



Partner's Instructions for Form IT-204-CP

IT-204-CP-I

New York Corporate Partner's Schedule K-1

General instructions

If you are a partner in a partnership who must file Form CT-3, CT-3-S, or be included in a combined group filing Form CT-3-A, under Article 9-A (*a corporate partner*), the partnership should send you a completed Form IT-204-CP. Keep Form IT-204-CP for your records. **Do not** file it with your Article 9-A franchise tax return. See *Who must file under Article 9-A*.

Partnerships and LLCs

If you are a partnership or a limited liability company (LLC) and you received Form IT-204-CP from a partnership that you are a partner in, use that form and these instructions to determine the proper amounts to include on your Form IT-204.1 on an aggregate basis. For more information, see the *Partnership's instructions for Form IT-204.1* in Form IT-204-I, *Instructions for Form IT-204*. For more information on any Forms IT-204-CP you complete for a partner of your own, see the *Partnership's instructions for Form IT-204-CP* in Form IT-204-I.

Note: You should also receive a Form IT-204-IP, *New York Partner's Schedule K-1*, from all partnerships that you are a partner in. You must include the proper amounts from any such Forms IT-204-IP that you receive on the Forms IT-204-IP you complete for your own partners.

New York corporations

Report the partnership items for the partnership tax year that ends within the tax year for which you are filing your franchise tax return. The partnership tax year is entered on the top of page 1 of Form IT-204-CP.

New York C corporations: If you are a New York C corporation, use this form and these instructions to determine the proper amount of partnership income, gain, loss, deduction, and any other partnership items you are required to report on your Article 9-A franchise tax return if you are calculating your tax using the **aggregate method**, and to determine tax credits you may deduct against the Article 9-A franchise tax.

New York S corporations: If you are a New York S corporation, use this form and these instructions to determine the proper amount of certain partnership items you must pass on to your shareholders under Article 22, and to determine the proper amount of receipts to include in the computation of your fixed dollar minimum tax under Article 9-A.

Errors on your Form IT-204-CP

If you believe the partnership reported inaccurate information on your Form IT-204-CP, notify the partnership. Ask for a corrected Form IT-204-CP from the partnership. **Do not** change any items on your copy of Form IT-204-CP.

Who must file under Article 9-A

Domestic corporations subject to the franchise tax under Article 9-A – A domestic corporation (incorporated in New York State) is generally liable for franchise taxes for each fiscal or calendar year, or part thereof, during which it is incorporated until it is formally dissolved with the Department of State (www.dos.ny.gov) unless specifically exempt. When filing its franchise tax return, the corporation must include the proper amount of partnership income, gain, loss, deduction, asset, liability, apportionment item, tax credit, and any other partnership items needed regardless of whether the partnership is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in New York State.

Foreign corporations subject to the franchise tax under Article 9-A: 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 regardless of whether it is authorized to do business in New York State, unless specifically exempt.

Foreign corporate limited partner: 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.

Foreign corporate general partner: If the partnership marked an **X** in the **Yes** box on Partner's share of apportionment and Metropolitan Commuter Transportation District (MCTD) information, Part 1, line 1 (indicating that it did business, employed capital, owned or leased property, maintained an office, or derived receipts from activity, in New York State) and you are a corporate **general partner**, then you are subject to the franchise tax imposed under Tax Law Article 9-A and must include the proper amount of partnership income, gain, loss, deduction, asset, liability, apportionment item, tax credit, and any other partnership items needed when completing your franchise tax return.

An LLC or limited liability partnership (LLP) that is treated as a partnership for federal income tax purposes is treated as a partnership for New York State tax purposes.

Computation of tax

An Article 9-A corporate partner computes its tax with respect to its interest in the partnership using either the aggregate method or entity method, whichever applies. (See *Election by a foreign corporate limited partner* for the exception to these methods.)

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.

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. To the extent a corporate partner's entire net income (ENI) includes its distributive share of partnership items of income, gain, loss, or deduction, those items are treated as business income.

Corporate partners required to file under the aggregate method

A corporate partner receiving a complete Form IT-204-CP 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 an LLC 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 Internal Revenue Code (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 calculation.

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.

Calculation of tax under the aggregate method: Include the taxpayer's **distributive share** (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 calculation of the taxpayer's business income base, capital base, and the fixed dollar minimum.

For Article 9-A purposes, these items have the same source and character for the partner that the items have for federal income tax purposes.

