



# Instructions for Forms CT-33-A, CT-33-A/ATT, and CT-33-A/B

## Life Insurance Corporation Combined Franchise Tax Return Tax Law — Article 33

# CT-33-A-I

### Summary of 2003 changes affecting Article 33 taxpayers

#### Up-to-date information affecting your 2003 tax return

Visit the *Corporation Tax Up-to-Date Information* page on our Web site at [www.nystax.gov](http://www.nystax.gov) for Tax Law changes or forms corrections that occurred after the forms and instructions were printed.

#### Unless otherwise noted, the following changes are effective for tax years beginning on or after January 1, 2003.

#### Life insurance corporations subject to a new floor limitation on tax

Life insurance corporations remain subject to the franchise tax computed under section 1502 of the Tax Law, and the additional franchise tax computed under section 1510, as limited by section 1505(a)(2) of the Tax Law. In addition, life insurance corporations are subject to a new floor limitation on tax under section 1505(b). The total franchise tax on life insurance corporations, computed prior to the application of any tax credits, cannot be less than 1.5% of the premiums (*the floor limitation on tax*) subject to tax under section 1510 of the Tax Law.

#### Life insurance corporation filing requirements

Life insurance corporations are required to file either Form CT-33 or CT-33-A, which were renamed *Life Insurance Corporation Franchise Tax Return* and *Life Insurance Corporation Combined Franchise Tax Return*, respectively.

Life insurance corporations are still permitted or required to file a return on a combined basis, at the discretion of the Commissioner of Taxation and Finance, if certain requirements are met.

#### Non-life insurance corporations subject to a new franchise tax based solely on premiums

Chapter 62 of the Laws of 2003 changed the way non-life insurance corporations are taxed. Non-life insurance corporations are no longer subject to the franchise tax computed under section 1502 of the Tax Law (entire net income (ENI), business and investment capital, entire net income plus officers' salaries or subsidiary capital base tax), and the additional franchise tax based on premiums under section 1510, as limited by section 1505 of the Tax Law. Instead, non-life insurance corporations are now subject to a franchise tax based solely on premiums under section 1502-a of the Tax Law.

#### Non-life insurance corporation filing requirements

Non-life insurance corporations are no longer required to file either Form CT-33, which was renamed *Life Insurance Corporation Franchise Tax Return*, or Form CT-33-A, which was renamed *Life Insurance Corporation Combined Franchise Tax Return*. Instead, these corporations must file new Form CT-33-NL, *Non-Life Insurance Corporation Franchise Tax Return*.

#### Surcharge retaliatory tax credit

The four million dollar limitation on the total amount of the surcharge retaliatory tax credit claimed in any *surcharge taxable year* has been repealed. Also, there is no longer a limitation date for the surcharge retaliatory tax credit, and this credit may be now claimed for taxes paid to other states regardless of the *limitation date* for a *surcharge taxable year*. The surcharge retaliatory tax

credit, as provided by subdivision (d) of section 1505-a of the Tax Law, is still computed and claimed on Form CT-33-M, *Insurance Corporation MTA Surcharge Return*.

#### Decoupling from federal bonus depreciation

When computing ENI, the special bonus depreciation allowance created by the federal *Job Creation and Worker Assistance Act of 2002*, and enhanced by *The Jobs and Growth Tax Relief Reconciliation Act of 2003*, is no longer permitted for property placed in service on or after June 1, 2003, in a tax year beginning after December 31, 2002. However, the special bonus depreciation allowance is still allowed for qualified resurgence zone property and for qualified liberty zone property. For more information, see TSB-M-03(5)C, *Summary of Corporation Tax Legislative Changes Enacted in 2003*.

#### Related member expense and income ENI modifications

A taxpayer may be required to add back to ENI certain royalty payments or certain interest payments made to a related member during the tax year, to the extent such payments were deducted in computing federal taxable income (FTI). If the related member is a New York State taxpayer, the related member may be required to subtract certain royalty payments or certain interest payments received during the tax year, to the extent the payments were included in FTI and were required to be added back. For more information, see TSB-M-03(5)C.

At the time these forms and instructions went to print, this provision was the subject of a possible legislative change. For the most up-to-date information concerning these modifications, visit the *Corporation Franchise Tax Up-to-Date Information for 2003* page of our Web site [www.tax.state.ny.us/forms/corp\\_up\\_to\\_date\\_info.htm](http://www.tax.state.ny.us/forms/corp_up_to_date_info.htm).

#### New deduction for certain reinsurance premiums for life and non-life insurance corporations

Effective for tax years beginning on or after January 1, 1990, section 1510(c) of the Tax Law has been amended to allow a deduction from gross direct premiums for certain reinsurance premiums received from insurers not authorized by the Superintendent of Insurance to transact business in this state. For more information, see TSB-M-03(3)C, *New Deduction Under Article 33 of the Tax Law for Certain Reinsurance Premiums, and Limited Opportunity for Refund of Tax Paid on These Premiums*.

#### Empire zone (EZ) wage tax credit, zone equivalent area (ZEA) wage tax credit, and EZ capital tax credit limitations

The limitation on the EZ wage tax credit, the ZEA wage tax credit, and EZ capital tax credit was amended. For a life insurance corporation, the amount of each of these credits, including credit carryovers, deducted from its franchise tax for any tax year may not, in the aggregate, exceed 50% of the **lesser** of the following:

1. the limitation on tax computed pursuant to section 1505(a) of the Tax Law; **or**
2. the **greater** of:
  - the sum of the taxes imposed under sections 1501 (the highest of the four alternative tax bases, plus the tax on subsidiary capital allocated to New York) and 1510 of the Tax Law (the additional franchise tax on premiums); **or**
  - the amount of tax computed pursuant to section 1505(b) of the Tax Law (the floor limitation on tax).

### **Estimated tax payments required by partnerships and limited liability companies (LLCs)**

Effective for tax years beginning after December 31, 2002, every partnership or LLC that is treated as a partnership for federal income tax purposes and that has income from New York State sources must pay estimated taxes on behalf of its C corporation partners or members on their distributive or pro rata share of the respective entity's income. For more information, see TSB-M-03(5)C, and Form CT-2658, *Report of Estimated Tax for Corporate Partners*.

**Minimum interest rate reduced** — The Tax Law was amended to remove the fixed minimum interest rate payable on overpayments of tax. Previously, the minimum rate of interest payable on overpayments of tax was 6%. This provision took effect on October 1, 2003, for interest allowable and due on refunds, or any other amounts that remained or became overpaid on or after October 1, 2003.

**Change in interest rate on underpayments** — The interest rate applicable to underpayments has been increased by two percentage points effective April 1, 2003. The new rate applies to underpayments that remained or became due on or after that date. See our Web site at [www.nystax.gov](http://www.nystax.gov) for the interest rates applicable to the current and past calendar quarters. For more information, see TSB-M-02(5)C.

## **General Information**

### **Corporations subject to tax under Article 33:**

- Domestic insurance corporations for the privilege of exercising a corporate franchise;
- Foreign and alien insurance corporations doing business, employing capital, owning or leasing property, or maintaining an office in this state;
- Any life insurance company whose *Certificate of Authority* from the Superintendent of Insurance has expired, or that ceases to transact new business in this state, but has business remaining in force in this state;
- Insurance corporations exempt from federal income tax but that conduct business in New York State; and
- An unauthorized life insurance corporation that is affiliated with an insurer licensed in New York State and is operating from an office within the state pursuant to sections 1101(b)(5) and 2117(i) of the New York State Insurance Law. See TSB-M-00(1)C for additional information.

