



Instructions for Forms CT-225, CT-225-A, and CT-225-A/B New York State Modifications

CT-225/225-A-I

All citations are to New York State Tax Law articles and sections unless specifically noted otherwise.

Tax law

For current tax laws, see *New York State Tax Law* on our website at www.tax.ny.gov (search: law).

General information

Who must file

Complete Form CT-225 or CT-225-A to report certain New York State additions to and subtractions from federal income under Article 9-A (for general business corporations) and Article 33 (for life insurance corporations) that are not reported on a specific line on the following forms:

- Form CT-3, *General Business Corporation Franchise Tax Return*
- Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*
- Form CT-3-S, *New York S Corporation Franchise Tax Return*
- Form CT-33, *Life Insurance Corporation Franchise Tax Return*
- Form CT-33-A, *Life Insurance Corporation Combined Franchise Tax Return*

Form CT-225 or CT-225-A must be filed with the returns listed above.

Shareholders of New York S corporations include their share of any modification on their personal income tax return.

Corporate partners

A corporation that generates a modification and also receives a modification from a partnership, estate, or trust must report the modifications separately in Schedules A and B.

Corporate partners filing under Article 9-A: The partnership reports the amount of certain New York State additions and subtractions from each partnership on Form IT-204-CP, *New York Corporate Partner's Schedule K-1*.

Example: For interest on federal, state, municipal, and other obligations not included in federal income, the corporation enters addition modification **A-504**. Then, for the corporation's share of such interest income that flows through to it from a partnership, the corporation enters its share as addition modification **EA-504**.

Combined groups

On Form CT-225-A, use column A for the group designated agent (for general business corporations) or parent (for life insurance corporations) and use column B for the other members of the group.

If the combined group consists of **more than one member** other than the group designated agent or parent, Form CT-225-A/B, *Group Member's Detail Spreadsheet*, must be completed by each member and filed with the return to report each member's additions and subtractions claimed and reported on Form CT-225-A as follows:

- Enter the amounts from Forms CT-225-A/B in column B.
- Add columns A and B and enter the result in column C.

- In column D, enter any intercorporate eliminations.
- Subtract column D from the subtotal in column C and enter the balance in column E.
- If the result in column E is zero or less, enter **0**. Do **not** enter a negative amount in column E.

If the combined group has **only one member** other than the designated agent or parent, do **not** file Form CT-225-A/B; instead, enter the member's information on Form **CT-225-A**, column B.

Additional forms

If you need more room to report all your addition and subtraction modifications, submit additional Forms CT-225 and CT-225-A as necessary.

Completing Schedules A and B

Enter all amounts as **positive** numbers. The modification applies to CT-3, CT-3-A, CT-3-S, CT-33, and CT-33-A filers unless otherwise noted.

Schedule A: Certain New York State additions to federal income

Part 1: For certain additions to federal income that did not flow through from a partnership, estate, or trust

Lines 1a through 1p: Enter the modification number and amount for each New York State addition that applies. See *New York State additions*.

Part 2: Corporation's share of certain additions to federal income from a partnership, estate, or trust

Lines 3a through 3p: Enter the modification number and amount for each New York State addition that applies. If you are a partner or beneficiary in more than one partnership, estate, or trust, enter the total amount of any specific other addition that flows through from **all** partnerships, estates, or trusts.

Total Part 1 and Part 2 additions

Form CT-225 and CT-225-A:

Line 5: Enter this amount as a **positive** number. Transfer this amount to:

Form	Line number
CT-3	Part 3, line 2
CT-3-A	Part 3, line 2
CT-34-SH	Part 1, line 3
CT-33	Schedule G, line 71
CT-33-A	Schedule D, line 74, column E

For CT-3-A and CT-33-A filers, the amount transferred is the amount reported in column E.

Form CT-225-A/B:

Line 5: Article 33 filers: Transfer the amount from this line to this member's column on Form CT-33-A/B, Schedule D, line 74.

Schedule B: Certain New York State subtractions from federal income

Part 1: For certain subtractions from federal income that did not flow through from a partnership, estate, or trust

Lines 6a through 6p: Enter the modification number and amount for each New York State subtraction that applies. See *New York State subtractions*.

Part 2: Corporation's share of certain subtractions from federal income from a partnership, estate, or trust

Lines 8a through 8p: Enter the modification number and amount of each New York State subtraction that applies. If you are a partner or beneficiary in more than one partnership, estate,

or trust, enter the total amount of any specific subtraction that flows through from **all** partnerships, estates, or trusts.

Total Part 1 and Part 2 subtractions

Form CT-225 and CT-225-A:

Line 10: Enter this amount as a **positive** number. Transfer this amount to:

Form	Line number
CT-3	Part 3, line 4
CT-3-A	Part 3, line 4
CT-34-SH	Part 1, line 5
CT-33	Schedule G, line 79
CT-33-A	Schedule D, line 83, column E

For CT-3-A and CT-33-A filers, the amount transferred is the amount reported in column E.

Form CT-225-A/B:

Line 10: Article 33 filers: Transfer the amount from this line to this member's column on Form CT-33-A/B, Schedule D, line 83.

New York State addition and subtraction modification charts

These charts list each modification and show (with an **X** in the column) which modification applies to your form. This guide should only be used in conjunction with the detailed instructions given for each modification following the charts.

Addition modifications						
Modification number	Description	CT-3	CT-3-A	CT-33	CT-33-A	CT-34-SH
A-102	Income from certain obligations of U.S. government agencies or instrumentalities					X
A-105	Special additional mortgage recording tax deduction	X	X	X	X	
A-106	Special additional mortgage recording tax basis adjustment	X	X	X	X	
A-109	New business investment; deferral recognition					X
A-110	Qualified emerging technology investments	X	X	X	X	X
A-111	Interest expense on loans used to buy obligations exempt from New York State tax, amortized bond premiums on bonds that are exempt from New York State tax and other expenses relating to the production of income exempt from New York State tax					X
A-113	Interest income on state and local bonds and obligations					X
A-114	Federal Form 4970 accumulation distribution of trusts					X
A-116	Resident beneficiary accumulation distribution					X
A-117	Incomplete gift non-grantor trust					X
A-201	Personal income taxes and unincorporated business taxes deducted in determining federal income					X
A-202	Percentage depletion					X
A-203	Safe harbor leases	X	X			X
A-204	Safe harbor leases	X	X			X
A-205	Accelerated cost recovery system deduction					X
A-206	Accelerated cost recovery system property; year of disposition adjustment					X
A-207	Farmers' school tax credit	X	X			

