



# Instructions for Form CT-32-A/C

## Report by a Banking Corporation Included in a Combined Franchise Tax Return

# CT-32-A/C-I

Tax Law — Article 32

For tax years beginning on or after January 1, 1996, each taxpayer included in the Banking Corporation Combined Franchise Tax Return (Form CT-32-A), other than the deemed parent corporation, is required to individually complete and file Form CT-32-A/C. A corporation that would not otherwise be taxable in New York State except for its inclusion in a combined return is not required to file Form CT-32-A/C.

The corporation that completes the parent corporation column on Form CT-32-A is designated the parent corporation in the combined return. Every corporation that files Form CT-32-A/C must include a fixed minimum tax payment of \$250 on Form CT-32-A, Schedule A, line 8. Do not make any payment with this form. Failure to complete Form CT-32-A/C and provide the information necessary to compute the issuer's allocation percentage may result in a \$500 penalty.

Do not use Form CT-32-A/C for tax years beginning before January 1, 1996. To order prior year tax forms, refer to *Need Help?*

### Reporting Period

Use this form for tax periods beginning in January 1996 or after.

If you are a calendar year filer, check the box in the upper right corner on the front of the form.

If you are a fiscal year filer, complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

### Computation of the Issuer's Allocation Percentage

The issuer's allocation percentage for Article 32 is computed using one of three methods. Determine which one of three methods applies and compute the issuer's allocation percentage on Form CT-32-A/C. See TSB-M-86(10) for additional information.

**Method I.** A banking corporation (excluding corporations defined in Form CT-32-A-I, *Who Must File*, item D, under the definition of banking corporations) organized under the laws of the United States, New York or any other state enters as its issuer's allocation percentage the alternative entire net income allocation percentage computed on Form CT-32-A/B, Schedule E, Part II, line 47.

**Method II.** A banking corporation (excluding corporations defined in Form CT-32-A-I, *Who Must File*, item D, under the definition of banking corporations) organized under the laws of a country other than the United States enters as its issuer's allocation percentage the percentage determined by dividing gross income within New York State by worldwide gross income.

- Enter as gross income within New York State total receipts as shown on Form CT-32-A/B, Schedule E, Part I, line 16.
- Enter as worldwide gross income total receipts as shown on Form CT-32-A/B, Schedule E, Part I, line 28 plus all receipts as defined on lines 17 through 27, from sources outside the United States that were not taken into account in computing federal taxable income.
- Every corporation with an International Banking Facility (IBF) located in New York State (whether or not it computed entire net income using the IBF modification or the IBF formula allocation

method) must include in the numerator and denominator of the issuer's allocation percentage receipts as defined on Form CT-32-A/B, Schedule E, Part I, lines 5 through 15 and lines 17 through 27 that are attributable to the production of eligible gross income of the IBF.

- When the receipts shown in the computation of the issuer's allocation percentage are different than the receipts shown on Form CT-32-A/B, Schedule E, Part I, attach an explanation.

**Method III.** Every corporation owned by a bank or a bank holding company as defined in Form CT-32-A-I, *Who Must File*, item D, under the definition of banking corporations and every bank holding company that is included in a combined return should enter as its issuer's allocation percentage the percentage determined by dividing business and subsidiary capital allocated to New York State by total worldwide capital.

### Computation of Subsidiary Capital Allocated to New York State

#### Column A - Subsidiary Corporation

Enter the full name and federal employer identification number of each subsidiary corporation. Subsidiary corporation is defined by Section 1450(d) of the Tax Law and in the instructions for Form CT-32-A, Schedule B, line 22.

#### Column C - Average Value of Subsidiary Capital

Enter the average value of each subsidiary corporation. The average value is computed on a quarterly, monthly, weekly or daily basis. Use the same basis of averaging subsidiary capital used to average total assets on Form CT-32-A/B, Schedule D, line 1. Subsidiary capital is defined by Section 1450(e) of the Tax Law and in the instructions for Form CT-32-A, Schedule B, line 22.

#### Column D

Enter the average value of current liabilities (maturing in one year or less from the date originally incurred) attributable to each subsidiary. The average value is computed on a quarterly, monthly, weekly or daily basis. Use the same basis of averaging current liabilities used to average subsidiary capital in column C.