**Exceptions:** Life insurance corporations specifically exempted by section 1512 of the Tax Law do not have to File Form CT-33 or Form CT-33-A. Captive insurance companies must file Form CT-33-C, *Captive Insurance Company Franchise Tax Return*.

**Definition of insurance corporation** — An *insurance corporation* as defined by section 1500 of Article 33 of the Tax Law is any corporation, association, joint stock company or association, person, society, aggregation, or partnership, doing an insurance business.

**Definition of life insurance corporation** — A *life insurance corporation* is any insurance corporation that is authorized to transact the business of life insurance in New York State under a certificate of authority from the Superintendent of Insurance of the New York State Insurance Department.

**Definition of non-life insurance corporation** — A *non-life insurance corporation* is any insurance corporation, other than a life insurance corporation, that is authorized to transact business in

New York State under a certificate of authority from the Superintendent of Insurance of the New York State Insurance Department.

### **Who may be permitted or required to file a combined return**

Life insurance corporations may be permitted or required to file on a combined basis at the discretion of the Tax Department. When you file Form CT-33-A, you must also provide a *Combined Filer Statement* (Form CT-50 or CT-51) setting forth the names and other identifying information requested for each member of the group. These corporations may file on a combined basis if they meet the following requirements:

- The taxpayer owns or controls, either directly or indirectly, 80% or more of the voting capital stock of all the other corporations that are to be included in the combined return;
- 80% or more of the voting capital stock of the taxpayer is owned or controlled, either directly or indirectly, by other corporations that are to be included in the combined return; or
- 80% or more of the voting capital stock of the taxpayer and 80% or more of the voting capital stock of the other corporations that are to be included in the combined return are owned or controlled, either directly or indirectly, by the same interests.

To file a combined return, taxpayers must also meet a distortion requirement. The activities, business, income, or capital of a taxpayer is presumed to be distorted when filing a return on a separate basis if 50% or more of the transactions are intercorporate transactions among the corporations.

A combined return will **not** be required or permitted:

- to include corporations not subject to tax under Article 33 of the Tax Law, or
- to include any nontaxpayer, unless the Commissioner of Taxation and Finance deems inclusion necessary to properly reflect the tax liability under this Article (see section 1515(f) of the Tax Law).

### **Which forms to file**

Form CT-33-A/ATT, *Attachment to Form CT-33-A*, must be completed and signed by each member of the combined group, **including** the parent.

A combined group with more than one subsidiary is required to file Form CT-33-A/B, *Subsidiary Detail Spreadsheet*, which must include all the individual member information. The lines on this form are identical to the lines on Form CT-33-A; therefore separate line instructions are not needed.

### **When and where to file**

File your return within 2½ months after the end of your reporting period. If you are reporting for the calendar year, file your return on or before March 15. If your filing date falls on a Saturday, Sunday, or legal holiday, then you must file your return on or before the next business day.

If you cannot meet this filing deadline, you may ask for a six-month extension of time by filing Form CT-5.3, *Request for Six-Month Extension to File (Combined Franchise Tax Return, or Combined MTA Surcharge, or Both)*.

Mail returns to:

**NYS CORPORATION TAX  
PROCESSING UNIT  
PO BOX 22038  
ALBANY NY 12201-2038**

Also mail a copy to:

**NYS INSURANCE DEPARTMENT  
AGENCY BUILDING 1  
EMPIRE STATE PLAZA  
ALBANY NY 12257**

#### **Private delivery services**

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return and pay tax. However, if, at a later date, you need to establish the date you filed your return or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services*. See *Need help?* on page 11 of these instructions for information on ordering forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your return, contact that private delivery service for instructions on how to obtain written proof of the date your return was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, address your return to: State Processing Center, 431C Broadway, Albany NY 12204-4836.

#### **Metropolitan transportation business tax (MTA surcharge) section 1505-a**

Any insurance corporation taxable under Article 33 that does business, employs capital, owns or leases property, or maintains an office in the Metropolitan Commuter Transportation District (MCTD) must file Form CT-33-M, *Insurance Corporation MTA Surcharge Return*, and pay the MTA surcharge imposed by section 1505-a. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. Corporations not doing business in the MCTD must disclaim liability for the tax surcharge by answering *No* to the question on page 1 of Form CT-33-A. They are not required to file Form CT-33-M.

#### **Other forms and taxes that may be applicable**

**Form CT-5.3, Request for Six-Month Extension to File (Combined Franchise Tax Return, or Combined MTA Surcharge Return, or Both)**, must be used by a combined group to request a six-month extension of time to file a combined franchise tax return and to provide detailed information about the amounts and kinds of payments made by the members of the group.

**Form CT-5.1, Request for Additional Extension of Time to File (For franchise/business taxes, MTA surcharge, or both)**, is a request for additional time to file a tax return. File it on or before the expiration date of the original extension.

**Form CT-399, Depreciation Adjustment Schedule**, must be used by each corporation to compute the allowable New York State depreciation deduction if it claims (1) the federal Accelerated Cost Recovery System (ACRS) depreciation and Modified Accelerated Cost Recovery System (MACRS) deduction for certain property placed in service after December 31, 1980, or (2) the 30%/50% federal special depreciation for certain property placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002.

**Form CT-222, Underpayment of Estimated Tax by a Corporation**, will help the combined group determine if it has underpaid an estimated tax installment and, if so, compute the penalty due.

**Form CT-33-D, Tax on Premiums Paid or Payable to an Unauthorized Insurer**, must be filed by each corporation that purchased or renewed a taxable insurance contract from an insurer

not authorized to transact business in New York State. This return must be filed within 60 days following the end of the calendar quarter in which the contract was purchased or renewed.

**Form CT-186-A, Utility Services Tax Return—Gross Operating Income** (Article 9, section 186-a). A corporation not supervised by the New York State Department of Public Service that engages in the sale or furnishing of gas, electricity, steam, water, or refrigeration must pay a tax on its gross operating income, using Form CT-186-A.

**Form CT-186-E, Telecommunications Tax Return and Utility Services Tax Return**. A corporation that also provides telecommunication services must pay a tax on its gross receipts from the sale of telecommunication services. For further information, see Form CT-186-E-I, *Instructions for Form CT-186-E*.

**Form CT-189, Tax on Importation of Gas Services** — Article 9, section 189, imposes a tax on each corporation that imports, or causes to be imported, gas services for its own use or consumption. You must file Form CT-189 on a quarterly basis. (See TSB-M-91(5)C, TSB-M-97(3)C, and TSB-M-00-(2)C for more information.)

**Form CT-400, Estimated Tax for Corporations**, must be filed by a combined group whose New York State franchise tax liability can reasonably be expected to exceed \$1,000.

**Form CT-8, Claim for Credit or Refund of Corporation Tax Paid**, is used to request a refund other than of an overpayment. To speed up processing of the claim, mail it separately from your annual returns. You must file a claim for refund based on a net operating loss carryback within three years of the extended due date of the return for the loss year, or within 27 months from the date of the federal credit or refund. You must file a refund based on a federal change within two years from the date the federal change was required to be reported. All other claims for refunds must be received within three years from the date the return was filed, or two years from the date the tax was paid, whichever is later.