Addition modifications <i>(continued)</i>						
Modification number	Description	CT-3	CT-3-A	CT-33	CT-33-A	CT-34-SH
A-208	Sport utility vehicle expense deduction	X	X			X
A-209	IRC § 168(k) property depreciation					X
A-210	Special depreciation					X
A-211	Royalty and interest payments made to a related member or members	X	X	X	X	X
A-212	Environmental remediation insurance premiums	X	X	X	X	X
A-214	Article 23 metropolitan commuter transportation mobility tax			X	X	X
A-216	Manufacturer's real property tax	X	X			X
A-217	START-UP NY excise tax on telecommunication services	X	X			X
A-218	Farm donations to food pantries	X	X			
A-221	Investments in a qualified opportunity fund	X	X	X	X	X
A-223	Depreciation deductions claimed by institutional real estate investors for certain properties	X	X	X	X	X
A-224	Federal interest deductions claimed by institutional real estate investors related to certain properties	X	X	X	X	X
A-301	Reduction for S corporation taxes					X
A-502	Qualified public utility corporations, qualified power producers, and qualified pipeline corporations	X	X			
A-504	Interest on federal, state, municipal, and other obligations not included in federal taxable income	X	X			
A-505	New York State and other state and local taxes deducted on your federal return	X	X			
A-506	Federal treaty obligations	X	X			
A-507	Federal depreciation from Form CT-399, if applicable	X	X			
A-508	Dividend or interest income received, or accrued, by alien corporations	X	X			
A-510	IRC § 965(c) deduction amount	X	X		X	
A-602	Unearned premiums			X	X	
A-603	Discounted unpaid losses			X	X	
A-605	Deductions attributable to IRC § 965(a) inclusion amount				X	
A-606	Deductions attributable to IRC § 951A(a)			X	X	
A-901	Beneficiary's share of fiduciary adjustment					X

Subtraction modifications						
Modification number	Description	CT-3	CT-3-A	CT-33	CT-33-A	CT-34-SH
S-102	Build America Bond interest					X
S-110	Contributions for Executive Mansion, natural and historical resources (not deducted elsewhere)					X
S-111	Distributions made to a victim or target of Nazi persecution	X	X	X	X	X
S-112	Items of income related to assets stolen from or otherwise lost to a victim of Nazi persecution					X
S-114	Gain to be subtracted from the sale of a new business investment reported on your federal income tax return					X
S-115	Qualified emerging technology investments	X	X	X	X	X

Subtraction modifications <i>(continued)</i>						
Modification number	Description	CT-3	CT-3-A	CT-33	CT-33-A	CT-34-SH
S-116	Sales or dispositions of assets acquired before 1960 with greater state than federal basis					X
S-117	Income earned before 1960 and previously reported to New York State					X
S-121	Certain investment income from U.S. government agencies					X
S-123	Certain investment income exempted by other New York State laws					X
S-125	Interest income on U.S. government bonds					X
S-201	Small business modification					X
S-202	Interest expense on loans used to buy federal tax-exempt obligations subject to New York State tax					X
S-203	Expenses (other than interest expense) connected with federal tax-exempt income subject to New York State tax					X
S-204	Amortizable bond premiums					X
S-205	Wage and salary expense allowed as federal credits but not as federal expenses	X	X	X	X	X
S-206	Cost depletion					X
S-207	Special depreciation expenditures or carryover of research and development activities					X
S-208	Safe harbor leases	X	X			X
S-209	Safe harbor leases	X	X			X
S-210	Accelerated cost recovery system depreciation					X
S-211	Accelerated cost recovery system year of disposition adjustment					X
S-212	Sport utility vehicle expense deduction recapture	X	X			X
S-213	IRC § 168(k) property depreciation					X
S-214	Amount of IRC § 168(k) property deduction that is greater than the depreciation claimed for New York State (year of disposition adjustment)					X
S-215	Refund of certain business tax credits	X	X	X	X	
S-216	New York State innovation hot spot program	X	X			X
S-217	Taxable refunds or credits					X
S-218	Gains from qualified opportunity fund investments	X	X	X	X	X
S-220	Deductions related to the production and distribution of adult-use cannabis products	X	X			X
S-303	Franchise tax refunds					X
S-501	Taxable refunds or credits of state tax	X	X	X	X	
S-503	Qualified public utility corporations, qualified power producers, and qualified pipeline corporations	X	X			
S-504	Receipts from the operation of school buses	X	X			
S-505	Real estate investment trust deduction	X				
S-506	Regulated investment company deduction	X				
S-507	Allowable New York State depreciation	X	X			
S-508	Amounts treated as IRC § 78 dividends	X	X			
S-509	Expenses related to federal treaty obligations	X	X			
S-510	Expenses related to interest on federal, state, municipal, and other obligations not included in federal taxable income	X	X			

Subtraction modifications <i>(continued)</i>						
Modification number	Description	CT-3	CT-3-A	CT-33	CT-33-A	CT-34-SH
S-511	Expenses related to dividend or interest income received, or accrued, by alien corporations	X	X			
S-513	Amount excluded from the term contribution to capital by IRC § 118(b)(2)	X	X	X	X	
S-601	Unearned premiums			X	X	
S-602	Discounted unpaid losses			X	X	
S-604	IRC § 832(b)(5)(B)			X	X	
S-605	IRC § 965(a) inclusion amount				X	
S-606	Amounts treated as IRC § 78 dividends			X	X	
S-607	Global intangible low-taxed income exclusion			X	X	
S-901	Beneficiary's share of fiduciary adjustment					X

New York State additions

A-102 Income from certain obligations of U.S. government agencies or instrumentalities (CT-3-S filers only): Enter any interest or dividend income from any U.S. government authority, commission, or instrumentality received or credited during the tax year that federal laws:

- exempt from federal income tax, **and**
- do **not** exempt from state income tax.

If you are uncertain whether a particular federal bond or obligation is subject to state income tax, contact us for assistance (see *Need Help?* in Form CT-1).

See § 612(b)(2).

A-105 Federal deduction for special additional mortgage recording tax (CT-3, CT-3-A, CT-33, and CT-33-A filers only): If you deducted special additional mortgage recording tax when you calculated your federal income, enter that amount if you also claimed a New York State tax credit by filing Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*.

