT-3-S, Part 3, above line 29, then lines 30.1 and 30.2, row b, are completed in the same manner as if the fixed percentage method is **not** in effect (see above instructions).

2.2. The clause (H) qualified financial instrument box **is** marked on Form CT-3-S, Part 3, above line 29, **and** the receipts to be reported on a line 30.1 or 30.2 represent receipts from qualified financial instruments (see instructions for *Form CT-3-S, Part 3, line 8*), then for such lines 30.1 or 30.2, **row b**, multiply row **a**, for each respective line, by 8% (0.08) and enter the result; however, if the result is an amount equal to zero, enter **0** in row **b**. Use a separate line 30.1 for **net gains** from sales of all other financial instruments of **each** certain type, and use a separate line 30.2 for **other income** from all other financial instruments of **each** certain type.

Part 2

Only clause (G) receipts are reported in Part 2.

Part 2 of Worksheet B must **only** be completed if the fixed percentage method for qualified financial instruments **is** in effect. If Form CT-3-S, Part 3, line 8 box is **not** marked, leave lines 30.3, 30.4, and 30.5 blank and continue with *Totals of Parts 1 and 2* instructions below; otherwise continue with Step 1 below.

Step 1: Lines 30.3 and 30.4, rows a (Everywhere) and b (New York State): If the fixed percentage method for qualified financial instruments **is** in effect and you have marked to market **any** stock under IRC § 475 or 1256 in the tax year, complete substep 1.1 below; otherwise leave lines 30.3 and 30.4 blank and continue with Step 2 below.

1.1. Enter on **line 30.3, row a**, 100% of dividends from stock. Enter on **line 30.4, row a**, 100% of net gains from sales of stock; if the amount is less than zero, enter **0**.

1.1.1. For **lines 30.3 and 30.4, row b**, multiply row a, for each respective line, by 8% (0.08) and enter the result; however, if the result is an amount equal to zero, enter **0** in row b.

Step 2: Line 30.5, rows a (Everywhere) and b (New York State): If the fixed percentage method for qualified financial instruments **is** in effect, and you have marked to market **any** partnership interest in a widely held or publicly traded partnership under IRC § 475 or 1256 in the tax year, complete substep 2.1, below; otherwise leave line 30.5 blank and continue with *Totals of Parts 1 and 2* below.

2.1. Enter on **line 30.5, row a**, 100% of net gains from sales of partnership interests in widely held or publicly traded partnerships; if the amount is less than zero, enter **0**.

2.1.1. In **line 30.5, row b**, multiply row a, for each respective line, by 8% (0.08) and enter the result; however, if the result is an amount equal to zero, enter **0** in row b.

Totals of Parts 1 and 2

Step 1: Line 30, rows a and b

2.1. For line 30, row a, enter the sum of the amounts in row a, lines 30.1 through 30.5.

2.2. For line 30, row b, enter the sum of the amounts in row b, lines 30.1 through 30.5.

Where are the amounts calculated on Worksheet B entered?

The amounts entered or calculated on lines 30.1 through 30.5 are used to compute the line 30 totals and do not get transferred to any other form or worksheet; the line 30 totals need to be entered on Form CT-3-S as follows:

Amount from Worksheet B	Amount is entered on
Line 30b (Total New York State)	Form CT-3-S, Part 3, line 30 New York State (column A)
Line 30a (Total Everywhere)	Form CT-3-S, Part 3, line 30 Everywhere (column B)

Worksheet C – Marked to market net gains for line 28

Part 1 – Marked to market net gains under §§ 210-A.5(a)(1) and 210-A.5(a)(2)(J) (see instructions)					
Line 10	Marked to market net gains from loans secured by real property				
	10a	Everywhere			
	10b	New York State		J(ii)	J(iii)
Line 12	Marked to market net gains from loans not secured by real property				
	12a	Everywhere			
	12b	New York State	8%	J(ii)	J(iii)
Line 14					
Line 16	Marked to market net gains from federal, New York State, and New York State political subdivisions debt				
	16a	Everywhere			
	16b	New York State	8%	J(ii)	J(iii)