**Form CT-3360, Federal Changes to Corporate Taxable Income**, must be filed by the combined group to report any correction made by the Internal Revenue Service (IRS) in taxable income previously reported for any year, including changes based on the renegotiation of a government contract.

**Form IT-204-LL, Limited Liability Company/Limited Liability Partnership Filing Fee Payment Form**, must also be filed for tax years beginning in 2003 and 2004 by single member limited liability corporations (SMLLCs) that are treated as disregarded entities for federal income tax purposes and that have income derived from New York State sources, to pay a mandatory filing fee of \$100. Form IT-204-LL must be filed within 30 days after the last day of the tax year.

#### **Important identifying information**

In order for us to process your corporation tax forms, it is important that we have the necessary identifying information. You will find your employer identification number and file number just above your printed corporation name and address. Keep a record of that information and include it on each corporation tax form mailed.

If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms.

### Change of address

If your address has changed, please enter your new address in the appropriate area and check the box below the address so that we can update your address for this tax type. Do not check this box for any change of business information other than for your address.

### Change in business information

You must report any changes in your business name, ID number, mailing address, physical address, telephone number, or owner/officer information on Form DTF-95, *Business Tax Account Update*. If only your address has changed, you may use Form DTF-96, *Report of Address Change for Business Tax Accounts*, to correct your address for this and all other tax types. You can get these forms by fax, phone, or from our Web site. See *Need help?* on page 11 of these instructions for the phone number and Web address.

### Whole dollar amounts

You may elect to show amounts in whole dollars rather than in dollars and cents. Round any amount from 50 cents through 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar.

### Negative amounts

Show any negative amounts in parentheses.

### Percentages

When computing allocation percentages, convert decimals into percentages by moving the decimal point two spaces to the right. Carry percentages to four decimal places.

**Example:**  $5,000/7,500 = 0.6666666 = 66.6667\%$ .

### Reporting period

Your tax year for all members of the combined group in New York State must be the same as the federal tax year. Use this tax return for tax years beginning in 2003, both calendar and fiscal, and for short periods beginning in 2004 and ending before December 31, 2004. 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.

### Computerized returns

We will accept computer-produced corporation tax returns if they meet our printing specifications. For information, see Publication 76, *Specifications for Reproduction of New York State Corporation Tax Forms*.

### Signature

The return must be certified by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other officer authorized by the taxpayer.

If an outside individual or firm prepared the return, the signature of the person and the name of the firm must be included.

### Amended return

If you are filing an amended return, please check the *Amended return* box on the top of Form CT-33-A.

## Line instructions for Forms CT-33-A and CT-33-A/B

### General explanation

Form CT-33-A/ATT, *Attachment to Form CT-33-A*, must be completed for each member of the combined group, including the parent, prior to completing Form CT-33-A and CT-33-A/B (if

applicable). See instructions for Form CT-33-A/ATT beginning on page 10.

Although the parent corporation is not necessarily the corporation that files Form CT-33-A, for purposes of this form, the corporation responsible for filing this form is designated the *parent*. Any other corporations included in the combined form will be designated *subsidiaries*.

Form CT-33-A is used to compute the combined tax. The parent reports its figures in Column A (*Parent*) of Form CT-33-A.

If there is only one subsidiary included in the combined group, Form CT-33-A/B is not required, and the amounts are reported in Column B (*Total subsidiaries*) of Form CT-33-A.

If there are two or more subsidiaries included in the combined group, the subsidiaries report their figures on Form CT-33-A/B. Form CT-33-A/B provides a column for each subsidiary. The columns on Form CT-33-A/B are added together, and the amounts from the *Total* column are transferred to Column B (*Total subsidiaries*) of Form CT-33-A.

Columns A and B on Form CT-33-A are added together and the subtotal is indicated in column C.

Enter in column D any intercorporate eliminations. Attach a list of any intercorporate eliminations for each corporation listed in the combined return. Subtract column D from the subtotal column in column C and enter the balance in column E (*Combined total*).

The line instructions below are used for both Forms CT-33-A and CT-33-A/B. (Do not complete the shaded areas of these forms.)

**Line A** — Make your payment in United States funds. We will accept a foreign check or foreign money order only if payable through a United States bank or if marked **Payable in U.S. funds**.

### Lines 1 through 33 — Computation of tax and installment payments of estimated tax

**Line 10** — Enter the higher of the tax determined under sections 1501 and 1510 (line 8) or the floor limitation on tax determined under section 1505(b) (line 9).

**Line 11a** — Enter the amount of Empire Zone (EZ) and Zone Equivalent Area (ZEA) tax credits claimed on line 119. These credits **must** be subtracted from the tax on line 10 and **not** from the tax on line 15.

**Line 11b** — Subtract line 11a from line 10 and enter the result on this line. The amount after EZ and ZEA tax credits claimed may not reduce the tax due on line 11b to less than the minimum tax of \$250. If you have net recapture of the EZ capital tax credit, add this amount to the total tax on this line.

**Line 12** — Enter the number of subsidiaries included in the combined return (**excluding** foreign corporations not doing any insurance business in New York State and the corporation paying the combined tax) in the first box on this line and multiply by the minimum tax of **\$250**.

**Line 14** — Section 1505(a)(2) limits taxes imposed by sections 1501 and 1510. Life insurance companies determine their limitation by multiplying the premiums determined under section 1510 by 2% (.02). A *life insurance company* is any insurance company that has the power to do either a life insurance business or an annuity business, or both, as specified in Insurance Law sections 1113(a)(1) and (2).

When computing the limitation, a life insurance company that receives more than 95% of its premiums from annuity contracts, group insurance for the elderly, or ocean marine insurance must treat such premiums as taxable premiums (section 1505(c)).

**Line 16** — Enter the amount of tax credits from line 120. A special rule applies to taxpayers claiming EZ and ZEA tax credits. See line 11a.

**Line 23** — If you underpaid your estimated tax, use Form CT-222, *Underpayment of Estimated Tax by a Corporation*, to compute the penalty. Enter "0" if no penalty is due.

**Line 24** — If you do not pay the tax due on or before the original due date (**without** regard to any extension of time for filing), you must pay interest on the amount of underpayment (line 17 minus line 21) from the original due date to the date paid. Exclude from the interest computation any amount shown on line 18 or 19, first installment of estimated tax for next period.

**Line 25** — Compute additional charges for late filing and late payments on the amount of tax minus any payment made on or before the due date (**with** regard to any extension of time for filing) (line 17 minus line 21). Exclude from the penalty computation any amount shown on line 18 or 19.

- A. If you do not file a return when due or if the request for extension is invalid, add to the tax 5% per month up to 25% (section 1085(a)(1)(A)).
- B. If you do not file a return within 60 days of the due date, the addition to tax in item A above cannot be less than the smaller of \$100 or 100% of the amount required to be shown as tax (section 1085(a)(1)(B)).
- C. If you do not pay the tax shown on a return, add to the tax ½% per month up to 25% (section 1085(a)(2)).
- D. The total of the additional charges in items A and C above may not exceed 5% for any one month except as provided for in item B above (section 1085(a)).

If you think you are not liable for these additional charges, attach a statement to your return explaining reasonable cause for the delay in filing, payment, or both (section 1085).

