



Instructions for Form CT-32-A/C

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

Tax Law — Article 32

CT-32-A/C-I

For tax years beginning on or after January 1, 1996, each taxpayer included in Form CT-32-A, *Banking Corporation Combined Franchise Tax Return*, other than the deemed parent corporation, must 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?* on the back.

Reporting period

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.

NAICS business code number

Enter the six-digit NAICS business activity code number from your federal return.

Computation of the issuer's allocation percentage

Compute the issuer's allocation percentage for Article 32 using one of the following three methods. Determine which method 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 State, 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 121.

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 90.
- Enter as worldwide gross income total receipts as shown on Form CT-32-A/B, Schedule E, Part I, line 102, plus all receipts as defined on lines 91 through 101, 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 method 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 79 through 89 and lines 91 through 101, that are attributable to the production of eligible gross income of the IBF.
- If the receipts shown in the computation of the issuer's allocation percentage are different from 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 45.

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 you used to average total assets on Form CT-32-A/B, Schedule D, line 69. *Subsidiary capital* is defined by section 1450(e) of the Tax Law, and in the instructions for Form CT-32-A, Schedule B, line 45.

Column D — Current liabilities attributable to subsidiary capital

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 you used to average subsidiary capital in column C.

Column F — Issuer's allocation percentage

Enter the issuer's allocation percentage for each subsidiary. Obtain the issuer's allocation percentage from the New York State corporation franchise tax return filed by the subsidiary corporation for the preceding year. These percentages are available in Tax Service Publications, from the Tax Department's Web site, 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 69.

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 you used to average total assets on Form CT-32-A/B, Schedule D, line 69. *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 69, 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 valuing 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 69.

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 from the assets shown on Form CT-32-A/B, Schedule D, line 69, attach an explanation.

If you fail to provide information needed to compute your issuer's allocation percentage, you may be liable for a penalty of \$500, under section 1085(o) of the Tax Law.

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

Carry the total of the *Franchise tax* column to Form CT-32-A, line 209. Carry the total of the *MTA surcharge* column 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 uses 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 subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of the Registration and Data Services Bureau, NYS Tax Department, Building 8 Room 338, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the U.S. and outside Canada, call (518) 485-6800.

Need help?



Telephone assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.

For business tax information, call the New York State Business Tax Information Center:	1 800 972-1233
For general information:	1 800 225-5829
To order forms and publications:	1 800 462-8100
From areas outside the U.S. and outside Canada:	(518) 485-6800



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Internet access: <http://www.tax.state.ny.us>



Hotline for the hearing and speech impaired:

1 800 634-2110 from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (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 1 800 225-5829.



If you need to write, address your letter to:

NYS TAX DEPARTMENT
TAXPAYER ASSISTANCE BUREAU
W A HARRIMAN CAMPUS
ALBANY NY 12227