



Important Notice

February 18, 2000

Correction to the Instructions for Form CT-33, *Insurance Corporation Franchise Tax Return*

There is an error on Form CT-33-I, the instructions for Form CT-33. Based on a January 13, 2000, decision of the New York State Tax Appeals Tribunal in the Matter of Principal Mutual Life Insurance Company (DTA No. 815265), insurance corporations should not include receipts from certain fund deposit contracts in the computation of the New York allocation percentage. The Tribunal concluded that taxpayers should not include receipts from fund deposit contracts for which annuity purchases have not been made for individuals or individual certificate holders in the computation of the New York allocation percentage.

The New York allocation percentage is computed on Schedule B of Form CT-33, *Insurance Corporation Franchise Tax Return*. Instructions for Line 33 of Schedule B state: "Include annuity and other fund deposits as reported on Schedule T of the *Annual Statement*." This instruction should be disregarded. However, income derived from these amounts continues to be included in the computation of entire net income.