See §§ 208.9(b)(4-a)(A) and 1503(b)(2)(E).

A-106 Special additional mortgage recording tax basis adjustment (CT-3, CT-3-A, CT-33, and CT-33-A filers only): If the property on which you paid a special additional mortgage recording tax was sold or disposed of, enter the amount, if any, of the federal basis of the property that was not adjusted to reflect the amount of special additional mortgage recording credit previously allowed on Form CT-43.

See §§ 208.9(b)(4-a)(B) and 1503(b)(2)(F).

A-109 New business investment; deferral recognition (CT-3-S filers only): If you (1) subtracted all or a portion of a long term capital gain from your federal income in a tax year beginning on or after January 1, 1982, and before January 1, 1988, because you reinvested that amount in a new New York State business and (2) sold that reinvestment in the current tax year, enter the amount you previously subtracted.

See § 612(b)(22).

A-110 Qualified emerging technology investments: If you (1) elected to defer the gain from the sale of qualified emerging technology investment because you reinvested in a New York State qualified emerging technology company and (2) sold that reinvestment during the current tax year, enter the amount you previously deferred.

See §§ 612(b)(35), 208.9(m), and 1503(b)(13). Also see S-115.

A-111 Expenses relating to income exempt from New York State tax (CT-3-S filers only): If your federal income includes a deduction for:

- interest expense on loans used to buy bonds, obligations, or securities whose interest income is (1) federally taxable and (2) exempt from New York State tax, include that interest expense;
- the amortization of bond premiums on bonds whose interest income is (1) federally taxable and (2) exempt from New York State tax, include those amortized premiums; or
- expenses relating to the production or collection of income exempt from New York State tax, include those expenses.

See §§ 612(b)(4)-(5).

A-113 Interest income on state and local bonds and obligations (but not those of New York State or its local governments) (CT-3-S filers only): Enter interest income on obligations of other states, or political subdivisions of those states, that is (1) exempt from federal income tax and (2) subject to New York State tax. This includes:

- interest income on state and local bonds (but not those of New York State and local governments within the state),
- interest and dividend income from tax-exempt bond mutual funds, and
- tax-exempt money market funds that invest in obligations of states other than New York.

See § 612(b)(1).

A-114 Federal Form 4970 accumulation distribution of trusts (CT-3-S filers only): If you filed federal Form 4970, *Tax on Accumulation Distribution of Trusts*, include the amount of income you reported on federal Form 4970, line 1, after subtracting any interest income on state and local bonds and obligations on New York State and its local governments (if you included it on federal Form 4970, line 5).

See Internal Revenue Code (IRC) §§ 665 and 667.

A-116 Resident beneficiary accumulation distribution (CT-3-S filers only): For tax years beginning on or after January 1, 2014, if you are the beneficiary of a trust that, in any tax year, was not subject to tax because it met the conditions of § 605(b)(3)(D) (except for an incomplete gift non-grantor trust) add any amount determined under the first sentence of

IRC § 677, but not already included, to your federal income for the tax year.

In calculating the amount to be added, **you must** disregard:

- IRC § 665(c),
- income earned by the trust in any tax year the trust was subject to New York State tax,
- income earned by the trust in any tax year before the beneficiary first became a resident of New York State, and
- income paid to the beneficiary before June 1, 2014.

See § 612(b)(40).

For more information, see TSB-M-14(3)I, *Important Information for Beneficiaries and Grantors of Exempt Resident Trusts*.

A-117 Incomplete gift non-grantor trust (CT-3-S filers only): If you transferred property to an incomplete gift non-grantor trust, include the income (after deductions) of the trust, to the extent you would take that income into account when you calculate your federal income if the trust in its entirety were treated as a grantor trust for federal tax purposes. Do **not** include any income from a trust that was liquidated before June 1, 2014.

An *incomplete gift non-grantor trust* is a resident trust that meets the following criteria:

- it does not qualify as a grantor trust under IRC §§ 671-679, **and**
- the grantor's transfer of assets to the trust is treated as an incomplete gift under IRC § 2511 and its regulations.

See § 612(b)(41).

A-201 Personal income taxes and unincorporated business taxes deducted in determining partnership ordinary income (CT-3-S filers that are corporate partners only): See § 612(b)(3).

A-202 Percentage depletion (CT-3-S filers only): If you deducted an amount for percentage depletion on mines, oil or gas wells, or other natural deposits when calculating your federal income, enter that amount.

See § 612(b)(10). Also see S-206.

A-203 Safe harbor leases (CT-3, CT-3-A, and CT-3-S filers only): If, when you calculated your federal income, you claimed a deduction attributable to a safe harbor lease (except for qualified mass commuting vehicles) solely as a result of an election made under IRC § 168(f)(8) as it was in effect on December 31, 1983, enter that deduction.

See §§ 612(b)(23) and 208.9(b)(8). Also see A-204, S-208, and S-209.

A-204 Safe harbor leases (CT-3, CT-3-A, and CT-3-S filers only): If your financial matters during the tax year involved a safe harbor lease (except for qualified mass commuting vehicles) made under the election provided for by IRC § 168(f)(8) as it was in effect on December 31, 1983, enter the income you would have included in federal income if you had **not** made the election.

See §§ 612(b)(24) and 208.9(b)(9). Also see A-203, S-208, and S-209.

A-205 Accelerated cost recovery system deduction (CT-3-S filers that are corporate partners only): See § 612(b)(25).

A-206 Accelerated cost recovery system year of disposition adjustment (CT-3-S filers that are corporate partners only): See § 612(b)(27).

A-207 Federal deduction for farmers' school taxes (CT-3 and CT-3-A filers only): If, when you calculated your federal taxable income, you deducted real property taxes on qualified agricultural property and you claimed the farmers' school tax credit on Form CT-47, *Claim for Farmers' School Tax Credit*, enter the lesser of the amount of the deduction or the amount of the credit allowed.

See § 208.9(b)(15).

A-208 Federal IRC § 179 deduction for a sport utility vehicle (CT-3, CT-3-A, and CT-3-S filers only): If you are not an eligible farmer and, when calculating your federal income, claimed an IRC § 179 deduction for a sport utility vehicle that weighs more than 6,000 pounds, include the deduction amount.

Note: If a partner is an eligible farmer for purposes of the farmers' school tax credit, the partner is not required to make an addition modification for their share of the A-208 modification.

