



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

Form CT-1, Supplement to Corporation Tax Instructions

See Form CT-1 for the following topics:

- Changes for the current tax year (general and by Tax Law Article)
- Business information (how to enter and update)
- Entry formats
 - Dates
 - Negative amounts
 - Percentages
 - Whole dollar amounts
- Are you claiming an overpayment?
- Third-party designee
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General information

Corporations subject to tax under Article 33:

- Domestic insurance corporations for the privilege of exercising a corporate franchise. A domestic insurance corporation that is transacting the business of life insurance files Form CT-33, *Life Insurance Corporation Franchise Tax Return*, or when included in a combined group, Form CT-33-A.
- Foreign and alien insurance corporations doing business, employing capital, owning or leasing property, or maintaining an office in this state. Such an insurance corporation that is transacting the business of life insurance files Form CT-33, or when included in a combined group, Form CT-33-A.

An **unauthorized** non-life insurance corporation, as well as an **unauthorized** life insurance corporation, doing business, employing capital, owning or leasing property in New York State in a corporate or organized capacity, or maintaining an office in New York State is subject to a franchise tax under Tax Law, Article 33, section 1501(a). This includes unauthorized life insurance corporations affiliated with an insurer licensed in this state, and operating from an office within this state pursuant to New York State Insurance Law sections 1101(b)(5) and 2117(i). The tax is then computed under Article 33 section 1502, which provides that the tax will be the greatest amount of tax computed on: (1) a tax on allocated entire net income (ENI); (2) a tax on allocated business and investment capital; (3) a tax on a prescribed portion of ENI, plus salaries and other compensation of elected or appointed officers and certain stockholders; or (4) a fixed dollar minimum tax of \$250, plus a tax on allocated subsidiary capital. An **unauthorized** insurance corporation is not subject to the premiums tax under Tax Law,

Article 33, section 1502-a, and must file either Form CT-33 or when properly included in a combined group, Form CT-33-A. When included in a combined group on Form CT-33-A, the premiums of the unauthorized insurance corporation are not included in the computation of either the additional premiums tax under Article 33 section 1510 or the limitations on tax under Tax Law, Article 33, section 1505. However, any such premiums that were ceded to an authorized insurance corporation that is included in the combined group are included by the authorized insurance corporation in its computation of the additional premiums tax under section 1510 and the limitations on tax under section 1505. For more information, see TSB-A-09(2)C, *Service Lloyds Insurance Company*, and TSB-M-12(4)C, *Filing Requirements and the Calculation of Tax for Unauthorized Insurance Corporations*.

- Any life insurance company whose *Certificate of Authority* from the Superintendent of Financial Services 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 this state.

Note: Other than corporations transacting the business of life insurance, the following insurance corporations must file Form CT-33-NL, *Non-Life Insurance Corporation Franchise Tax Return*:

- those authorized to transact business in this state under a certificate of authority from the Department of Financial Services;
- risk retention groups as defined in Insurance Law section 5902(n); and
- for profit health maintenance organizations (HMOs).

Exceptions: Life insurance corporations specifically exempted by Tax Law, Article 33, section 1512 do not have to file Form CT-33 or Form CT-33-A. Captive insurance companies licensed by the Superintendent of Financial Services under Insurance Law Article 70 must file Form CT-33-C, *Captive Insurance Company Franchise Tax Return*. Overcapitalized captive insurance companies must file on a combined return under either Article 9-A or 32.

Definitions

Definition of insurance corporation — An *insurance corporation* as defined by Tax Law, Article 33, section 1500 includes any corporation, association, joint stock company or association, person, society, aggregation, or partnership, doing an insurance business. It does not include any overcapitalized captive insurance company. For a complete definition, see Tax Law section 1500(a).

Definition of real estate investment trust (REIT) — A *REIT* is a real estate investment trust as defined in Internal Revenue Code (IRC) section 856.

Definition of regulated investment company (RIC) — A *RIC* is a regulated investment company as defined in IRC section 851.

Definition of captive REIT — A *captive REIT* is a REIT that is not regularly traded on an established securities market, and more than 50% of the voting stock of which is owned or controlled, directly or indirectly, by a single entity treated as an association taxable as a corporation under the IRC that is not exempt from federal income tax and is not a REIT. Any voting stock in a REIT that is held in a segregated asset account of a life insurance corporation (as described in IRC section 817) shall not be taken into account for purposes of determining whether a REIT is a captive REIT.