Election by a foreign corporate limited partner: A foreign corporation that is a limited partner in one or more limited partnerships, that is subject to tax **solely** as a result of the rule stated under *Foreign corporate limited partner* and that does not file on a combined basis for Article 9-A purposes, may elect to compute its tax by taking into account **only** its distributive share of each partnership item of receipts, income, gain, loss, and deduction (including any modifications), and its proportionate part of each asset, liability, and partnership activity of the limited partnership.

If the taxpayer meets the criteria to make the election and does not have access to the information necessary to do the calculation, the taxpayer may treat its distributive share of the partnership's items of income, gain, loss, and deduction as business income and its interest in the partnership as business capital and may allocate that business income and capital entirely to New York State.

You cannot make this election if the limited partnership and corporate group are engaged in a unitary business, wherever conducted.

Corporate group means the corporate limited partner itself or, if it is a member of an affiliated group, the corporate limited partner and all other members of such affiliated group.

Affiliated group has the same meaning as in IRC § 1504 without regard to the exclusions provided for in § 1504(b). However, the term *common parent corporation* means any person as defined in IRC § 7701(a)(1).

Specific instructions

Partner's information

Item C

If the *General partner or LLC member-manager* box is marked, you must use the aggregate method in determining your tax.

Item J

If the *No* box is marked, but after considering all your individual circumstances, you feel you are not required to pay estimated tax, see Form CT-2658-E-I, *Instructions for Form CT-2658-E*, to determine if you qualify.

Item K

If the partnership made estimated tax payments on your behalf, the dates and amounts of the payments are shown in item K. In the

payments section of your corporate franchise tax return, include the total amount of the estimated tax as shown on your Form IT-204-CP.

Partner's share of entire net income (ENI) information when the corporate partner's New York filing status is a C corporation

When you determine your business income, investment income, and other exempt income, you must take into account your distributive share of each partnership item of income, gain, loss, and deduction that is included in the calculation of ENI.

You may qualify for a reduced rate of tax on your business income base or capital base, or a reduced fixed dollar minimum tax if you are a qualified New York manufacturer or a qualified emerging technology company (QETC).

You must include your distributive share or proportionate part, as applicable, of partnership items when determining if you qualify as one of the above. For the definitions of small business taxpayer, qualified New York manufacturer, and QETC, see Form CT-3-I, *Instructions for Form CT-3*; or if you are a member of a combined group, see Form CT-3-A-I, *Instructions for Form CT-3-A*.

Line 1: Total additions

Include this amount on your Form CT-225, *New York State Modifications*, Form CT-225-A, *New York State Modifications (for filers of combined franchise tax returns)*, or Form CT-225-A/B, *Group Member's Detail Spreadsheet - New York State Modifications (for filers of combined franchise tax returns)*, as applicable.

Line 2: Total subtractions

Include this amount on your Form CT-225, Form CT-225-A, or Form CT-225-A/B, as applicable.

Partner's proportionate part of assets and liabilities

Lines 3 through 9

Your partnership must report to you the information you need to compute the average value of the items reported on lines 3 through 7 using the frequency basis (quarterly or more frequently) that you are utilizing for valuing such items on your Form CT-3, *General Business Corporation Franchise Tax Return*, or Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*, Part 4 as applicable.

You must use Lines 8 and 9 to complete Form CT-3.1, *Investment and Other Exempt Income and Investment Capital*. You must adjust the amount on line 9 to remove the following liabilities directly attributable to those assets/investments reported to you on Parts 1, 2, and 3 that represent stock:

- in corporations that you or your combined group is unitary with,
- in a corporation that is included in a combined return with you pursuant to the commonly owned group election, and
- issued by you.

Such stocks are not investment capital.

When you are completing Form CT-3.1, add the liabilities removed from line 9 to the amount reported to you on line 8.

Adjustments to amounts reported to you on lines 10 through 31

You may not claim investment capital treatment for stock:

- in corporations that you, or your combined group, are unitary with,
- in corporations included in a combined return with you pursuant to the commonly owned group election, and
- issued by you that your partnership may have reported on Parts 1, 2, and 3.

You must treat such stocks as business capital.

Do not claim investment income treatment for any income from such stocks that your partnership may have reported on

lines 19 through 22. You must treat such income as business income, unless it meets the definition of other exempt income. If your partnership reported other exempt income on lines 16 through 18, you may only include such amounts in your total other exempt income if you, or your combined group, are unitary with the corporation that generated such income.

If you, or your combined group, are not unitary with the corporation that generated such income, then you must treat it as business income. If you must reclassify income and capital reported to you by your partnership, then adjust the amounts reported to you on lines 10 through 31 accordingly.