For purposes of this modification, a *sport utility vehicle* is any four-wheeled passenger vehicle manufactured primarily for use on public streets, roads, and highways. However, it does not include:

- any ambulance, hearse, or combination ambulance-hearse used directly in a trade or business;
- any vehicle used directly in the trade or business of transporting persons or property for compensation or hire; or
- any truck, van, or motor home.

A *truck* is any vehicle that has a primary load-carrying device or container attached, or is equipped with an open cargo area or covered box not readily accessible from the passenger compartment.

See §§ 612(b)(36) and 208.9(b)(16).

A-209 IRC § 168(k) property depreciation (CT-3-S filers that are corporate partners only): See § 612(b)(8).

A-210 Special depreciation (CT-3-S filers that are corporate partners only): See § 612(b)(6).

A-211 Royalty payments: If, during the tax year, you paid, accrued, or incurred royalty payments in connection with one or more transactions with one or more related members, enter the amount of these payments to the extent deductible when calculating federal income.

There are exceptions to this addition modification (see TSB-M-13(6)C, *Summary of Budget Bill Corporation Tax Changes Enacted in 2013-Effective for Tax Years 2013 and After*).

If you believe you do not need to make this modification because one of the exceptions applies, attach a statement to your return:

- explaining how you meet each requirement for the exception, **and**
- indicating the amount of royalty payments excluded.

In addition, CT-3 filers must mark the box on Form CT-3, Part 1, Section B, line 5 and CT-3-A filers must mark the box on Form CT-3-A, Part 1, Section B, line 4.

See §§ 612(b)(17), 208.9(o), and 1503(b)(14).

A-212 Federal deduction for environmental remediation insurance premiums: If, when determining federal income, you deducted premiums for environmental remediation insurance and claimed the environmental remediation insurance credit by filing Form CT-613, *Claim for Environmental Remediation Insurance Credit*, enter the lesser of the amount of deductions or the amount of the credit allowed.

See §§ 612(b)(37), 208.9(b)(18), and 1503(b)(2)(N-1).

A-214 Federal deduction for the metropolitan commuter transportation mobility tax under Article 23 (CT-3-S, CT-33, and CT-33-A filers only): If you claimed a federal deduction for the metropolitan commuter transportation mobility tax, enter the amount deducted in determining federal income.

See §§ 612(b)(39) and 1503(b)(2)(V).

A-216 Federal deduction for real property taxes of manufacturers (CT-3, CT-3-A, and CT-3-S filers only): If you claimed any federal deduction for real property taxes and you also claimed the manufacturer's real property tax credit by filing Form CT-641, *Manufacturer's Real Property Tax Credit*, enter the amount of the federal deduction for real property taxes you used as the basis of the calculation of that credit.

See §§ 612(b)(40) and 208.9(b)(21).

A-217 Federal deduction for Tax Law § 186-e tax that flows through to a START-UP NY business (CT-3, CT-3-A, and CT-3-S filers only): If you claimed any federal deduction for the New York State excise tax on telecommunication services that were passed on to you by your telecommunication provider, and you also claimed the START-UP NY telecommunication services excise tax credit on Form CT-640, *START-UP NY Telecommunication Services Excise Tax Credit*, enter the amount of the federal deduction for excise taxes of telecommunication services you used as the basis of the calculation of that credit.

See §§ 612(b)(39-a) and 208.9(b)(20-a).

A-218 Farm donations to food pantries (CT-3 and CT-3-A filers only): If you claimed any federal deduction for charitable contributions allowed under IRC § 170 and you claimed the farm donations to food pantries credit by filing Form CT-649, *Farm Donations to Food Pantries Credit*, enter the amount of the contributions used as the basis of the calculation of that credit.

See § 208.9(b)(22).

A-221 Investments in a qualified opportunity fund: If you excluded a gain invested in a qualified opportunity fund from federal income in the current tax year as a result of IRC § 1400Z-2(a)(1)(A), enter the amount of the gain.

See §§ 612(b)(42), 208.9(b)(27), and 1503(b)(2)(Z). Also see S-218.

A-223 Depreciation deductions claimed by institutional real estate investors for certain properties: If the entity filing this return is an *institutional real estate investor*, then it **must** enter the amount of the federal depreciation deduction claimed on residential properties located in New York State that consist of no more than two dwelling units.

An *institutional real estate investor* means an entity or combined group that, directly or indirectly:

- owns 10 or more residential properties consisting of no more than two dwelling units located in New York State,
- manages funds pooled from investors and acts as a fiduciary with respect to one or more investors, and
- has \$30 million or more in net value or assets under management on any day during the tax year.

Note: An entity is considered owning a property if it directly owns the property or indirectly owns 10% or more of the property.

See §§ 612(y)(2), 208.9(c-4)(3), and 1503(b)(17)(B).

A-224 Federal interest deductions claimed by institutional real estate investors related to certain properties: If the entity filing this return is an *institutional real estate investor*

(for definition, see A-223), then it **must** enter the federal interest deduction allowed under IRC § 163 or the amount of interest charged to a capital account related to residential properties located in New York State that consist of no more than two dwelling units. Do **not** enter the interest if it was paid or accrued in the tax year when the property was sold to:

- an individual for use as their principal residence, or
- a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing.

See §§ 612(y)(3), 208.9(c-4)(4), and 1503(b)(17)(C).

A-301 Reduction for S corporation taxes (CT-3-S filers only): Include the New York State S corporation's reductions for federal taxes imposed on built-in gains and reductions for federal taxes imposed on excess net passive income as described in IRC §§ 1366(f)(2) and (3).

See § 612(b)(18).

A-502 Addback based on §§ 208.9(c-2) and 208.9(c-3) (CT-3 and CT-3-A filers only): Qualified public utility corporations, qualified power producers, and qualified pipeline corporations, see Form CT-224-I, *Instructions for Form CT-224*.

Also see S-503.

A-504 Interest on federal, state, municipal, and other obligations not included in federal taxable income (only CT-3 and CT-3-A filers that are **not** alien corporations; alien corporations, see A-508): Include all interest received or accrued from federal, state, municipal, and other obligations that was exempt from federal income tax and is, therefore, not included in federal taxable income.

See § 208.9(b)(2). Also see S-510.