Line 18	Marked to market net gains from other states and their political subdivisions debt				
	18a	Everywhere			
	18b	New York State	8%	J(ii)	J(iii)
Line 20	Marked to market net gains from government agency debt or asset-backed securities sold through an exchange				
	20a	Everywhere			
	20b	New York State	8%	J(ii)	J(iii)
Line 21	Marked to market net gains from all other asset-backed securities				
	21a	Everywhere			
	21b	New York State	8%	J(ii)	J(iii)
Line 23	Marked to market net gains from corporate bonds sold through broker/dealer or licensed exchange				
	23a	Everywhere			
	23b	New York State	8%	J(ii)	J(iii)
Line 24	Marked to market net gains from other corporate bonds				
	24a	Everywhere			
	24b	New York State	8%	J(ii)	J(iii)
Line 27	Marked to market net gains from physical commodities				
	27a	Everywhere			
	27b	New York State	8%	J(ii)	J(iii)
Line 30	Marked to market net gains from all other financial instruments of one type				
	30a	Everywhere			
	30b	New York State	8%	J(ii)	J(iii)

Line 30	Marked to market net gains from all other financial instruments of a second type				
	30a	Everywhere			
	30b	New York State	8%	J(ii)	J(iii)
Line 30	Marked to market net gains from all other financial instruments of a third type				
	30a	Everywhere			
	30b	New York State	8%	J(ii)	J(iii)
Line 30-Stock	Marked to market net gains from stock				
	30a Stock	Everywhere			
	30b Stock	New York State	8%		
Line 30-Partnership	Marked to market net gains from partnership interests				
	30a Partnership	Everywhere			
	30b Partnership	New York State	8%		
J(ii) Totals (see instructions)					
J(ii) Total Everywhere					
J(ii) Total New York State					
Line 28	Total Marked to market net gains under §210-A.5(a)(2)(J)				
	28a	Everywhere			
	28b	New York State			
Part 2 – New York State aggregate Marked to market factor, based on net gains from actual sales, plus J(ii) Marked to market net gains (see instructions)					
A	New York State				
B	Everywhere				
C	New York State aggregate Marked to market factor				

Worksheet C: Marked to market net gains – Form CT-3-S, Part 3, line 28

General information

Note: You must first complete Worksheets A and B, and lines 9 through 27, 29, and 30 of Form CT-3-S, Part 3; then, follow the steps below, in order, to complete Worksheet C.

This worksheet computes the amounts for Form CT-3-S, Part 3, line 28. See the *Form CT-3-S, Part 3, line 28* instructions and also the specific instructions below. For purposes of Worksheet C, § 210-A.5(a)(2)(J)(ii) is referred to as J(ii), and § 210-A.5(a)(2)(J)(iii) as J(iii). J(ii) sources marked to market net gains based on the sourcing of net gains from **actual** sales of financial instruments of the **same** type. J(iii) is used when there are **no** actual sales of a type, or the actual sales of a type resulted in a net **loss** for that type.

Part 1 of the worksheet computes marked to market net gains for those financial instruments that are **described on** Form CT-3-S, Part 3, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and 30, **and that have been marked to market**. Row b is broken out into subcolumns for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30. For each such line, only **one** of the subcolumns will apply for that line, depending on the sourcing rule that applies for that line; the subcolumns that do **not** apply should be left **blank**.

Part 2 of the worksheet is generally only applicable if the 8% fixed percentage method for qualified financial instruments is **not** in effect. Provided however, that if the fixed percentage method for qualified financial instruments **is** in effect, and you have marked to market net gains reportable on line 10 of the worksheet, you **may** have to complete Part 2 of the worksheet, as instructed further below. Part 2 computes the New York State aggregate marked to market factor. This factor is used to determine New York State marked to market net gains under J(iii) in Part 1, as per the specific line instructions under *Customer-based sourcing* below.

Line instructions for Worksheet C

If the fixed percentage method for qualified financial instruments **is** in effect (Form CT-3-S, Part 3, line 8 box is marked), you **must** complete the steps under the *8% fixed percentage method elected* instructions below to complete Worksheet C. Do **not** complete the steps under the *Customer-based sourcing* instructions, **unless** specifically instructed to do so for a certain line.

If the fixed percentage method for qualified financial instruments is **not** in effect (Form CT-3-S, Part 3, line 8 box is **not** marked), you **must** complete the steps under the *Customer-based sourcing* instructions below to complete Worksheet C. Do **not** complete the steps under the *8% fixed percentage method elected* instructions.

Whether or not the fixed percentage method for qualified financial instruments is in effect, use a separate line 30 for marked to market net gains from all other financial instruments of one same certain type. If you need more than three lines 30, use an additional line 30 for each separate type of other financial instrument for which you have marked to market net gains; include the amounts from these additional lines in the same manner as you would for the three lines 30 provided on the worksheet, as you complete the steps below, as applicable.

8% fixed percentage method elected

When the 8% fixed percentage method for qualified financial instruments is in effect, follow the instructions for Condition 1 or Condition 2 below, whichever applies.