Partner's proportionate part of items related to investment capital under Article 9-A

Lines 10 through 14

Include the amounts on these lines (but see *Adjustments to amounts reported to you on lines 10 through 31*) on Form CT-3.1, Schedule E, and Schedule F, Part 1, as applicable.

Line 15

Include the amount on this line (but see *Adjustments to amounts reported to you on lines 10 through 31*) on Form CT-3.1, Schedule F, Part 2, as applicable.

Partner's share of items related to investment and other exempt income under Article 9-A

Lines 16 through 22

Include the amounts on these lines (but see *Adjustments to amounts reported to you on lines 10 through 31*) on Form CT-3.1, Schedule B, Parts 1 and 2, and Schedule C, Part 1, as applicable.

Note: For line 19 amounts, when netting at the corporate partner or combined group level on Form CT-3.1, you can only net losses against gains. You cannot net losses against any other income amounts, such as interest income.

Partner's share of items related to interest deductions directly attributable to investment and other exempt income under Article 9-A

Lines 23 through 31

Include the amounts on these lines (but see *Adjustments to amounts reported to you on lines 10 through 31*) on Form CT-3.1, Schedule B, Parts 2, 3, and 4, and Schedule C, Part 3, as applicable.

Partner's share and proportionate part of items related to subtraction modification for qualified banks

Lines 32 through 33b

Include the line 32 amount on Form CT-3.2, *Subtraction Modification for Qualified Banks*, Schedule C. Include the amounts on lines 33 through 33b on Form CT-3.2, Schedule E.

You may also need to include the amount on line 3 (total assets) on Form CT-3.2, Schedule E.

Partner's share and proportionate part of items related to manufacturing

Lines 34, 35, and 35a

Include the amounts on these lines when determining if you are a qualified New York manufacturer.

Partner's share of New York modifications (for New York S corporate partners only)

If your partnership meets the qualifications of a non-farm small business, or if it receives information from a lower-tier partnership that qualifies, it must provide you with a statement that includes:

- verification that the partnership qualified as a non-farm small business and
- your distributive share of the amount of the qualifying income base attributable to the partnership.

For more information on reporting that information to your shareholders, see Form CT-34-SH-I, *Instructions for Form CT-34-SH*.

Lines 36 through 39

Include the addition and subtraction modifications that you must pass through to your shareholders on Form CT-225.

Lines 40 through 43

Include the addition and subtraction modifications that you must pass through to your shareholders on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*.

Partner's share of income, deductions, etc.

You must include the amount of each partnership item of receipt, income, gain, loss, and deduction in the calculation of your business income base (which includes federal taxable income). Each partnership item of receipt, income, gain, loss and deduction has the same source and character for the partner for Article 9-A purposes as such items have for the partner for federal income tax purposes. When you calculate your federal taxable income on your corporate franchise tax return, include the appropriate amounts listed on lines 44 through 60.

Partner's credit information

The Form IT-204-CP provided to you by your partnership lists your distributive share of any credits, credit components, credit factors, recapture of credits, and other information reported by the partnership during the tax year. You need this information when completing your corporate franchise tax return.

Part 1: Flow-through credit bases and information

Lines 61, 62, and 63: Brownfield redevelopment tax credit

On lines 61, 62, and 63, enter these amounts on the appropriate lines of the applicable brownfield redevelopment tax credit form.

Amounts in column A are reported on Form CT-611, *Claim for Brownfield Redevelopment Tax Credit, for Qualified Sites Accepted into the Brownfield Cleanup Program Prior to June 23, 2008*.

Amounts from column B are reported on Form CT-611.1, *Claim for Brownfield Redevelopment Tax Credit, for Qualified Sites Accepted into the Brownfield Cleanup Program on or After June 23, 2008, and prior to July 1, 2015*.

Amounts from column C are reported on the appropriate line of Form CT-611.2, *Claim for Brownfield Redevelopment Tax Credit, for Qualified Sites Accepted into the Brownfield Cleanup Program on or After July 1, 2015*.

Lines 66, 67, and 68: QEZE tax reduction credit

Enter the QEZE employment increase factor, QEZE zone allocation factor, and QEZE benefit period factor reported on lines 66, 67, and 68 on the appropriate lines of Form CT-604-CP, *Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit for Corporate Partners*.

Line 69 through 72a: Excelsior jobs program tax credit

Include the excelsior jobs program tax credit components reported on lines 69 through 72a on the appropriate lines of Form CT-607, *Claim for Excelsior Jobs Program Tax Credit*.

