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## Important Notice

November 2002

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### **Additional Instructions for the 2000 and 2001 Forms CT-33, CT-33-C, and CT-33-D Regarding the Exemption for Federal Long-Term Care Insurance Premiums, Effective Retroactively to September 19, 2000**

On December 27, 2001, federal legislation (Public Law 107-104) was signed into law prohibiting states and localities from imposing taxes and fees on premiums paid for long-term care insurance provided to certain federal employees and retirees under Chapter 90 of Title 5 of the United States Code. However, the federal legislation does not prohibit states and localities from imposing a tax on net income or profits derived from issuing these long-term care insurance policies.

The instructions for Forms CT-33, CT-33-C, and CT-33-D for tax years 2000 and 2001 do not reflect the federally mandated exclusion of these long-term care insurance premiums. Please use the following applicable additional instructions to complete your return or claim a refund.

No additional instructions are necessary for Form CT-33-A, *Insurance Corporation Combined Franchise Tax Return*, as all applicable amounts are calculated on Form CT-33, *Insurance Corporation Franchise Tax Return*, for each member of the combined group and these amounts are then transferred to Form CT-33-A. No additional instructions are necessary for Form CT-33-M, *Insurance Corporation MTA Surcharge Return*, as the Metropolitan Commuter Transportation District allocation percentage is calculated using the same principles as the New York allocation percentage on Schedule B of Form CT-33.

For additional information see TSB-M-02(9)C, *Exemption for Federal Long-Term Care Insurance Premiums, Effective Retroactively to September 19, 2000*, which may be obtained by accessing the New York State Tax Department Web site at [www.tax.state.ny.us](http://www.tax.state.ny.us) or using our Fax-on-Demand forms ordering system at 1 800 748-3676. You may also call our business tax information center at 1 800 972-1233. From areas outside the U.S. and outside Canada, call (518) 485-6800.

#### **Form CT-33, *Insurance Corporation Franchise Tax Return***

##### **Schedule B - Computation of allocation percentage**

Include premiums received on or after September 19, 2000, for a long-term care insurance policy exempt under Chapter 90 of Title 5 of the United States Code in the premium factor. Include any wages, salaries, commissions and personal service compensation derived from these policies in the payroll factor.

##### **Schedule H - Computation of premiums**

Exclude premiums received on or after September 19, 2000, for a long-term care insurance policy exempt under Chapter 90 of Title 5 of the United States Code.

## **Form CT-33-C, *Captive Insurance Company Franchise Tax Return***

### **Lines 1 through 8: Tax computation**

Exclude premiums received on or after September 19, 2000, for a long-term care insurance policy exempt under Chapter 90 of Title 5 of the United States Code.

## **Form CT-33-D, *Tax on Premiums Paid or Payable to an Unauthorized Insurer***

### **Lines 1 and 2: Part I - Computation of tax**

Exclude premiums paid on or after September 19, 2000, for a long-term care insurance policy exempt under Chapter 90 of Title 5 of the United States Code.

## **How to claim a credit or refund**

Since the federal law was made effective for long-term care insurance premiums paid on or after September 19, 2000, any tax previously paid on these premiums under Articles 33 and 33-A, for taxable years that are open under the statute of limitations, may be claimed as a credit or refund on Form CT-8, *Claim for Credit or Refund of Corporation Tax Paid*.