A-505 Certain taxes deducted on your federal return (CT-3 and CT-3-A filers only):

- Include all amounts deducted for New York State taxes and the metropolitan transportation business tax (MTA surcharge) imposed under Articles 9 (§§ 183, 183-a, 184, and 184-a), 9-A, 23, and former Article 32. However, **do not** include New York City taxes.
- Include the amount deducted for taxes paid or accrued to the United States, or any of its possessions, territories or commonwealths, other U.S. states or their political subdivisions, and the District of Columbia, if the tax or taxes:
 - are on or are measured by profits or income, or
 - include profits or income as a measure of tax, including taxes expressly in place of the foregoing.

See §§ 208.9(b)(3), 208.9(b)(3-a), 208.9(b)(4), and 208.9(b)(20).

A-506 Federal treaty obligations (only CT-3 and CT-3-A filers that **are** alien corporations): Enter any income exempt from federal taxable income under any treaty obligation of the United States, if:

- under any provision of the IRC, you are **not** treated as a *domestic corporation* as defined in IRC § 7701, and
- the income would be treated as effectively connected in absence of that exemption, provided that the treaty obligation does not preclude the taxation of that income by a state.

Attach a statement to your return with:

- each amount that is included in the total addback amount being reported, and
- a brief description of what each amount represents.

See § 208.9(b)(1)(ii). Also see S-509.

A-507 Federal depreciation from Form CT-399, if applicable (CT-3 and CT-3-A filers only): If the corporation does any of the following, include the amount from Form CT-399, line 3, column E; or if you have disposed of property this year, use the amount from Form CT-399, line 10, column A.

- claims the federal accelerated cost recovery system/modified accelerated cost recovery system deduction for property placed in service either **in or outside** New York State after 1980 in tax periods beginning before 1985
- claims the federal accelerated cost recovery system/modified accelerated cost recovery system deduction for property placed in service **outside** New York State in tax periods beginning after 1984 and before tax periods beginning in 1994, **and** the corporation made the election to continue using the IRC § 167 depreciation deduction for the property
- claims a federal special depreciation deduction under IRC § 168(k) for qualified property [excluding qualified resurgence zone property described in § 208.9(q) or qualified New York liberty zone property described in IRC § 1400L(b)(2)] placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002
- disposes this year of either accelerated cost recovery system/modified accelerated cost recovery system property, or property for which you claimed a federal special depreciation deduction under IRC § 168(k), **and** the New York depreciation modifications applied to the property in any prior years

See §§ 208.9(b)(10), 208.9(b)(11), 208.9(b)(17), and 208.9(p). Also see S-507.

A-508 Dividend or interest income received, or accrued, by alien corporations (only CT-3 and CT-3-A filers that are alien corporations): Enter any part of any income received, or accrued, from dividends or interest on any kind of stock, securities, or indebtedness, if:

- under any provision of the IRC, you are **not** treated as a *domestic corporation* as defined in IRC § 7701,
- the income received or accrued is treated as effectively connected with conducting a trade or business in the United States under IRC § 864, **and**
- the income is not included in your federal income.

See §§ 208.9(b)(1)(i) and 208.9(b)(1)(iii). Also see S-511.

A-510 IRC § 965(c) deduction amount (only CT-3 filers that filed federal Form 1120-REIT; CT-3-A and CT-33-A filers that have a combined group member that is a **captive real estate investment trust**, or a CT-3-A filer that is a **non-captive real estate investment trust** filing with its qualified real estate investment trust subsidiary): You must include the amount of deduction allowed under IRC § 965(c) to the extent that amount was deducted when calculating your federal taxable income.

See § 208.9(b)(23).

A-602 Unearned premiums (CT-33 and CT-33-A filers only): Include the amount of unearned premiums on outstanding business at the end of the preceding tax year excluded from premiums earned as a result of IRC §§ 832(b)(4)(B), 832(b)(7)(B)(i), and 832(b)(8)(A)(i).

See §§ 1503(b)(2)(O), 1503(b)(2)(P), and 1503(b)(2)(Q).

A-603 Discounted unpaid losses (CT-33 and CT-33-A filers only): Include the difference between the amount of discounted unpaid losses at the end of the preceding tax year used in the calculation of losses incurred as a result of IRC § 832(b)(5)(A), and the amount of unpaid losses at the end of the preceding tax year that you would have used in your calculation if these losses were not discounted for federal income tax purposes. Attach a copy of the loss reserves discount summary schedule

you used to calculate discounted unpaid losses from federal Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*, and a copy of Schedule P, *Analysis of Losses and Loss Expenses, Part 1, Summary*, from the prior year's *Annual Statement*.

See § 1503(b)(2)(R).

A-605 Deductions attributable to IRC § 965(a) inclusion amount (only CT-33-A filers that have a combined group member that is a captive real estate investment trust): To the extent **not** included on Form CT-33-A, line 69, you must include:

- interest deductions **directly or indirectly** attributable to IRC § 965(a) inclusion amounts, and
- any other amount **directly** attributable to IRC § 965(a) inclusion amounts.

See § 1503(b)(2)(H). Also see S-605.

A-606 Deductions attributable to IRC § 951A(a) (CT-33 and CT-33-A filers only): Include interest deductions directly or indirectly, and any other amount directly, attributable to the income described in §§ 1503(b)(1)(U) and 1503(b)(1)(V), to the extent not included on Form CT-33, line 67 or Form CT-33-A, line 69.

See § 1503(b)(2)(H). Also see S-606 and S-607.

A-901 Beneficiary's share of fiduciary adjustment (CT-3-S filers only): If the S corporation has income from an estate or trust, any New York adjustments that apply to that income, as well as any additions to, or subtractions from, federal itemized deductions, will be shown in your share of a single fiduciary adjustment.

If the adjustment is a net addition, you must include this amount in Schedule A, Part 2.

See § 612(d). Also see S-901.

New York State subtractions

S-102 Build America Bond interest (CT-3-S filers only): Include any interest income attributable to a Build America Bond issued by New York State or its local governments that was included in federal income.

For more information, see TSB-M-10(4)I, *Treatment of Interest Income from Build America Bonds*.

S-110 Contributions for Executive Mansion, natural and historical resources (not deducted elsewhere) (CT-3-S filers only): Include contributions you made, but did not deduct elsewhere to:

- preserve, improve, and promote the Executive Mansion as a New York State historical resource, or
- the Natural Heritage Trust to preserve and improve the natural and historical resources of New York State.

Do not include amounts you deducted in determining federal income.

See New York Arts and Cultural Affairs Law §§ 54.15 and 55.15.