Lines 73 through 76: Farmers' school tax credit

Include the acres of qualified agricultural property, acres of qualified conservation property, eligible school district property taxes paid, and acres of qualified property converted to nonqualified use reported on lines 73 through 76 on the appropriate lines of Form CT-47, *Claim for Farmers' School Tax Credit*.

Other flow-through credit bases and information**Lines 77a through 77f**

If the partnership entered code 212, include your proportionate part of the investment tax credit base (excluding R&D property) on Form CT-46, *Claim for Investment Tax Credit*.

If the partnership entered code 218, include your proportionate part of the R&D investment tax credit base on Form CT-46.

If the partnership entered code B12, include your proportionate part of the eligible farmer's rate investment tax credit base on Form CT-46.

If the partnership is a shareholder of a C corporation that has a special gross income from farming election, information regarding the election is reported on lines 77a through 77f. You will need this information to complete your Form CT-47. Enter the amounts reported on lines 77a through 77f on the appropriate Worksheets A, B, and D in Form CT-47-I, *Instructions for Form CT-47*.

Code **148**: Distributive share of entire net income amount

Code **146**: Distributive share of principal payments paid on farm indebtedness

Code **149**: Distributive share of gross income

Code **147**: Distributive share of gross income from farming

If the partnership reported the following codes, enter the amounts on the corresponding lines of Form CT-633.

Code **633**: Jobs tax credit component

Code **B33**: Investment tax credit component

Code **C33**: Training tax credit component

Code **D33**: Real property tax credit component

Lines 77g through 77l

If the following codes are reported on lines 77g through 77l, when filing any Forms CT-604-CP, transfer the factors reported on lines 77g through 77l to the appropriate lines of Form CT-604-CP.

Code **CF1**: Employment increase factor

Code **CF2**: Zone allocation factor

Code **CF3**: Benefit period factor

If the following codes are reported on these lines, transfer the information to the appropriate lines on Form CT-638, *START-UP NY Tax Elimination Credit*.

Code **SN1**: Certificate number

Code **SN2**: Year of business tax benefit period

Code **SN3**: Area allocation factor

Part 2: Flow-through credits, addbacks, and recaptures**Lines 78 and 79**

For those credits, addback of credits, and recaptures not specifically listed on Form IT-204-CP, the partnership provides you with the code and your distributive share of each of these items. You **must** complete a separate credit form reporting your distributive share of the credit, credit components, credit factors, and recapture of credit for each credit listed. See the chart at the end of these instructions for a list of the codes for the credits, addback of credits, and recapture amounts entered on lines 78 and 79.

Part 3: START-UP NY tax elimination credit information

Lines 80, 81, and 82: Include the information from these lines on the appropriate lines of Form CT-638.

Your partnership **must** supply you with a separate statement indicating the sponsoring campus, university, or college. If there is more than one sponsor, the partnership must list all sponsors on the statement.

Be sure to submit all applicable credit forms with your franchise tax return. For more information on the reporting of credits, see the instructions for the particular credit form you are filing.

Partner's share of apportionment and Metropolitan Commuter Transportation District (MCTD) information**Part 1**

Line 1: If the partnership marked an **X** in the Yes box indicating that it did business, employed capital, owned or leased property, maintained an office, or derived receipts from activity, in New York State, then you must file a corporate franchise tax return.

If you are using the aggregate method, then you must include your distributive share of the partnership's receipts within and outside of New York State when calculating your apportionment.

If you are a foreign corporate limited partner that makes the election as described in *Election by a foreign corporate limited partner*, then use **only** your distributive share of the partnership's receipts within and outside of New York State when calculating your apportionment.

Line 2: If the partnership marked an **X** in the Yes box indicating that it did business, employed capital, owned or leased property, maintained an office, or derived receipts from activity, in the MCTD, then you must file Form CT-3-M, *General Business Corporation MTA Surcharge Return*, and pay a metropolitan transportation business tax (MTA surcharge) on business done in the Metropolitan Transportation Authority region. New York S corporations are not subject to the MCTD tax surcharge.

If you are using the aggregate method, then you must include your distributive share of the partnership's receipts and payroll within both the MCTD and New York State, and your distributive share or proportionate part of the partnership's property within both the MCTD and New York State when calculating your MCTD allocation percentage.

If you are a foreign corporate limited partner that makes the election as described in *Election by a foreign corporate limited partner*, use **only** your distributive share of the partnership's receipts and payroll within both the MCTD and New York State, and **only** your distributive share or proportionate part of the partnership's property within both the MCTD and New York State when calculating your MCTD allocation percentage.