**Note:** You may compute the interest and penalty by accessing our Web site at

[www3.tax.state.ny.us/PAIC/PAICHomeServlet](http://www3.tax.state.ny.us/PAIC/PAICHomeServlet)

or you may call 1 800 972-1233, and we will compute the interest and penalty for you.

**Line 32** — Include the amount of retaliatory tax credits from Form CT-33-R, line 20, the amount of QEZE credit for real property taxes from Form CT-604, line 35, and the amount of ITC for financial services industry (if a qualified new business) from Form CT-44, line 33, that are being requested as a refund.

**Collection of debts from your refund** — We will keep all or part of your refund if you owe a past-due, legally enforceable debt to the Internal Revenue Service (IRS) or to a New York State agency. This includes any state department, board, bureau, division, commission, committee, public authority, public benefit corporation, council, office, or other entity performing a governmental or proprietary function for the state or a social services district. We will refund any amount over your debt.

If you have any questions about whether you owe a past-due, legally enforceable debt to the IRS or to a state agency, contact the IRS or that particular state agency.

For New York State tax liabilities **only**, call 1 800 835-3554. From areas outside the U.S. and outside Canada, call (518) 485-6800. You can also write to NYS Tax Department, Tax Compliance Division, W A Harriman Campus, Albany NY 12227.

## Schedule A — Computation of combined allocation percentage

A taxpayer doing business both inside and outside New York State may allocate its combined business and investment capital, combined entire net income, and combined entire net income plus compensation.

Compute the combined allocation percentage by adding the percentages of the taxpayer's premiums allocated to New York State (multiplied by nine) and payroll allocated to New York State, and dividing the total by ten. For both the numerator and denominator of the combined premium allocation percentage, the term *premium* includes all amounts received as consideration for insurance, reinsurance and annuity contracts, including premium deposits, assessments, policy fees, membership fees, and all other compensation for such contracts. Include premiums received for a long-term care insurance policy exempt under Chapter 90, Title 5, of the United States Code, and premiums for federal group life insurance exempt under Chapter 87, Title 5, of the United States Code, when computing the premium percentage.

**Line 34** — Enter the total combined New York taxable premiums received from Schedule F, line 96, plus any additional premiums on these types of policies that were written, procured, or received in New York on business that cannot be specifically assigned as located or resident in any other state or states that were not included on line 96, (attach schedules for such additional premiums). Do not include in this amount any separate costs assessed by the insurance corporation upon its policyholders. See section 1504(b)(2)(A) of the Tax Law.

**Line 35** — Enter the total ocean marine premiums written, procured, or received on property or risks located or resident in New York State, plus ocean marine premiums written within New York State on property or risks that cannot be specifically assigned as located or resident in any other state or country. See section 1504(b)(2)(C) of the Tax Law.

**Line 36** — Enter the total of premiums for annuity contracts and insurance for the elderly that are written, procured, or received on risks located or resident in New York State, and those premiums for annuity contracts and insurance for the elderly written, procured, or received in New York State on business that cannot be specifically assigned as located or resident in any other state or states.

**Line 37** — Enter the total New York premiums on reinsurance assumed from authorized companies. Include premiums allocated to New York State where the location of the risk cannot be determined and premiums from risks located in New York State. Also include reinsurance premiums from unauthorized companies that relate to transactions authorized under section 2105 of the Insurance Law and that are subject to the premiums tax on excess-lines brokers under section 2118 of the Insurance Law.

Include the amount from the parent's Form CT-33-A/ATT, Schedule A, line 1, in column A (*Parent*). If there is only one subsidiary in the combined group, include the amount from its Form CT-33-A/ATT, Schedule A, line 1, directly in column B (*Total subsidiaries*). If there is more than one subsidiary in the combined group, include the amount from Form CT-33-A/B, line 37 (*Total*), in column B (*Total subsidiaries*).

**Line 39** — Enter the total amount of New York premiums included on line 38 that were ceded to other insurance companies.

**Attach a separate schedule showing the computation of New York premiums included in lines 34 through 39.**

**Line 41** — You must report total premiums on a written or paid-for basis, consistent with the basis required by the annual statement filed with the Superintendent of Insurance. Attach schedule of total premiums.

First, determine total gross premiums, deposit premiums, and assessments, less returns thereon, on **all** policies, annuity contracts, certificates, renewals, policies subsequently canceled, and insurance and reinsurance executed, issued, or delivered on property or risks, including premiums for reinsurance assumed. Include **only** those special risk premiums written, procured, or received in New York State on risks located or resident in New York State.

From the total amount determined, deduct dividends on total premiums and premiums on reinsurance ceded. When computing the dividend deduction, include unused or unabsorbed portions of premium deposits paid or credited to policyholders, but not deferred dividends paid in cash to policyholders on maturing policies or cash surrender values.

**Line 44** — Enter total wages, salaries, personal service compensation, and commissions for the tax year of employees, agents, and representatives regularly connected with or working out of an office or place of business maintained within New York State. It does not matter where the services were performed. Include any commissions or personal service compensation derived from policies for a long-term care insurance policy under Chapter 90, Title 5, of the United States Code, and from policies for federal group life insurance under Chapter 87, Title 5, of the United States Code when computing the payroll percentage.

**Line 45** — Enter total wages, salaries, personal service compensation, and commissions for the tax year of all employees, agents, and representatives. Include any commissions or personal service compensation derived from policies for a long-term care insurance policy under Chapter 90, Title 5, of the United States Code, and from policies for federal group life insurance under Chapter 87, Title 5, of the United States Code.

**Attach a separate schedule indicating how you computed the amounts shown on lines 44 and 45 and where these amounts are shown on the federal return.**

**Line 48** — If the premiums factor is missing from line 42, the income allocation percentage is the payroll factor percentage on line 46. If the payroll factor is missing from line 46, the income allocation percentage is the premium factor percentage on line 42. A factor is missing if both its numerator and denominator are zero. If the numerator is zero and the denominator has a positive figure, the factor has an allocation value of 0% and is included in the computation of the allocation percentage.

**Schedule B — Computation and allocation of combined subsidiary capital**

If corporations in the combined group have investments in or have received intercompany advances from other corporations in the combined group, all of these investments and advances must be eliminated before computing and allocating combined subsidiary capital.

**Lines 49 through 52** — The amounts on Forms CT-33-A and CT-33-A/B, lines 49 through 52, are obtained as shown below.

Line	Form CT-33-A, Column A (Parent) and Form CT-33-A/B	Form CT-33-A, Column B (Total subsidiaries)
49	enter amount from CT-33-A/ATT, Schedule B, line 2, column C	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 2, column C; or

49	(continued)	b) if more than one subsidiary, enter amount from CT-33-A/B, line 49, Total column
50	enter amount from CT-33-A/ATT, Schedule B, line 2, column D	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 2, column D; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 50, Total column
51	enter amount from CT-33-A/ATT, Schedule B, line 2, column E	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 2, column E; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 51, Total column
52	enter amount from CT-33-A/ATT, Schedule B, line 3, column G	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule B, line 3, column G; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 52, Total column

**Schedule C — Computation and allocation of combined business and investment capital**

Intercompany stockholdings, intercompany bills, intercompany notes receivable and payable, and other intercompany indebtedness must be eliminated before computing and allocating combined business and investment capital.