When Condition 1 applies, only Part 1 of Worksheet C needs to be completed, and the **Part 1, J(ii) Totals** section should be left blank.

When Condition 2 applies, you may need to complete Part 2 of the worksheet and the **Part 1, J(ii) Totals** section.

Condition 1: If you do **not** have marked to market net gains reportable on line 10 of this worksheet, complete **steps 1 and 2** below (under these *8% fixed percentage method elected* instructions) and do **not** complete any of the steps under the *Customer-based sourcing* instructions.

Condition 2: If you have marked to market net gains reportable on line 10 of this worksheet, you must determine the amounts to enter on line 10 by completing the applicable steps under *Customer-based sourcing for line 10 only*. When Condition 2 applies:

- First, **for line 10 only**, complete **steps 1.1** through **4.1.2** under *Customer-based sourcing* (do **not** complete step 5).
- Next, complete **all of steps 1 and 2 below** (under these *8% fixed percentage method elected* instructions) for all remaining lines (including lines 30-Stock and 30-Partnership, if applicable).

Step 1: Part 1, rows a and b

1.1. In **row a** (Everywhere), lines 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stock, and 30-Partnership, enter 100% of your marked to market net gains for those financial instruments **described** on each such line (and described further in the corresponding line instructions for Form CT-3-S, Part 3), except that if the net amount is less than or equal to zero, enter **0**.

Note:

- Use **line 30** for marked to market net gains from other financial instruments [§ 210-A.5(a)(2)(H)].
- If in the tax year you have marked to market **any** stock under IRC § 475 or 1256, use **line 30-Stock** for marked to market net gains from sales of stock [§210-A.5(a)(2)(G)]; otherwise leave line 30-Stock blank.

- If in the tax year you have marked to market **any** partnership interest in a widely held or publicly traded partnership under IRC § 475 or 1256, use **line 30-Partnership** for marked to market net gains from sales of partnership interests in widely held or publicly traded partnerships; otherwise, leave line 30-Partnership blank [§ 210-A.5(a)(2)(G)].

1.2. In row b (New York State), subcolumn 8%, lines 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stock, and 30-Partnership, multiply row a, for each respective line, by 8% (0.08) and enter the result; if the result is equal to zero, enter 0. You must leave row b, subcolumn J(ii) and row b, subcolumn J(iii) blank for all such lines as they are not applicable when the 8% fixed percentage method sourcing is in effect for qualified financial instruments.

Step 2: Part 1, line 28, rows a and b

2.1. For worksheet line 28, **row a**, enter the **sum** of the amounts from row a for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stock, and 30-Partnership.

2.2. For worksheet line 28, **row b**, enter the **sum** of all amounts from all applicable subcolumns in row b for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stock, and 30-Partnership.

Customer-based sourcing

You must complete Parts 1 and 2 of Worksheet C when the 8% fixed percentage method for qualified financial instruments is **not** in effect. To complete Worksheet C in this instance, follow Steps 1 through 5 below, in that order.

Note: Do not compute lines 30-Stock and 30-Partnership as these lines are not applicable when customer-based sourcing is used. See §210-A.5(a)(2)(G).

If the fixed percentage method for qualified financial instruments **is** in effect **and** you have marked to market net gains reportable on worksheet line 10, then you must use customer-based sourcing for the marked to market net gains **for line 10 only**. In this instance follow the instructions for **Condition 2** under the *8% fixed percentage method elected* instructions, above.

Step 1: Part 1, row a, and row b, subcolumn J(ii)

1.1. In **row a**, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, enter 100% of your **marked to market** net gains for those financial instruments **described** on each such line (and described further in the corresponding line instructions for Form CT-3-S, Part 3), except that if the net amount is less than or equal to zero, enter **0**.

1.2. Row b, subcolumn J(ii) - Subcolumn J(ii), lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, is used to compute **New York State marked to market** net gains, for those financial instruments **described** on each such line, under the sourcing rules of J(ii). Follow the steps below to compute the subcolumn J(ii) amounts. Complete substeps 1.2.1 through 1.2.4 for each line (10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30):

1.2.1. If the step 1.1 amount is equal to zero, for any line, enter **0** in row b, subcolumns J(ii) and J(iii), for that line.