S-111 Distributions made to victims or targets of Nazi persecution: Include the amount received (including accumulated interest) from an eligible settlement fund, or from an eligible grantor trust established for the benefit of these victims or targets, if included in your applicable federal income.

Do not include amounts received from assets acquired with those assets or with the proceeds from the sale.

See § 13.

S-112 Items of income related to assets stolen from or otherwise lost to a victim of Nazi persecution (CT-3-S filers only): Include items of income included in federal income attributable to, derived from, or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of Nazi persecution immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of Nazi persecution by European insurance companies immediately prior to and during World War II, or as a spouse or heir of that victim.

Do **not** include income attributable to assets acquired with assets as described above or with the proceeds from the sale of any asset described above. Also, do not include any income if you were not the first recipient of the asset, or if you are not considered a victim of Nazi persecution, or a spouse or descendant of a victim.

See § 612(c)(36).

S-114 Gain to be subtracted from the sale of a new business investment included in federal income (CT-3-S filers only): If you reported a capital gain on your federal income tax return from the sale of a new business investment, as defined in § 612(o), that was issued before January 1, 1988, then include 100% of that federal gain.

See § 612(c)(20).

S-115 Qualified emerging technology investments: A *qualified emerging technology investment* is an investment in the stock of a corporation, or an ownership interest in a partnership or limited liability company that is a qualified emerging technology company, or an investment in a partnership or a limited liability company to the extent that the partnership or limited liability company invests in these companies. The taxpayer must acquire the investment as provided in IRC § 1202(c)(1)(B), or from a person who acquired it based on that section. IRC § 1202(c)(1)(B) requires the acquisition to be original issue from the company, either directly or through an underwriter, and in exchange for cash, services, or property (but not in stock).

You may defer the gain on the sale of qualified emerging technology investments that are:

- held for more than 36 months, **and**
- rolled over into the purchase of a qualified emerging technology investment within the 365-day period beginning on the date of sale.

However, you must:

- recognize the amount realized on the sale of the original qualified emerging technology investment that exceeds the cost of a replacement qualified emerging technology investment;
- apply gain deferral **only** to any qualified emerging technology investment sold on or after March 12, 1998, that meets the holding-period criteria; and
- add back the gain deferred in the year the replacement qualified emerging technology investment is sold.

If you elect to defer the gain from the sale of a qualified emerging technology investment, enter the amount of the gain deferral (to the extent the gain is included in federal income).

Purchase of replacement qualified emerging technology investment: If purchase of the replacement qualified emerging technology investment within the 365-day period occurs in:

- the **same** tax year as the sale of the original qualified emerging technology investment, take the deduction on that return;

- the following tax year and **before** the date the corporation's franchise tax return is filed, take the deduction on that return; or
- the following tax year and **on or after** the date the corporation's franchise tax return is filed, file an amended return to claim the deduction.

For more information, see TSB-M-98(7)C, *1998 Summary of Corporation Tax Legislative Changes*.

Also see §§ 612(c)(34), 208.9(a)(14), and 1503(b)(1)(Q).

S-116 Sales or disposition of assets acquired before 1960 with greater state than federal basis (CT-3-S filers only):

When federal taxable gains are realized from the sale of certain assets that have a greater adjusted basis for New York State tax purposes, you may make a subtraction adjustment to reduce the gain for New York State tax purposes.

Enter the smaller of the gain itself, or the difference in the adjusted basis, for a federal taxable gain that was from property that:

- had a greater adjusted basis for New York State income tax purposes than for federal income tax purposes on December 31, 1959 (or on the last day of a fiscal year ending during 1960); or
- was held in connection with mines, oil or gas wells, or other natural deposits and that had a greater adjusted basis for New York State income tax purposes than for federal tax purposes when sold.

See § 612(c)(4).

S-117 Income earned before 1960 and previously reported to New York State (CT-3-S filers only): Include any income (including annuity income) or gain included in federal income that was properly reported to New York State before 1960 (or during a fiscal year ending in 1960).

See § 612(c)(5).

S-121 Certain investment income from U.S. government agencies (CT-3-S filers only): Include any interest or dividend income on bonds or securities of any U.S. authority, commission, or instrumentality that is exempt from state income taxes under federal laws but is included in federal income.

See § 612(c)(2).

S-123 Certain investment income exempted by other New York State laws (CT-3-S filers only): Enter any interest or dividend income included in federal income from any obligations or securities authorized to be issued and exempt from state taxation under the laws of New York State. This includes, but is not limited to, income received from bonds, mortgages, and income debenture certificates of limited dividend housing corporations organized under the Private Housing Finance Law.

See § 612(c)(6).

S-125 Interest income on U.S. government bonds (CT-3-S filers only): Include interest income on bonds or other obligations of the U.S. government included in S corporation income. Dividends received from a regulated investment company (mutual fund) that invests in obligations of the U.S. government and meet the 50% asset requirement each quarter qualify for this subtraction. The portion of dividends you may subtract is based upon the portion of taxable income received by the mutual fund that is derived from federal obligations.

See § 612(c)(1).

S-201 Small business modification (CT-3-S filers only): If the New York S corporation:

- is a farm business that employs one or more persons during the tax year, **and**
- has net farm income of greater than zero but less than \$250,000,

include the amount equal to 15% of the net items of income, gain, loss and deduction attributable to the farm business included in federal income (but not less than zero).

A New York S corporation that is a farm business must calculate the subtraction modification based on the net business income at the entity level.

See § 612(c)(39).

A New York S corporation that is a non-farm business must pass the qualifying income base on to its shareholders or members, who will calculate the modification at the individual level. For more information on reporting that information to your shareholders, see Form CT-34-SH-I, *Instructions for Form CT-34-SH*.

See § 612(c)(39)(C).

S-202 Interest expense on loans used to buy federal tax-exempt obligations subject to New York State tax (CT-3-S filers only): If:

- this interest was a business expense for the tax year, **and**
- you did not deduct the expense from income on the federal return,

include interest expense on money borrowed to buy or carry bonds or securities, the income of which is subject to New York State tax but exempt from federal income tax.

See § 612(c)(9).

S-203 Expenses (other than interest expense) connected with federal tax-exempt income subject to New York State tax (CT-3-S filers only): If you did not deduct the expenses from income on the federal return, include ordinary and necessary business expenses paid or incurred during the tax year in connection with income, or property used to produce income, that is subject to New York State income tax but exempt from federal income tax.