Property

If you are required to calculate an MCTD allocation percentage, you must include your distributive share or proportionate part of the partnership's real and tangible personal property, owned or rented, **within** the MCTD and your distributive share or proportionate part of the partnership's real and tangible personal property, owned or

rented, **within** New York State during the applicable partnership year.

Applicable partnership year: any tax year of the partnership ending within or with the tax year of the partner.

Use the adjusted basis used for federal income tax purposes to value real and tangible personal property owned. However, you may make a one-time, revocable election to value real and tangible personal property at fair market value (FMV). You must make this election on or before the due date (or extended due date) for filing your franchise tax return for your first tax year.

Inter-entity rented real or tangible personal property between the partnership and the corporate partner

The amount of rented real or tangible personal property reported to you by the partnership does **not** include your distributive share of the partnership's rental expense for property you rented **to** the partnership.

If you have leased or rented real or tangible personal property **from** the partnership, include **both** your proportionate part of such property and eight times the amount of rental expense that is deemed to have been paid to the other partners for such property. The amount of rental expense deemed paid to other partners is your total rental expense paid to the partnership less your distributive share of the partnership's rental income from such property.

Part 2

Receipts

In calculating a New York State receipts factor for purposes of apportionment, you must include your distributive share of the partnership's business receipts **within** New York State and your distributive share of the partnership's business receipts **within and outside** of New York State during the applicable partnership year.

If you are required to calculate an MCTD allocation percentage, you must include your distributive share of the partnership's business receipts **within** the MCTD and your distributive share of the partnership's business receipts **within** New York State during the applicable partnership year.

For receipts sourced by a fraction, you must include your distributive share or proportionate part of any partnership amounts when calculating such fractions.

Using the netting and sourcing rules under § 210-A, the partnership must report certain information to you by type of other financial instruments or by type of receipt.

For certain receipts, the partnership must provide, in a separate statement, the information you need to properly source and net receipts or to calculate, at your level, the fraction that you will use to source receipts to New York State.

For certain types of receipts reported in Apportionment, Part 2 your partnership may pass through to you your share of the partnership's amounts of MCTD, New York State, and Everywhere receipts so that you can include such shares in the corresponding columns and lines of Form CT-3, CT-3-S, or CT-3-A.

For the remaining lines in Apportionment, Part 2, follow the special instructions below.

For many lines, columns A (MCTD), B (New York State), or C (Everywhere) are shaded. In certain instances, your partnership must supply you with a statement providing the partnership amounts you need, for example, lines 29 through 30c. In other instances, you do not need partnership amounts for the shaded column(s). Examples of this are lines where you will, at **your** level, multiply your Everywhere receipts by 8% to determine your NYS receipts. For these lines you must include your share of the partnership receipts when determining the Everywhere amount to multiply by 8%.

Note: For these 8% lines, the column A (MCTD) amount is 90% of the column B (New York State) amount.

For certain lines, your partnership may report your share amounts as a negative number—shown using a minus (-) sign. On those lines, the partnership must report to you its **net** amounts (either net gain/loss or net income/expense). You must include the negative amount when determining, at **your** level, if you have an overall negative amount that must be limited to zero on your Form CT-3, CT-3-S, or CT-3-A. These lines are 3, 10, 12, 16, 18, 20, 21, 23, 24, 26, 27, 30 through 30c, 30e, 30f, and 61 through 71.

For lines 10, 12, 21, and 24, your partnership must report to you your share of the partnership's New York State and Everywhere *gross proceeds* from the sales being reported on these lines. You must include this share in the numerator and the denominator, as applicable, of your *gross proceeds* fraction, determined at **your** level, for each line. Because you are sourcing these lines at **your** level, the partnership only reports its Everywhere net gain, or loss, on these lines. The partnership reports the *gross proceeds* amounts on lines 56 through 59. See Form CT-3-I or CT-3-A-I, Part 6 Worksheet A instructions or Form CT-3-S, Part 3, Worksheet A instructions.

For certain types of financial instruments, the partnership has marked an **X** in a box to inform you that the partnership has marked to market under IRC §§ 475 or 1256 any of the financial instruments within that type. For those types of financial instruments, you must also check the box that appears for that same type of financial instrument on your Form CT-3, CT-3-S, or Form CT-3-A.

If your partnership marked an **X** in the box above line 29 next to § 210-A.5(a)(2)(H) it must supply you with a statement indicating, for **each type** of other financial instruments, whether or not the partnership marked to market under IRC §§ 475 or 1256 **any** other financial instruments of **that** type. If the partnership marked an **X** in the box above line 29 next to § 210-A.5(a)(2)(G), your partnership must supply you with a statement indicating if the partnership marked to market under IRC §§ 475 or 1256 **any** stock that is business capital, and **also** indicating if the partnership marked to market under IRC §§ 475 or 1256 **any** partnership interest in a widely held or publicly traded partnership.