**Lines 53, 54, 55, 57, and 61** — The amounts on Forms CT-33-A and CT-33-A/B, lines 53, 54, 55, 57, and 61, are obtained as shown below.

Line	Form CT-33-A, Column A (Parent) and Form CT-33-A/B	Form CT-33-A, Column B (Total subsidiaries)
53	enter amount from CT-33-A/ATT, Schedule C, line 4, column C	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 4, column C; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 53, Total column
54	enter amount from CT-33-A/ATT, Schedule C, line 5, column C	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 5, column C; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 54, Total column
55	enter amount from CT-33-A/ATT, Schedule C, line 6, column C	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 6, column C; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 55, Total column
57	enter amount from CT-33-A/ATT, Schedule C, line 7, column C	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 7, column C; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 57, Total column
61	enter amount from CT-33-A/ATT, Schedule C, line 8, column C	a) if only one subsidiary is filing, enter amount from CT-33-A/ATT, Schedule C, line 8, column C; or b) if more than one subsidiary, enter amount from CT-33-A/B, line 61, Total column

**Lines 53 and 55** — Attach copies of your *Annual Statement - Assets Schedule* reflecting admitted and nonadmitted assets for both the previous and current tax years.

**Lines 57 and 61** — Attach copies of your *Liabilities, Surplus and Other Funds Schedule* from the *Annual Statement*.

### Schedule D — Computation and allocation of combined entire net income

**Line 64** — Enter the amount of life insurance company taxable income (LICTI), or taxable income as reported to the U.S. Treasury Department, for the tax year (including, in the case of a stock life insurance company, distributions to shareholders from an existing policyholder's surplus account). Taxpayers that file federal Form 1120-L must enter on this line the total of LICTI per Schedule A, plus the operations loss deduction included in LICTI. Taxpayers filing federal Form 1120-PC must enter the total of taxable income per Schedule A, plus any net operating loss included in taxable income. Corporations exempt from federal income tax but subject to tax under Article 33 must enter the taxable income which would have been required to be reported to the U.S. Treasury Department.

**Line 66** — Enter all interest and dividend income, received or accrued, that was exempt from federal income tax and not included in line 64, minus interest expense, bond premium amortization, and other ordinary and necessary expenses, paid or incurred, attributable to this income.

**Line 67** — Enter interest paid or accrued on indebtedness directly or indirectly owed to any stockholder (including subsidiaries of a corporate stockholder) or members of his or her immediate family that own more than 5% of the issued capital stock of the taxpayer. *Immediate family* includes brothers and sisters of whole or half blood, spouse, ancestors, and descendants. If no such interest was paid or accrued, enter "0."

**Line 68** — Enter the amount from Form CT-33-A/ATT, Schedule D, line 10, column F, in column A (*Parent*). If there is more than one subsidiary in the combined group, enter the amount from Form CT-33-A/B, line 68 (*Total*), in column B (*Total subsidiaries*). If there is only one subsidiary in the combined group, enter the amount directly from Form CT-33-A/ATT, Schedule D, line 10, column F, in column B (*Total subsidiaries*).

**Line 69** — Enter all capital losses from sales and exchanges of subsidiary capital, all other losses and bad debts, interest expense (direct or indirect), foreign taxes, and any carrying charge attributable to subsidiary capital deducted in computing federal taxable income.

**Line 70** — Enter the amount of New York State franchise taxes, including MTA surcharge, imposed by Article 33 and deducted on your federal return.

**Line 71** — Enter any amount claimed as a deduction in computing federal taxable income solely as a result of an election made under the provision of IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984).

**Line 72** — Enter any amount you would have been required to include in the computation of federal taxable income had you not made the election permitted by the provisions of IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984).

**Line 73** — Use this line if:

— the corporation claims the federal ACRS/MACRS deduction for property placed in service **either** inside or outside New York State after 1980, in tax periods beginning before 1985; or

- the corporation claims the federal ACRS/MACRS deduction for property placed in service **outside** New York State in tax periods beginning after 1984, and before tax periods beginning in 1994, and the corporation made the election to continue using the IRC section 167 depreciation modification for the property (see TSB-M-99(1)(C)); or
- the corporation claims the 30%/50% federal special depreciation under IRC section 168(k) (excluding qualified resurgence zone property described in section 208.9(q) of Article 9-A of the Tax Law or qualified New York liberty zone property described in IRC section 1400L(b)(2)) for property placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002; or
- the corporation disposes of ACRS/MACRS property, or property for which you claimed the 30%/50% federal special depreciation this year and the New York depreciation modifications applied in prior years.

If this line applies, complete Form CT-399. Include from Form CT-399, Part I, line 1, column E, the amount of your federal deduction that must be added back to federal taxable income, or, if you disposed of property this year, use the amount from CT-399, Part III, line 8, column A.

**Line 74** — Other additions:

- A-1** The portion of the special additional mortgage recording tax claimed as a credit that was claimed as a deduction in arriving at federal taxable income. The gain or loss on the sale of real property on which the special additional mortgage recording tax credit was claimed must be increased in the case of a gain, or decreased in the case of a loss, when any portion of the credit was also used in the basis for computing the federal gain.
- A-2** Qualified Emerging Technology Investments (QETI) — If you elected to defer the gain from the sale of QETI, then **you must** add to federal taxable income the amount previously deferred when the reinvestment in the New York qualified emerging technology company that qualified you for that deferral is sold. See subtraction S-3 on line 83.
- A-3** Enter the amount deducted from federal gross income on Form 1120-PC as a result of IRC section 847(1).
- A-4** Enter the amount of unearned premiums on outstanding business at the end of the preceding tax year excluded from premiums earned as a result of IRC sections 832(b)(4)(B), 832(b)(7)(B)(i), and 832 (b)(8)(A)(i).
- A-5** Enter the difference between the amount of discounted unpaid losses at the end of the preceding tax year used in the computation of losses incurred as a result of IRC section 832(b)(5)(A), and the amount of unpaid losses at the end of the preceding tax year that would have been used in such computation if such losses were not discounted for federal income tax purposes. Provide a copy of the loss reserves discount summary schedule used to compute discounted unpaid losses from federal Form 1120-PC and a copy of *Schedule P, Analysis of Losses and Loss Expenses, Part 1 Summary*, from the prior year's *Annual Statement*.
- A-6** Amount of related member royalty and interest expense required to be added back pursuant to Tax Law section 1503(b)(14).

**Line 76** — Enter interest and dividend income from subsidiary capital and capital gains from sales and exchanges of subsidiary capital. This deduction **cannot** exceed the amount used to compute federal taxable income.

**Line 77** — Enter 50% of dividend income from corporations that are not subsidiaries. A life insurance company may enter only 50% of the company's share (IRC section 812(a)(1)) of such dividend income.

**Line 78** — Enter any income or gain from installment sales of real or personal property made before January 1, 1974, that was used to compute federal taxable income.

**Line 79** — The net operating loss/operations loss allowed as a deduction for New York State purposes is calculated on a combined basis; therefore, Form CT-33-A/B does not have a corresponding line 79. Enter New York State combined NOLs or operations losses. Attach a separate schedule providing details of both federal and New York State losses claimed.