See § 612(c)(10).

S-204 Amortizable bond premiums (CT-3-S filers only): If:

- this amortization was a business expense for the tax year, **and**
- you did not deduct the expense from income on the federal return,

include amortization of bond premiums attributable to the tax year on any bond whose interest income is subject to New York State income tax but exempt from federal income tax.

See § 612(c)(10).

S-205 Wage and salary expenses allowed as federal credits but not as federal expenses: Include the amount of wages disallowed under IRC § 280C in the calculation of your applicable federal income because you claimed a federal credit.

Attach a copy of the appropriate federal credit form.

See §§ 612(c)(15), 208.9(a)(7), and 1503(b)(1)(D).

S-206 Cost depletion (CT-3-S filers only): If you are making addition A-202 for any percentage depletion deducted for federal purposes, include the cost depletion that IRC § 611 would allow on that property without any reference to either IRC § 613 or § 613-A.

See § 612(c)(13).

S-207 Special depreciation expenditures or carryover of research and development expenditures (CT-3-S filers that are corporate partners only): See § 612(c)(11).

S-208 Safe harbor leases (CT-3, CT-3-A, and CT-3-S filers only): Include all amounts that were included in your applicable federal income solely as a result of an election made under IRC § 168(f)(8) as it was in effect on December 31, 1983.

Leases for qualified mass commuting vehicles as defined in IRC § 103(b)(9) do not qualify for this adjustment.

See §§ 612(c)(24) and 208.9(a)(9). Also see S-209, A-203, and A-204.

S-209 Safe harbor leases (CT-3, CT-3-A, and CT-3-S filers only): Include all amounts you **could have excluded** from your applicable federal income if you had **not** made the election provided for in IRC § 168(f)(8) as it was in effect on December 31, 1983.

Leases for qualified mass commuting vehicles as defined in IRC § 103(b)(9) do not qualify for this adjustment.

See §§ 612(c)(25) and 208.9(a)(10). Also see S-208, A-203, and A-204.

S-210 Accelerated cost recovery system depreciation (CT-3-S filers that are corporate partners only):

See § 612(c)(26).

S-211 Accelerated cost recovery system year of disposition adjustment (CT-3-S filers that are corporate partners only): See § 612(c)(28).

S-212 Federal IRC § 179 deduction recapture for a sport utility vehicle (CT-3, CT-3-A, and CT-3-S filers only): If you previously claimed an IRC § 179 deduction with respect to a sport utility vehicle, you must include the amount of that deduction that was recaptured in calculating federal income.

See §§ 612(c)(37) and 208.9(a)(16).

S-213 IRC § 168(k) property depreciation (CT-3-S filers that are corporate partners only): See § 612(c)(16).

S-214 IRC § 168(k) property (year of disposition adjustment) (CT-3-S filers that are corporate partners only): See § 612(l).

S-215 Refund of certain business tax credits (CT-3, CT-3-A, CT-33, and CT-33-A filers only): Include the amount of refund of certain New York State business tax credits that you are required to include in your applicable federal income.

For more information, see TSB-M-10(9)C, (15)I, *New York State Tax Treatment of Refunds of the Qualified Empire Zone Enterprise (QEZE) Credit for Real Property Taxes*.

S-216 New York State innovation hot spot deduction (CT-3, CT-3-A, and CT-3-S filers only): Include any income or gain included in the calculation of federal income attributable to the innovation hot spot (as reported on Form CT-223, *Innovation Hot Spot Deduction*, column G). A taxpayer who claims this benefit is no longer eligible for any other New York State exemption, deduction, credit, or refund under the Tax Law to the extent that this exemption, deduction, credit, or refund is attributable to the business operations of a tenant in, or as part of, the New York State innovation hot spot.

Claiming this subtraction represents an irrevocable election.

See §§ 612(c)(39) and 208.9(a)(18).

S-217 Taxable refunds or credits (CT-3-S filers only): If you included in your federal income any refunds, credits, or offsets for overpayment of any income tax (including the New York City unincorporated business tax and metropolitan commuter transportation mobility tax imposed under Article 23), include that amount here.

See § 612(c)(7).

S-218 Gains from qualified opportunity fund investments:

If you included a gain from a qualified opportunity fund investment in federal income in the current tax year, enter the amount of the gain (or portion of) that you previously added back when you calculated New York State taxable income.

See §§ 612(c)(43), 208.9(a)(21), and 1503(b)(1)(W). Also see A-221.

S-220 Deductions related to the production and distribution of adult-use cannabis products (CT-3, CT-3-A, and CT-3-S filers only): Include the amount of any federal deduction disallowed under IRC § 280E related to the production and distribution of adult-use cannabis products (as defined under Article 20-C), provided that the amount:

- was not used as the basis for any other tax deduction, exemption, or credit; and
- was not otherwise required to be added back when calculating New York State taxable income.

See §§ 612(c)(46) and 208.9(a)(23).

S-303 Franchise tax refunds (CT-3-S filers only): Include the amount of any refund or credit of the tax imposed under Article 9-A for a New York S corporation, to the extent the tax was included in federal income in a prior tax year under § 612(b)(3).

S-501 Taxable refunds or credits of certain taxes (CT-3, CT-3-A, CT-33, and CT-33-A filers only): Include any refund or credit of a tax that:

- is now being properly included as income for federal income tax purposes and for which no exclusion or deduction was allowed in determining the taxpayer's entire net income for any prior year; **and**
- was previously added back on:
 - Form CT-225 or CT-225-A (see A-505), **other than** taxes paid or accrued to the United States, or any of its possessions, territories or commonwealths, other U.S. states or their political subdivisions, and the District of Columbia;
 - Form CT-33, line 68 or 71; or
 - Form CT-33-A, line 70 or 74.

Do **not** include on this line:

- any refund or credit of tax that was used to offset an addition of tax on Form CT-3, CT-3-A, CT-225, CT-225-A, CT-33, or CT-33-A; or
- any refund or credit of New York City taxes.

See §§ 208.9(a)(5) and 1503(b)(1)(C).

S-503 Deductions based on §§ 208.9(c-2) and 208.9(c-3) (CT-3 and CT-3-A filers only): Qualified public utility corporations, qualified power producers, and qualified pipeline corporations, see Form CT-224-I.

Also see A-502.