For information regarding **types** of financial instruments, qualified financial instrument (QFI) determination, and the 8% fixed percentage method election, see Form CT-3-I or CT-3-A-I, Part 6, line 8 instructions, or Form CT-3-S-I, Part 3, line 8 instructions.

For lines 42, 43, 45, 46, and 48 through 52, the partnership must supply a separate statement to you. This statement must provide the information you need to calculate, at **your** level, the fraction you must use to source receipts to New York State. Because you are sourcing these lines at **your** level, the partnership only reports its Everywhere amount on these lines.

Inter-entity receipts between the partnership and the corporate partner

The amount of business receipts reported to you by the partnership does **not** include your distributive share of the partnership's business receipts from sales **to** you.

If you have receipts from sales to the partnership, reduce gross receipts from your sales to the partnership by your distributive share of such purchases by the partnership.

Line 7: The partnership is reporting to you MCTD, New York State, and Everywhere amounts sourced using, at the **partnership** level, either of hierarchy methods 1 or 2 for receipts from the sale, licensing, or granting access to digital products. Include the amounts the partnership reported to you on this line in the corresponding columns on Form CT-3 or CT-3-A, Part 6, line 7; or Form CT-3-S, Part 3, line 7. Also see line 7a.

Line 7a: The partnership is reporting to you MCTD, New York State, and Everywhere amounts sourced using, at the **partnership** level, either of hierarchy methods 3 or 4 for receipts from the sale, licensing, or granting access to digital products. The partnership must provide you with a statement breaking down this line's receipts by hierarchy method (either 3 or 4) and digital product, for each

column. If you do **not** have any additional digital receipts from the **same** digital product that you are also sourcing using hierarchy methods 3 or 4, include the amounts the partnership reported to you on this line in the corresponding columns on Form CT-3 or CT-3-A, Part 6, line 7; or Form CT-3-S, Part 3, line 7. However, if you have additional digital receipts from the **same** digital product that you cannot source using hierarchy methods 1 or 2, you will need only the Everywhere amount. You must recalculate the MCTD and New York State amounts at **your** level and include them in the corresponding columns on Form CT-3 or CT-3-A, Part 6, line 7; or Form CT-3-S, Part 3, line 7. In such instances, when recalculating the New York State amounts at **your** level, you must use the apportionment fractions described in hierarchy methods 3 or 4, whichever applies to the particular digital receipt you are sourcing. When you calculate such apportionment fractions you must include your distributive share of all applicable partnership receipts.

Line 11: The partnership is reporting to you MCTD, New York State, and Everywhere amounts. However, if the financial instruments described on this line are determined to be of a type that are QFIs, **and** you made the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, you will need only the Everywhere amount.

Lines 17 and 18: The partnership is reporting to you 100% of your distributive share of the partnership's receipts constituting interest from, and net gains from sales of, debt instruments issued by other states and their political subdivisions. If the financial instruments described on these lines are determined to be of a type that are QFIs, **and** you made the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, include these amounts in the Everywhere column, and include 8% of these amounts in the New York State column, on the corresponding lines on Forms CT-3 or CT-3-A, Part 6, or Form CT-3-S, Part 3. If you did **not** make the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, or if the financial instruments are **not** determined to be of a type that are QFIs, you **must** include 50% of the amounts reported to you on these lines in the Everywhere column, and include 0% of these amounts in the New York State column, on the corresponding lines on Form CT-3 or CT-3-A, Part 6, or Form CT-3-S, Part 3.

Line 22: The partnership is reporting to you MCTD, New York State, and Everywhere amounts. However, if the financial instruments described on this line are determined to be of a type that are QFIs, **and** you made the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, you will need only the Everywhere amount.

Line 25: Your partnership has reported to you on lines 72 through 77 the amounts you need to complete this line on your Form CT-3, CT-3-S, or CT-3-A.

Line 27: Your partnership has reported on this line your share of the partnership amount of its Everywhere **net** income from sales of physical commodities. Multiply your overall **net** income from sales of physical commodities by a fraction that includes in its numerator and the denominator, your share of the partnership's New York State and Everywhere **receipts** from the partnership's sales of physical commodities. Such shares are reported on line 60.

Line 28: Your partnership has reported to you on lines 61 through 71 the amounts you need to complete this line on your Form CT-3, CT-3-S, or CT-3-A.