#### Column F

Enter the issuer's allocation percentage for each subsidiary. The issuer's allocation percentage is obtained from the New York State corporation franchise tax return filed by the subsidiary corporation for the preceding year.

Issuer's allocation percentages may be obtained in Tax Service Publications or by written request (in duplicate) to:

NYS TAX DEPARTMENT  
TAXPAYER ASSISTANCE BUREAU  
W A HARRIMAN CAMPUS  
ALBANY NY 12227  
Telephone 1 800 972-1233

### Computation of Business Capital Allocated to New York State

#### Line 2

Enter the average value of total assets as computed on Form CT-32-A/B, Schedule D, line 1.

**Line 3**

Deduct the total average value of current liabilities that are properly reflected on a balance sheet. The average value is computed on a quarterly, monthly, weekly or daily basis.

Use the same basis of averaging current liabilities as used to average total assets on Form CT-32-A/B, Schedule D, line 1. Current liabilities are any liabilities maturing in one year or less from the date originally incurred.

**Line 4**

Deduct the total net average value of subsidiary capital as computed on line 1, column E.

**Computation of the Issuer's Allocation Percentage**

**Line 9**

Enter as total worldwide capital the average value of the total assets as computed on Form CT-32-A/B, Schedule D, line 1, plus the average value of all assets from sources outside the United States that were **not** taken into account in computing federal taxable income.

When computing assets from sources outside the United States, compute the average value of such assets in the same manner as the average value of total assets on Form CT-32-A/B, Schedule D, line 1.

Deduct from total assets the total average value of current liabilities maturing in one year or less from the date originally incurred. Compute the average value of such current liabilities in the same manner as the average value of total assets.

Where the assets shown in the computation of the issuer's allocation percentage are different than the assets shown on Form CT-32-A/B, Schedule D, line 1, attach an explanation.

Section 1085(o) of the Tax Law provides for a penalty of \$500 for failure to provide information needed to compute your issuer's allocation percentage.

**Composition of Prepayments**

Complete this schedule only if the corporation filing this Form CT-32-A/C made separate payments or has separate credits.

**Line 14**

Include franchise tax payments credited from prior years in the *Franchise Tax* column and MTA surcharge payments credited from prior years in the *MTA Surcharge* column.

**Line 15**

The total of the *Franchise Tax* column will be carried to Form CT-32-A, Schedule A, line 29. The total of the *MTA Surcharge* column will be carried to line 9 of Form CT-32-M filed by the parent.

**Privacy Notification**

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions and forms, is found in Articles 8, 9, 9-A, 13, 19, 27, 32, 33 and 33-A of the Tax Law and 42 USC 405(c)(2)(C)(i).

The Tax Department will use this information primarily to determine and administer corporate tax liabilities under the Tax Law, for certain tax refund offsets, and for any other purpose authorized by law.

Failure to provide the required information may result in civil or criminal penalties, or both, under the Tax Law.

This information will be maintained by the Director of the Registration and Data Services Bureau, NYS Tax Department, Building 8 Room 905, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the U.S. and Canada, call (518) 485-6800.

**Need Help?**

**Telephone Assistance** is available from 8:30 a.m. to 4:25 p.m., Monday through Friday. **For business tax information and forms**, call the Business Tax Information Center at 1 800 972-1233. **For general information**, call toll free 1 800 225-5829. **To order forms and publications**, call toll free 1 800 462-8100. **From areas outside the U.S. and Canada**, call (518) 485-6800.

**Fax-on-Demand Forms Ordering System** - Most forms are available by fax 24 hours a day, 7 days a week. Call toll free from the U.S. and Canada 1 800 748-3676. You must use a Touch Tone phone to order by fax. A fax code is used to identify each form.

**Internet Access** - <http://www.tax.state.ny.us> Access our website for forms, publications, and information.

**Hotline for the Hearing and Speech Impaired** - If you have access to a telecommunications device for the deaf (TDD), you can get answers to your New York State tax questions by calling toll free from the U.S. and Canada 1 800 634-2110. Assistance is available from 8:30 a.m. to 4:15 p.m., Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

**Persons with Disabilities** - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the information numbers listed above.

**Mailing Address** - If you need to write, address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.