In determining the NOL or operations loss of any given year, the following rules apply:

- Federal NOLs (IRC section 172) or operations losses (IRC section 810) must be adjusted in accordance with Article 33, section 1503(b).
- For NOLs incurred in tax years beginning **on or before** August 5, 1997, the NOL may be carried back three years and carried forward 15 years.
- For NOLs incurred in tax years beginning **after** August 5, 1997, the NOL may be carried back only two years and carried forward 20 years, except for certain NOLs incurred in 2001 and 2002.
- For certain NOLs incurred in tax years ending in 2001 and 2002, the NOL may be carried back five years, unless the taxpayer elects for federal tax purposes to disregard the five-year carryback.
- The operations losses incurred may be carried back three years and carried forward 15 years for all periods.
- If you have elected for federal purposes to relinquish the carry back of a NOL or operations loss, you may not carry back a NOL or operations loss for state purposes, and you must submit a copy of your federal election.
- The New York State NOL deduction or operations loss deduction for any particular year is limited to the federal NOL deduction (IRC section 172) or operations loss deduction (IRC section 810) for that year.
- No deduction is allowed for a NOL or operations loss sustained during any year in which the corporation was not subject to tax under Article 33.

**Line 80** — Enter any amount included in federal income solely as a result of an election made under the provisions of IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984).

**Line 81** — Enter any amount that you could have deducted from federal taxable income had you not made an election under IRC section 168(f)(8) (safe harbor lease, as it was in effect for agreements entered into before January 1, 1984). For additional information on safe harbor leases, see TSB-M-82(15)C.

**Line 82** — In place of the disallowed deduction entered on line 73, a New York State depreciation deduction is allowed under Article 33, sections 1503(b)(10), 1503(b)(14), 1503(b)(15), and 1503(b)(16). For additional information, see the instructions for Form CT-399, *Depreciation Adjustment Schedule*.

Use this line if:

- the corporation claims the federal ACRS/MACRS deduction for property placed in service **either** inside or outside New York State after 1980, in tax periods beginning before 1985; or

- the corporation claims the federal ACRS/MACRS deduction for property placed in service **outside** New York State in tax periods beginning after 1984, and before tax periods beginning in 1994, and the corporation made the election to continue using the IRC section 167 depreciation modification for the property (see TSB-M-99(1)(C)); or
- the corporation claims the special depreciation under IRC section 168(k) (excluding qualified resurgence zone property described in section 208.9(q) of Article 9-A of the Tax Law or qualified New York liberty zone property described in IRC section 1400L(b)(2)) for property placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002, or
- the corporation disposes of ACRS/MACRS property, or property for which you claimed the 30%/50% federal special depreciation this year and the New York depreciation modifications applied in prior years.

If this line applies, complete Form CT-399. Include from Form CT-399, Part I, line 1, column I, or, if you disposed of property this year, use the amount from CT-399, Part III, line 8, column B.

**Line 83** — Other subtractions:

- S-1** Include the amount of wages disallowed under IRC section 280C in the computation of your federal taxable income because you claimed a federal credit. Attach a copy of the appropriate federal credit form.
- S-2** Interest deductions under section 1503(b)(3) to the extent not deducted on line 66.
- S-3** You may defer the gain on the sale of qualified emerging technology investments (QETI) that are held for more than 36 months and rolled over into the purchase of a QETI within 365 days. You must purchase replacement QETI within the 365-day period beginning on the date of sale. Gain is not deferred and must be recognized to the extent that the amount realized on the sale of the original QETI exceeds the cost of a replacement QETI. The gain deferral applies to any QETI sold on or after March 12, 1998, that meets the holding-period criteria. You must add back the gain deferred in the year the replacement QETI is sold.  
  
If you elect the gain deferral, deduct from federal taxable income the amount of the gain deferral (to the extent the gain is included in federal taxable income). If purchase of the replacement QETI within the 365-day period occurs in the same taxable year as the sale of the original QETI, or in the following taxable year and before the date the corporation's franchise tax return is filed, take the deduction on that return. If purchase of the replacement QETI within the 365-day period occurs in the following taxable year and on or after the date the corporation's franchise tax return is filed, you must file an amended return to claim the deduction. For additional information, refer to pages 5 and 6 of TSB-M-98(7)C.
- S-4** Enter the amount included in federal gross income as a result of sections 847(5) and 847(6) of the IRC.
- S-5** Enter the amount of unearned premiums on outstanding business at the end of the tax year included in premiums earned as a result of IRC sections 832(b)(4)(B), 832(b)(7)(B)(i) and 832(b)(8)(A)(i).

- S-6** Enter the difference between the amount of discounted unpaid losses at the end of the tax year used in the computation of losses incurred as a result of IRC section 832(b)(5)(A), and the amount of unpaid losses at the end of the tax year that would have been used in such computation if such losses were not

discounted for federal income tax purposes. Provide a copy of the loss reserves discount summary schedule used to compute discounted unpaid losses from federal Form 1120-PC and a copy of *Schedule P, Analysis of Losses and Loss Expenses, Part 1 Summary*, from the current year's *Annual Statement*.

**S-7** Enter the amount by which losses incurred were reduced as a result of IRC section 832(b)(5)(B).

**S-8** Victims or targets of Nazi persecution: Include the amount received (including accumulated interest) from an eligible settlement fund, or from an eligible grantor trust established for the benefit of these victims or targets, if included in your federal taxable income. Do not include amounts received from assets acquired with such assets or with the proceeds from the sale of such assets (section 13 of the Tax Law).

**S-9** Amount of related member royalty and interest income required to be subtracted pursuant to Tax Law section 1503(b)(14).

### Schedule E — Computation of alternative base

**Line 87** — Enter the amount from Form CT-33-A/ATT, Schedule E, line 11, column D, in column A (*Parent*). If there is more than one subsidiary in the combined group, enter the amount from Form CT-33-A/B, line 87 (*Total*), in column B (*Total subsidiaries*). If there is only one subsidiary in the combined group, enter the amount directly from Form CT-33-A/ATT, Schedule E, line 11, column D, in column B (*Total subsidiaries*).

**Line 89** — Enter \$15,000 (or a proportionate part if the return is for a period of less than one year).

### Schedule F — Computation of combined premiums

Any life insurance corporation subject to Article 33 of the Tax Law is subject to the additional premiums tax under section 1510, the limitation on tax under section 1505(a)(2), and the floor limitation on tax under section 1505(b).

Use this schedule to compute premiums due under sections 1510, 1505(a)(2), and 1505(b), and transfer the combined total to the appropriate lines on page 1. Report direct premiums on a written or paid-for basis, consistent with the basis required by the annual statement filed with the Superintendent of Insurance. For purposes of this schedule, the term *premium* includes all amounts received as consideration for insurance or reinsurance contracts (except annuity contracts), including premium deposits, assessments, policy fees, membership fees, any separate costs by carriers assessed upon their policyholders, and all other consideration for such contracts.

Exclude premiums received for a long-term care insurance policy under Chapter 90, Title 5, of the United States Code, and any premiums for federal group life insurance under Chapter 87, Title 5, of the United States Code.

*Taxable premiums* include gross direct premiums minus return premiums, reinsurance premiums, and dividends paid or credited.