Line 29: The partnership must supply you with a statement reporting to you MCTD, New York State, and Everywhere amounts. However, if a type of other financial instruments reported is determined to be QFIs, **and** you made the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, then you only need the Everywhere amount for such type of other financial instruments.

Lines 30 through 30f: See Form CT-3-I or CT-3-A-I, Part 6, Worksheet B instructions, or Form CT-3-S-I, Part 3, Worksheet B instructions, as well as the specific line instructions below.

Line 30: The partnership must supply you with a statement reporting to you MCTD, New York State, and Everywhere amounts. However,

if a type of other financial instruments reported is determined to be QFIs, **and** you made the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, then you only need the Everywhere amount for such type of other financial instruments.

Line 30b: The partnership must supply you with a statement reporting MCTD, New York State, and Everywhere amounts. However, if a type of other financial instruments reported is determined to be QFIs, **and** you made the 8% fixed percentage method election on your Form CT-3, CT-3-S, or CT-3-A, then you will only need the Everywhere amount for such type of other financial instruments.

Line 48: The partnership must supply on a separate statement to you the information you need to compute, at **your** level, the *Worksheet for Part 6, line 48*, in Form CT-3-I or CT-3-A-I, or the *Worksheet for Part 3, line 48*, in Form CT-3-S-I.

Line 53: The partnership is reporting to you MCTD, New York State, and Everywhere amounts sourced using, at the **partnership** level, either of hierarchy methods 1 or 2 for receipts from other services or activities not specified. Include the amounts the partnership reported to you on this line in the corresponding columns on Form CT-3 or CT-3-A, Part 6, line 55; or Form CT-3-S, Part 3, line 55. Also see line 53a below.

Line 53a: The partnership is reporting to you MCTD, New York State, and Everywhere amounts sourced using, at the **partnership** level, either of hierarchy methods 3 or 4 for receipts from other services/activities not specified. The partnership must provide you with a statement breaking down this line's receipts by hierarchy method (either 3 or 4) and type of receipt, for each column. If you do **not** have any additional receipts from other services/activities of the **same** type that you are also sourcing using hierarchy methods 3 or 4, include the amounts the partnership reported to you on this line in the corresponding columns on Form CT-3 or CT-3-A, Part 6, line 55; or on Form CT-3-S, Part 3, line 55. However, if you have additional receipts from other services/activities of the **same** type that you cannot source using hierarchy methods 1 or 2, you will need only the Everywhere amount and you must recalculate the MCTD and New York State amounts at **your** level to be included in the corresponding columns on Form CT-3 or CT-3-A, Part 6, line 55; or on Form CT-3-S, Part 3, line 55. In such instances, when recalculating the New York State amounts at **your** level, you must use the apportionment fractions described in hierarchy methods 3 or 4, whichever applies to the particular receipts from other services/activities you are sourcing. When calculating such apportionment fractions you must include your distributive share of all applicable partnership receipts.

Payroll

Line 54: If you are required to calculate an MCTD allocation percentage, you must include your distributive share of the amounts reported on this line. These amounts include:

- the wages, salaries, and other personal service compensation the partnership paid its employees (**except** employees of the partnership having partnership-wide authority or having responsibility for an entire division of the partnership) **within** the MCTD; and
- the wages, salaries, and other personal service compensation the partnership paid its employees (**except** employees of the partnership having partnership-wide authority or having responsibility for an entire division of the partnership) **within** New York State during the applicable partnership year.

Line 55: Number of employees

A small business corporation may claim certain tax benefits if it meets certain requirements. To determine if you qualify as a small business corporation, you must take into account your proportionate part of the number of employees of the partnership located **within** New York State, as such part is being reported to you on this line.

Marked to market net gain or loss from deemed sales

Line 61 through 71: Marked to market: Use the amounts on these lines to calculate marked to market net gains under Section 210-A.5(a)(2)(J), which are reported on Form CT-3 or CT-3-A, Part 6, line 28, or Form CT-3-S, Part 3, line 28, and which are computed as per Form CT-3-I, CT-3-A-I, or CT-3-S-I, *Worksheet C - Marked to market (MTM) net gains for line 28*.

To calculate marked to market net gains, follow Form CT-3-I or CT-3-A-I, Part 6, line 28 instructions, or Form CT-3-S-I, Part 3, line 28 instructions, including the Worksheet C instructions, as

applicable. When calculating, you must include the amounts reported on lines 61 through 71, or on any line 71 statements.