1.2.2. For each line for which row a is **not** equal to zero, determine if you have **actual** everywhere sales that generated a net gain during the tax year, for **that** type of financial instrument. You had **actual** everywhere sales that generated a net gain during the tax year for a specific type of financial instrument if there is an amount greater than zero reported on that type of financial instrument's corresponding line of Form CT-3-S, Part 3, column B (Everywhere). However, for line 30, you had **actual** everywhere sales that generated a net gain during the tax year for a type of financial instrument described in § 210-A.5(a)(2)(H) if there is an amount greater than zero reported on Worksheet B, on line 30.1 (used to report the **same** specific type of financial instruments), row a.

1.2.3. For each line for which Worksheet C, row a, is **not** equal to zero, if you did have **actual** everywhere sales that generated a net gain for the same specific type of financial instrument described on such line (as determined in substep 1.2.2 above), enter in row b, subcolumn J(ii), for such line, the **product** of: the amount in row a for such line, and a fraction, the numerator and the denominator of which are determined as follows:

- For all such lines (except line 30): the numerator of the fraction for such line (except line 30) is the amount from Form CT-3-S, Part 3, column A (New York State) of the corresponding line; and the denominator of the fraction for such line (except line 30) is the amount from Form CT-3-S, Part 3, column B (Everywhere) of the corresponding line. However, if the numerator so determined is equal to zero, enter **0**. For line 30, see the specific line 30 instructions below.
- **Line 30:** The numerator of the fraction for any specific line 30 is the amount from Worksheet B, line 30.1 (used to report the **same** specific type of financial instrument), row b (New York State). The denominator of the fraction for any specific line 30 is the amount from Worksheet B, line 30.1 (used to report the **same** specific type of financial instrument), row a (Everywhere). However, if the numerator so determined is zero, enter **0**.

1.2.4. For each line for which row a is **not** equal to zero, if you did **not** have **actual** everywhere sales that generated a net gain for the same specific type of financial instrument described in that line (as determined in substep 1.2.2 above), leave row b, subcolumn J(ii) **blank** for that line.

Step 2: Part 1, J(ii) Total Everywhere, and J(ii) Total New York State

When you have completed Part 1, row a, and row b subcolumn J(ii), for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, you must next complete the **J(ii) Total** lines for Everywhere and New York State, which are below line 30-Partnership. The J(ii) totals are needed to calculate the New York State aggregate Marked to market factor in Part 2 of this worksheet, when applicable.

2.1. Enter in the **J(ii) Total Everywhere** line, the **sum** of the **row a** amounts for all lines that have an amount entered in row b, subcolumn J(ii) even if the amount entered is zero.

2.2. Enter in the **J(ii) Total New York State** line, the **sum** of the row b, subcolumn J(ii) amounts for all lines that have an amount entered in row b, subcolumn J(ii).

Step 3: Part 2

Part 2 of the worksheet computes your New York State aggregate marked to market factor which you will need to complete Part 1, row b, subcolumn J(iii), when applicable.

Never include any amounts sourced under the 8% fixed percentage method election when determining the amounts to include in the sums described in these step 3 instructions.

3.1. Line A: Enter the **sum** of: the **J(ii) Total New York State** amount from Part 1 of this worksheet plus the amounts from Form CT-3-S, Part 3, column A (New York State), lines 9 through 27, 29, and 30.

3.2. Line B: Enter the **sum** of: the **J(ii) Total Everywhere** amount from Part 1 of this worksheet plus the amounts from Form CT-3-S, Part 3, column B (Everywhere), lines 9 through 27, 29, and 30.

3.3. Line C: Divide the line A amount by the line B amount and enter the result, rounded to four decimal places.

Step 4: Part 1, row b, subcolumn J(iii)

4.1. Row b, subcolumn J(iii) - Subcolumn J(iii), lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, is used to compute **New York State marked to market** net gains, for those financial instruments described on each such line, under the sourcing rules of J(iii). Follow the steps below to compute the subcolumn J(iii) amounts. Complete substeps 4.1.1 and 4.1.2 for each line (10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30):

4.1.1. For each line, if there is an amount greater than or equal to zero entered in row b, subcolumn J(ii), then leave row b, subcolumn J(iii) **blank** for that line. **Note:** When you had **actual** everywhere sales that generated a net gain for **that type** of financial instrument during the tax year, subcolumn J(ii) should have an amount entered, and subcolumn J(iii) should be left **blank**.

4.1.2. For each line, if you did **not** have **actual** everywhere sales that generated a net gain for **the specific type** of financial instrument described on that line (**row b, subcolumn J(ii)** was left blank per substep 1.2.4), enter in row b, subcolumn J(iii), for that line, the **product** of: the amount in row a (Everywhere) for that line, and the factor in Part 2, line C.

Step 5: Part 1, line 28, rows a and b

5.1. For line 28, **row a** (Everywhere), enter the **sum** of the amounts from row a (Everywhere) for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30.