#### A. Gross direct premiums

Include total gross premiums, deposit premiums and assessments, less returns thereon, on all policies, certificates, renewals subsequently canceled, insurance and reinsurance executed, issued, or delivered on property or risks located or resident in New York State, and premiums written, procured, or received in New York State on business that cannot be specifically allocated or apportioned and reported as taxable premiums or which have not been used as a measure of a tax on business of any other state or states. Also include special risk premiums written, procured, or received in New York State on risks located or resident in New York State. When computing

taxable premiums under section 1510 of the Tax Law, do not include premiums on annuity contracts, ocean marine insurance, and policies issued under section 4236 of the Insurance Law. Also exempt from the tax on premiums are premiums on risks located outside the United States which were written, procured, or received in New York State, **except** for insurance written by foreign and alien title insurance corporations and accident and health insurance.

Insurance corporations receiving more than 95% of their gross direct premiums from annuity contracts, ocean marine insurance, and policies issued under section 4236 of the Insurance Law **must** include these premiums in the tax limitation computation under section 1505(a)(2).

#### B. Deductions from gross direct premiums

1. **Reinsurance premiums** — When computing gross direct premiums, you may deduct (1) reinsurance premiums, minus return premiums, that have been received by way of reinsurance from corporations or other insurers authorized to transact business in this state and (2) reinsurance premiums assumed from unauthorized companies that relate to transactions authorized under section 2105 of the Insurance Law and that are subject to the premiums tax on excess-lines brokers under section 2118 of the Insurance Law.

2. **Dividends paid or credited** — You may deduct dividends on direct premiums and unused or unabsorbed portions of premium deposits paid or credited to policyholders. This deduction does not include deferred dividends paid in cash to policyholders on maturing policies or cash surrender values.

### Schedule G — Computation of combined issuer's allocation percentage

Complete this schedule by entering combined New York gross direct premiums on line 105 and combined total gross direct premiums on line 106 as reported in your annual statement filed with the Superintendent of Insurance for the tax year.

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

#### Lines 108 through 117 — Composition of prepayments

If you need more space, write **see attached** in this section and attach a separate sheet showing all relevant prepayment information. Transfer the total shown on the attached sheet to line 21.

**Line 118** — Include the amount of retaliatory tax credits from Form CT-33-R, line 19, the QEZE credit for real property taxes from Form CT-604, line 36, and the amount of ITC for the financial services industry (qualified new businesses only) from Form CT-44, line 33, to be credited as an overpayment to next year's return on this line.

#### Summary of tax credits

Summary of tax credits claimed against current year's franchise tax return; see instructions for lines 11a and 16.

**Ordering of credits** — Tax credits under Article 33 must be applied in the following order:

1. Empire Zone (EZ) capital tax credit.
2. EZ and Zone Equivalent Area (ZEA) wage tax credits.
3. Noncarryover credits that are not refundable.
4. Carryover credits that are of limited duration.
5. Carryover credits that are of unlimited duration.
6. Refundable credits.

**Line 119** — Enter the total EZ and ZEA tax credits (EZ capital tax credit, EZ and ZEA wage tax credits) claimed above that were used to reduce the tax. The amount of these credits may not reduce the tax to less than the \$250 minimum tax. Enter in the appropriate boxes the total amount of the EZ and ZEA tax credits claimed.

**Empire zone wage tax credit** — Attach a copy of Form CT-601, *Claim for EZ Wage Tax Credit*.

**ZEA wage tax credit** — Attach a copy of Form CT-601.1, *Claim for ZEA Wage Tax Credit*.

**Empire zone capital tax credit** — Attach a copy of Form CT-602, *Claim for EZ Capital Tax Credit*.

**Line 120** — Enter the total tax credits claimed, **excluding** the EZ and ZEA tax credits claimed on line 119, that were used to reduce the tax due. Generally, these credits may not reduce the tax below the combined minimum tax. However, the retaliatory tax credits and the fire insurance premiums tax credit may further reduce the tax due to zero. Enter in the appropriate boxes the total amount of each tax credit claimed.

**Fire insurance premiums tax credit** — Credit for taxes on premiums for any insurance on loss or damage by fire under sections 9104 and 9105 of the Insurance Law or under the charters of the cities of Buffalo or New York. These taxes must have been paid or accrued during the tax year covered by this return. The credit is limited to the amount reported on line 15 less the credits mentioned above. The credit cannot be carried over to any other year. Attach the *Report of Premiums*, including *Supplementary Schedules I and II*, when claiming this credit.

**Retaliatory tax credits** — Attach Form CT-33-R, *Claim for Retaliatory Tax Credits*. Do not claim the MTA surcharge retaliatory tax credit on this form.

**CAPCO credit** — Attach Form CT-33.1, *Claim for CAPCO Credit*.

**Credit for employment of persons with disabilities** — Attach Form CT-41, *Claim for Credit for Employment of Persons with Disabilities*.

**Special additional mortgage recording tax credit** — Attach Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit*.

**Investment tax credit for the financial services industry** — Attach Form CT-44, *Claim for Investment Tax Credit for the Financial Services Industry*.

**Long-term care insurance credit** — Attach Form CT-249, *Claim for Long-Term Care Insurance Credit*.

**Defibrillator credit** — Attach Form CT-250, *Credit for Purchase of an Automated External Defibrillator*.

**QEZE credit for real property taxes** — Attach Form CT-604, *Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit*.

**QEZE tax reduction credit** — Attach Form CT-604, *Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit*.

**Low-income housing credit** — Attach Form DTF-624, *Claim for Low-Income Housing Credit*.

**Green building credit** — Attach Form DTF-630, *Claim for Green Building Credit*.

Enter in the *Other credits* box any credits being claimed on line 16 that are not specifically listed above and attach the appropriate form(s).

**Line 121** — Enter the total amount of refund eligible tax credits claimed on line 120. The retaliatory tax credits, QEZE real property tax credit, and the ITC for financial services industry (if a qualified new business) are the only refund eligible credits.

## Instructions for Form CT-33-A/ATT Schedules A, B, C, D, and E

### Schedule A — Allocation of reinsurance premiums when location of risks cannot be determined

Complete this schedule to allocate reinsurance premiums to New York State when the location or residence of the property or risks covered by the reinsurance cannot be determined. This schedule must be completed for premiums assumed from authorized companies.

**Column C** — Enter the percentage each ceding corporation's New York premiums bear to its total premiums for the preceding tax year (reinsurance allocation percentage). You may obtain this percentage from tax service publications or by applying, in duplicate, to the address shown under *Need help?* on page 11 of these instructions. If the ceding corporation did not do business in New York State during the preceding year and therefore did not file a New York State tax return, the percentage is zero.

### Schedules B and C — Computation and allocation of subsidiary capital and business and investment capital

**Subsidiary capital.** A subsidiary is a corporation of which over 50% of the voting stock is owned by the taxpayer. The term *subsidiary capital* means all investments in the capital stock of subsidiary corporations plus all indebtedness from subsidiary corporations (other than accounts receivable acquired in the ordinary course of trade or business for services rendered, or for sales of property held primarily for sale to customers). When computing the amount of indebtedness owed to the taxpayer by its subsidiaries, consider each subsidiary separately. Loans and advances from the parent to the subsidiary may be offset by loans and advances from the same subsidiary to the parent, but may not be reduced to less than zero. Loans and advances from a subsidiary to the parent may not offset the parent's investment in the stock of the subsidiary, or offset loans and advances from the parent to any other subsidiary.