Items related to repurchase agreements and securities borrowing/lending agreements

Lines 72 through 77: Repurchase agreements: To calculate the interest income from *reverse repurchase and securities borrowing agreements* under § 210-A.5(a)(2)(E), the corporate partner **must include** the amounts reported on lines 72 through 77. See the instructions for the applicable franchise tax return (CT-3 or CT-3-S for corporate partners; CT-3-A for corporate partners that are members of a combined group).

Partner's Credit Information**Lines 78 and 79: Other flow-through credits, addbacks, and recaptures**

Code number	Name of credit, addback, or recapture	Form number
163	EZ investment tax credit (and employment incentive credit) Addback on early dispositions	CT-603
165	FSI EZ investment tax credit (and employment incentive credit) Addback on early dispositions	CT-605
166 166	QEZE credit for real property taxes Addback	CT-604-CP CT-604-CP
169	Brownfield redevelopment tax credit addback	CT-611.2
170	Brownfield redevelopment tax credit addback	CT-611.1
171	Brownfield redevelopment tax credit addback	CT-611
172 172	Brownfield credit for real property taxes Addback for real property taxes	CT-612 CT-612
173 173	Brownfield credit for environmental remediation insurance Addback for environmental remediation insurance	CT-613 CT-613
212	Investment credit (and employment incentive credit) Addback on early dispositions	CT-46
C12	Investment credit for eligible farmers on qualified property	CT-46
236	Taxicabs and livery service vehicles accessible to persons with disabilities credit (For costs incurred on or after January 1, 2011)	CT-236
238 238	Rehabilitation of historic properties credit Addback	CT-238 CT-238
248 248 B48 C48	Empire State film production credit (current tax year credit) Addback Empire State film production credit (second year credit) Empire State film production credit (third year credit)	CT-248 CT-248 CT-248 CT-248
249	Long-term care insurance credit	CT-249
250	Defibrillator credit	CT-250
251	Employment of persons with disabilities credit	CT-41
252	FSI investment tax credit (and employment incentive credit) Addback on early dispositions	CT-44
253	Alternative fuels credit addback on early dispositions	CT-40
256	Special additional mortgage recording tax credit	CT-43
301	Clean heating fuel credit	CT-241
302	Conservation easement credit	CT-242
355	Empire State commercial production credit	CT-246
356 356 B56 C56	Empire State film post-production credit (current tax year credit) Addback Empire State film post-production credit (second year credit) Empire State film post-production credit (third year credit)	CT-261 CT-261 CT-261 CT-261
607	Excelsior jobs program tax credit addback	CT-607
621	QETC employment credit	DTF-621
622 622	QETC capital tax credit Addback on early dispositions	DTF-622 DTF-622
624 626	Low-income housing credit Addback	DTF-624 DTF-626
631	Security officer training credit	CT-631
633	Economic transformation and facility redevelopment program credit Addback	CT-633

Other flow-through credits, addbacks, and recaptures *(continued)*

Code number	Name of credit, addback, or recapture	Form number
634	Empire State jobs retention program credit	CT-634
634	Addback	CT-634
635	New York youth jobs program tax credit	CT-635
	Alcoholic beverage production credit	
636	Beer produced	CT-636
B36	Cider produced	CT-636
C36	Wine produced	CT-636
D36	Liquor produced (containing more than 2% but not more than 24% ABV)	CT-636
E36	Liquor produced (containing more than 24% ABV)	CT-636
637	Alternative fuels and electric vehicle recharging property credit	CT-637
637	Addback	CT-637
640	START-UP NY telecommunication services excise tax credit	CT-640
641	Manufacturer's real property tax credit	CT-641
641	Addback	CT-641
642	Empire State musical and theatrical production credit	CT-642
643	Hire a veteran credit	CT-643
644	Workers with disabilities credit	CT-644
645	Recapture of START-UP NY tax benefits	CT-645
646	Employee training incentive program	CT-646
647	Farm workforce retention credit	CT-647
648	Life sciences research and development tax credit	CT-648
649	Farm donations to food pantries credit	CT-649
650	Empire State apprenticeship tax credit	CT-650
651	Recovery tax credit	CT-651
652	Employer-provided childcare credit	CT-652
652	Addback	CT-652
654	New York City musical and theatrical production tax credit	CT-654
660	Empire State digital gaming media production credit	CT-660
661	Farm employer overtime credit	CT-661
663	Commercial security credit	CT-663
663	Addback	CT-663
665	Newspaper and broadcast media credit	CT-665
667	Empire State independent film production credit	CT-667
667	Addback	CT-667
668	Semiconductor research and development credit	CT-668
668	Addback	CT-668
669	Semiconductor manufacturing workforce training program credit	CT-669
669	Addback	CT-669