S-504 Receipts from the operation of school buses (CT-3 and CT-3-A filers only): Include all receipts included in the calculation of federal income from the transportation of pupils, teachers, and others acting in a supervisory capacity to and

from school or school activities, minus any deductions allowed in calculating federal taxable income that are directly or indirectly attributable to those receipts.

See § 208.9(a)(4).

S-505 Real estate investment trust deduction (CT-3 filers only): Enter the deduction for total dividends paid from federal Form 1120-REIT, line 22b and the IRC § 857(b)(2)(E) deduction from federal Form 1120-REIT, line 22c.

See § 209.5.

S-506 Regulated investment company deduction (CT-3 filers only): Enter the deduction for total dividends paid from federal Form 1120-RIC, line 25(a) and the IRC §§ 851(d)(2) and 851(i) deduction from federal Form 1120-RIC, line 25(b).

See § 209.7.

S-507 Allowable New York State depreciation from Form CT-399, if applicable (CT-3 and CT-3-A filers only): If the corporation does any of the following, include the amount from Form CT-399, line 3, column I, or, if you have disposed of property this year, use the amount from Form CT-399, line 10, column B.

- claims the federal accelerated cost recovery system/modified accelerated cost recovery system deduction for property placed in service either **in or outside** New York State after 1980 in tax periods beginning before 1985
- claims the federal accelerated cost recovery system/modified accelerated cost recovery system deduction for property placed in service **outside** New York State in tax periods beginning after 1984 and before tax periods beginning in 1994, and the corporation made the election to continue using the IRC § 167 depreciation deduction for the property
- claims a federal special depreciation deduction under IRC § 168(k) for qualified property [excluding qualified resurgence zone property described in § 208.9(q) or qualified New York liberty zone property described in IRC § 1400L(b)(2)] placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002
- disposes this year of either accelerated cost recovery system/modified accelerated cost recovery system property, or property for which you claimed a federal special depreciation deduction under IRC § 168(k), and the New York depreciation modifications applied to the property in any prior years

See §§ 208.9(a)(11), 208.9(a)(12), 208.9(a)(17), and 208.9(p). Also see A-507.

S-508 Amounts treated as IRC § 78 dividends (CT-3 and CT-3-A filers only): You may deduct any amount treated as dividends under IRC § 78 to the extent that this deduction is not already reflected in your federal taxable income.

See § 208.9(a)(6).

S-509 Expenses related to federal treaty obligations (only CT-3 and CT-3-A filers that **are** alien corporations): If under any provision of the IRC, you are not treated as a *domestic corporation* as defined in IRC § 7701, enter any expenses attributable to income that is not included in federal taxable income due to a federal tax treaty.

Also see A-506.

S-510 Expenses related to interest on federal, state, municipal, and other obligations not included in federal taxable income (only CT-3 and CT-3-A filers that are **not** alien corporations; alien corporations, see S-511): Include any expense that was denied deductibility under IRC § 265 and

is attributable to the exempt interest received, or accrued, on federal, state, municipal, and other obligations.

Also see A-504.

S-511 Expenses related to dividend or interest income received, or accrued, by alien corporations (only CT-3 and CT-3-A filers that are alien corporations): Include any expenses not included in the calculation of your federal income attributable to income received, or accrued, from dividends or interest on any kind of stock, securities, or indebtedness, if:

- under any provision of the IRC you are not treated as a *domestic corporation* as defined in IRC § 7701, and
- the income received or accrued is treated as effectively connected with conducting a trade or business in the United States under IRC § 864.

Also see A-508.

S-513 Amount excluded from the term contribution to capital by IRC § 118(b)(2) (CT-3, CT-3-A, CT-33, and CT-33-A filers only): Enter the amount of contributions to your capital that you included in your federal income as a result of IRC § 118(b)(2).

See §§ 208.9(a)(20) and 1503(b)(1)(T).

S-601 Unearned premiums (CT-33 and CT-33-A filers only): Include the amount of unearned premiums on outstanding business at the end of the tax year included in premiums earned as a result of IRC §§ 832(b)(4)(B), 832(b)(7)(B)(i) and 832(b)(8)(A)(i).

See §§ 1503(b)(1)(J), 1503(b)(1)(K), and 1503(b)(1)(L).

S-602 Discounted unpaid losses (CT-33 and CT-33-A filers only): Include the difference between the amount of discounted unpaid losses at the end of the tax year used in the calculation of losses incurred as a result of IRC § 832(b)(5)(A), and the amount of unpaid losses at the end of the tax year that would have been used in this calculation if these losses were not discounted for federal income tax purposes.

Attach a copy of the loss reserves discount summary schedule you used to calculate discounted unpaid losses from federal Form 1120-PC, and a copy of Schedule P, *Analysis of Losses and Loss Adjustment Expenses, Part 1, Summary*, from the current year's *Annual Statement*.

See § 1503(b)(1)(N).

S-604 IRC § 832(b)(5)(B) (CT-33 and CT-33-A filers only): Include the amount by which losses incurred were reduced as a result of IRC § 832(b)(5)(B).

See § 1503(b)(1)(O).

S-605 IRC § 965(a) inclusion amount (only CT-33-A filers that have a combined group member that is a captive real estate investment trust): You must include the amount of your IRC § 965(a) inclusion.

See § 1503(b)(1)(S). Also see A-605.

S-606 Amounts treated as IRC § 78 dividends (CT-33 and CT-33-A filers only): Include any amount treated as a dividend under IRC § 78 that is attributable to the global intangible low-taxed income included in federal income based on IRC § 951A(a), to the extent this amount is **not** included in income from subsidiary capital reported on Form CT-33, line 73 or Form CT-33-A, line 76.

See § 1503(b)(1)(V). Also see A-606.

S-607 Global intangible low-taxed income exclusion (CT-33 and CT-33-A filers only): Include 95% of the income required

to be included in your federal income based on IRC § 951A(a), without regard to the IRC § 250 deduction, to the extent this amount is **not** included in income from subsidiary capital reported on Form CT-33, line 73 or Form CT-33-A, line 76.

See § 1503(b)(1)(U). Also see A-606.

S-901 Beneficiary's share of fiduciary adjustment (CT-3-S filers only): If the S corporation has income from an estate or trust, any New York adjustments that apply to that income, as well as any additions to or subtractions from federal itemized deductions, will be shown in your share of a single fiduciary adjustment.

If the adjustment is a net subtraction, you must include this amount in Schedule B, Part 2.

See § 612(d). Also see A-901.

Need help? and Privacy notification

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