This indebtedness, whether or not evidenced by bonds or other written instruments, qualifies as subsidiary capital as long as the subsidiary does not claim and deduct the interest for the purpose of taxation under any Article of the New York State Tax Law. Each item of subsidiary capital must be reduced by any liabilities of the taxpayer (parent) payable by their terms on demand or not more than one year from the date incurred. These liabilities do not include loans or advances outstanding for more than a year, as of any date during the year covered by the return.

**Definition of capital.** *Total capital* is the average fair market value of all the corporation's assets minus its average current liabilities. It does not include assets that are held to maintain reserves of an insurance corporation as required under sections 1303, 1304, and 1305 of the New York State Insurance Law.

**Valuation of capital.** *Business and investment capital* is total capital minus subsidiary capital. In computing business and investment capital you are normally required to value assets at fair market value. But in valuing real and tangible personal property, you may elect to substitute book values for these assets (that is, the value established and regularly kept on the books of the company). If you make this election you must so indicate on each return. Once you have made the election, it is binding for all

subsequent tax years and cannot be changed without prior permission. You must value stocks, bonds, and other securities at fair market value.

**Average fair market value.** The *fair market value* of an asset is the price (without deduction of any encumbrance) at which a willing seller will sell and a willing buyer will buy. The fair market value, on any date, of stocks, bonds, and other securities regularly traded on an exchange or in the over-the-counter market is the mean between the highest and lowest selling prices on that date. Average value is generally computed quarterly if your usual accounting practice permits it. However, you may use a more frequent basis such as monthly, weekly, or daily. If your usual accounting practice does not permit a quarterly or more frequent computation of the average value of assets, you may use a semiannual or annual computation if no distortion of average fair market value results.

**Current liabilities.** Include **only** liabilities maturing in one year or less from the date originally incurred. Do not include loans or advances outstanding for more than a year as of any date during the year covered by this return, notes payable that are renewed from year to year, or the current portion of a long-term liability. Do not include reserves required under New York State Insurance Law sections 1303, 1304, and 1305. Use the same method of averaging used to determine average fair market value of assets.

**Issuer's allocation percentage.** For Schedule B, column F, enter the percentage of the entire capital or the issued capital stock or the gross direct premiums or net income of each issuing corporation allocable to New York State as determined on the corporation's New York State tax return for the preceding tax year. If the issuing corporation did not do business in New York State during the preceding year and therefore did not file a New York State tax return, the percentage is zero.

You may obtain up to three issuer's allocation percentages by calling toll free 1 800 972-1233. From areas outside the U.S. and outside Canada, call (518) 485-6800. You may obtain more than three only by written request. Mail the written request to: **NYS Tax Department, Business Tax Information Center, W A Harriman Campus, Albany NY 12227**. Issuer's allocation percentages are also available from many online services, printed tax services, or on the department's Web site: [www.nystax.gov](http://www.nystax.gov)

**Schedule D — Computation of adjustment for gains or losses on disposition of property acquired before January 1, 1974**

Section 1503(b)(5) of the Tax Law details the adjustments you must make when reporting the gain or loss from sale or exchange of property acquired before January 1, 1974.

**Columns B, D, and F** — Enter the amounts used in computing federal taxable income.

**Column C** — The *fair market price or value* is the price at which a willing seller will sell and a willing buyer will buy.

**Column E**

- If **both** the amounts entered in columns B **and** C are less than the amount entered in column D, a New York gain is realized. Enter in column E the difference between column D and the higher of column B or C.
- If **both** the amounts entered in columns B **and** C are more than the amount entered in column D, a New York loss is sustained. Enter in column E (in parentheses) the difference between column D and the lower of column B or C.
- If only one of the amounts entered in column B **or** C is more than the amount entered in column D, no New York gain is realized. Enter "0" in column E.
- If only one of the amounts entered in column B **or** C is less than the amount entered in column D, no New York loss is sustained. Enter "0" in column E.

**Privacy notification**

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes 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 Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

**Need help?**



**Internet access:** [www.nystax.gov](http://www.nystax.gov)  
(for information, forms, and publications)



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



**Telephone assistance** is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

To order forms and publications: 1 800 462-8100

Business Tax Information Center: 1 800 972-1233

From areas outside the U.S. and outside Canada: (518) 485-6800



**Hotline for the hearing and speech impaired:**  
If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. 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.



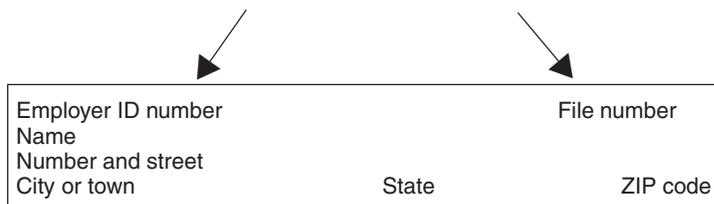
**Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.



**If you need to write,** address your letter to:  
NYS TAX DEPARTMENT  
BUSINESS TAX INFORMATION CENTER  
W A HARRIMAN CAMPUS  
ALBANY NY 12227

**When preparing and mailing your life insurance corporation combined franchise tax return, please be sure to:**

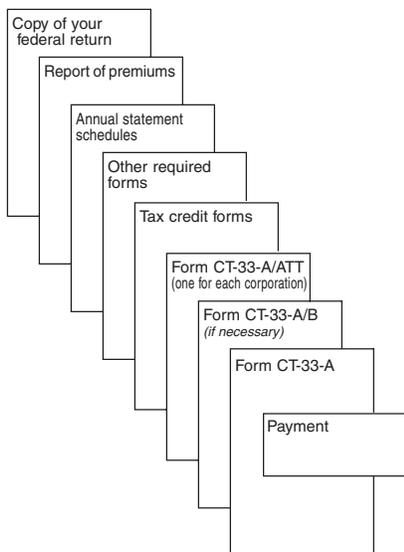
- Carefully read the instructions.
- Use the correct forms.
- Accurately complete the corporation's identifying information including your current address. You will find your employer identification number and file number just above your printed corporation name and address.



**Keep a record of your identifying information for future use.**

If you use a paid preparer or accounting firm, make sure they use your complete and accurate information when completing all forms prepared for you.

- Have the appropriate individuals sign the completed Form(s) CT-33-A and CT-33-A/ATT.
- Attach a completed copy of your federal return to your Form CT-33-A.
- Attach Forms CT-33-A/ATT, CT-33-A/B, and all other schedules you are required to file.
- Attach appropriate tax credit forms if you made an entry on either line 11a or line 16 of Form CT-33-A.
- Attach Form CT-51, *Combined Filer Statement for Newly Formed Groups Only*, or Form CT-50, *Combined Filer Statement for Existing Groups*.
- Attach a copy of your *Annual Report of Premiums* as filed with the New York State Insurance Department.
- Attach appropriate schedules from your *Annual Statement*.
- Make your check payable to: **New York State Corporation Tax**
- Assemble your return and attachments this way:



- Mail your return to: **NYS CORPORATION TAX PROCESSING UNIT  
PO BOX 22038  
ALBANY NY 12201-2038**
- Also mail a copy to: **NYS INSURANCE DEPARTMENT  
AGENCY BUILDING 1  
EMPIRE STATE PLAZA  
ALBANY NY 12257**
- See page 3 of these instructions for private delivery service address.