5.2. For line 28, **row b** (New York State), enter the **sum** of all amounts from row b (New York State), subcolumns J(ii) **and** J(iii) for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30.

Where to enter the amounts calculated on Worksheet C

The amounts entered or calculated on Part 1, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stock, and 30-Partnership and Part 2, lines A, B, and C are only used to compute the **line 28** marked to market totals in Part 1. Do **not** transfer them to any other form or worksheet.

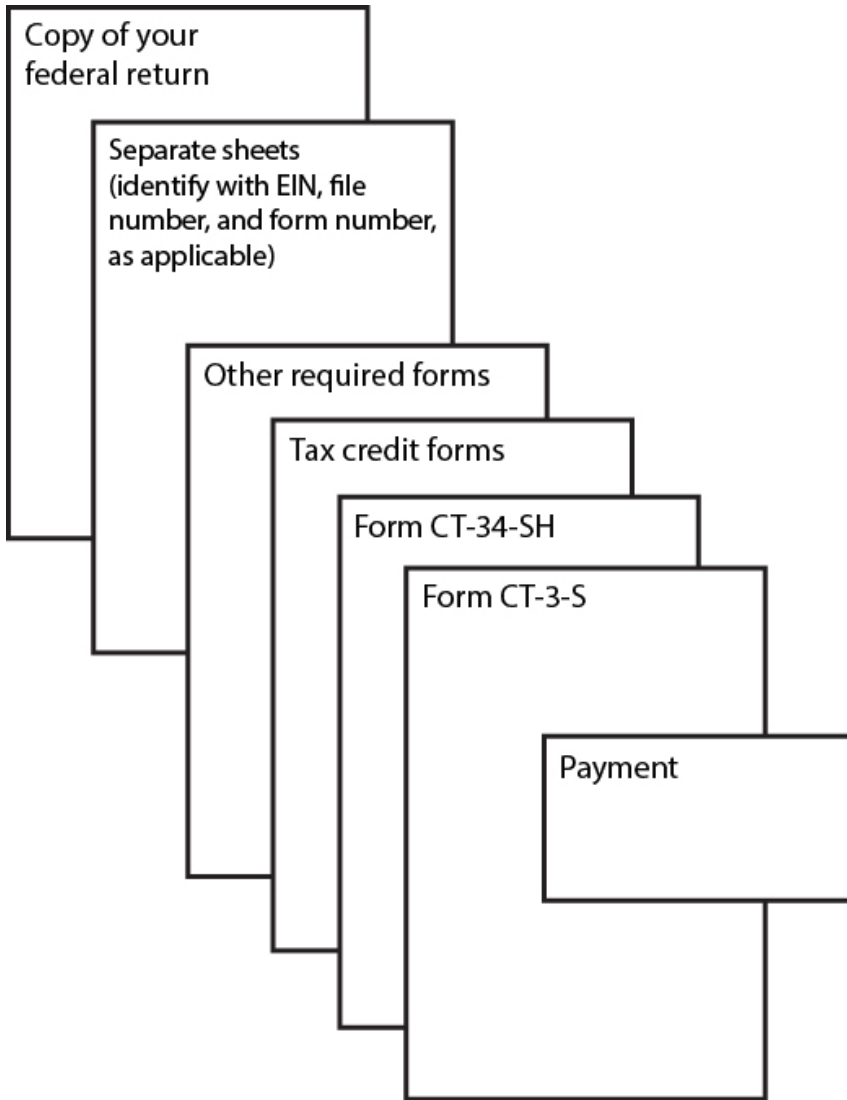
Enter the **line 28 totals** from Part 1 on Form CT-3-S as follows:

Amount from Worksheet C	Amount is entered on
Line 28b (New York State)	Form CT-3-S, Part 3, line 28 New York State (column A)
Line 28a (Everywhere)	Form CT-3-S, Part 3, line 28 Everywhere (column B)

When preparing and mailing your New York S Corporation Franchise Tax Return, be sure to:

- Read the instructions.
- Use the correct forms and include all pages.
- Include your EIN and file number on each form filed.
- Have the appropriate individuals sign the completed return.

- Make your check or money order payable in U.S. funds to: **New York State Corporation Tax**.
- Attach Forms CT-34-SH and the appropriate tax credit forms.
- Attach a complete copy of your federal returns to Form CT-3-S.
- If you are using tax software, attach a completed copy of Form CT-2, *Corporation Tax Return Summary*.
- Assemble your return and attachments this way:



For mailing address information, see *How to file*.

