

**New York State Department of Taxation and Finance  
Office of Tax Policy Analysis  
Technical Services Division**

TSB-A-06(1)C  
Corporation Tax  
March 3, 2006

STATE OF NEW YORK  
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO. C060127A

On January 27, 2006, a Petition for Advisory Opinion was received from Obzee New York, Inc., 125 Green Street, New York, NY 10012.

The issue raised by Petitioner is whether it is subject to a backup withholding tax under the New York State Tax Law on interest paid to its parent corporation.

Petitioner submits the following facts as the basis for this Advisory Opinion.

Petitioner was incorporated in the state of New York on April 11, 2001. Petitioner is a 100% owned subsidiary of Obzee Co. Ltd., which is a foreign corporation domiciled in Korea. Petitioner entered into loan agreements and paid interest to its parent corporation.

**Opinion**

The New York State Tax Law does not provide for a withholding tax imposed on corporations with respect to interest payments made to foreign affiliates.

Accordingly, Petitioner is not subject to a backup withholding tax on interest paid to its parent corporation under Article 9-A or any other article of the Tax Law.

DATED: March 3, 2006

/s/  
Jonathan Pessen  
Tax Regulations Specialist IV  
Technical Services Division

NOTE: The opinions expressed in Advisory Opinions are limited to the facts set forth therein.