Any listed Australian property trust or qualified foreign entity that satisfies certain criteria shall not be considered a captive REIT. For more information, see Tax Law, Article 1, section 2.9.

Definition of captive RIC — A *captive RIC* is a RIC (a) that is not regularly traded on an established securities market, and (b) more than 50% of the voting stock of which is owned or controlled, directly or indirectly, by a single corporation that is not exempt from federal income tax and is not a RIC. Any voting stock in a RIC that is held in a segregated asset account of a life insurance corporation (as described in IRC section 817) shall not be taken into account for purposes of determining whether a RIC is a captive RIC.

Definition of closest controlling stockholder — The *closest controlling stockholder* means the corporation that indirectly owns or controls over 50% of the voting stock of a captive REIT or captive RIC, is subject to tax under Tax Law, Article 33, section 1501, or Article 9-A or 32, or required to be included in a combined return or report under Article 33, 9-A, or 32 and is the fewest tiers of corporations away in the ownership structure from the captive REIT or captive RIC. The commissioner is authorized to prescribe by regulation or published guidance the criteria for determining the closest controlling stockholder.

Who must file a combined return

A taxpayer must file a combined return with any related corporations if there are substantial intercorporate transactions among the related corporations, regardless of the transfer price for such intercorporate transactions. It is not necessary that there be substantial intercorporate transactions between any one corporation and every other related corporation. However, it is necessary that there be substantial intercorporate transactions between the taxpayer and the related corporation or, collectively, a group of such related corporations.

Examples of *related corporations* include the following:

- 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.
- 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 determine if there are substantial intercorporate transactions, the Commissioner of Taxation and Finance considers and evaluates all activities and transactions of the taxpayer and its related corporations. Activities and transactions considered include but are not limited to:

- manufacturing, acquiring goods or property, or performing services, for related corporations;
- selling goods acquired from related corporations;
- financing sales of related corporations;
- performing related customer services using common facilities and employees for related corporations;
- selling policies or contracts of insurance for related corporations;
- reinsuring risk for related corporations;
- collecting premiums or other consideration for any policy or contract of insurance for related corporations;
- incurring expenses that benefit, directly or indirectly, one or more related corporations; and
- transferring assets, including such assets as accounts receivable, patents, or trademarks, from one or more related corporations.

The provisions of New York Codes, Rules, and Regulations (NYCRR), Title 20, Subpart 6-2, relating to combined reports under

Article 9-A are applicable to combined returns filed under Tax Law section 1515(f) except where otherwise provided by the Tax Law or 20 NYCRR, Part 33.

In following the steps set forth in 20 NYCRR, Section 6-2.3, that are used to determine whether a combined report is required, and, if so, which corporations are included in such report, at the last step any of the following corporations must be eliminated from the tentative combined group:

- corporations formed under the laws of another country
- corporations taxable under another franchise tax imposed by the Tax Law (or would be taxable under another franchise tax if subject to tax)
- insurance corporations subject to the tax imposed by Tax Law section 1502-a
- captive insurance corporations subject to the tax imposed under Tax Law section 1502-b

A captive REIT or a captive RIC must be included in a combined return with the corporation that directly owns or controls over 50% of the voting stock of the captive REIT or captive RIC.

If over 50% of the voting stock of a captive REIT or captive RIC is directly owned or controlled by an insurance corporation, other than an insurance company subject to tax under Tax Law section 1502-a, that is subject to tax or required to be included in a combined return under Article 33, then the captive REIT or captive RIC must be included in a combined report or return with such insurance corporation under Article 33. If over 50% of the voting stock of a captive REIT or captive RIC is not directly owned or controlled by an insurance corporation that is subject to tax or required to be included in a combined return under Article 33, then the captive REIT or captive RIC must be included in a combined return with the corporation that is the closest controlling stockholder of the captive REIT or captive RIC. If the closest controlling stockholder of the captive REIT or captive RIC is an insurance corporation that is subject to tax or required to be included in a combined return under Article 33, then the captive REIT or captive RIC must be included in such combined return.

If a captive REIT owns the stock of a qualified REIT subsidiary (as defined in IRC section 856, subsection (j), paragraph 2), then the qualified REIT subsidiary must be included in any combined return required to be made by the captive REIT that owns the stock of the qualified REIT subsidiary.

If a captive REIT or a captive RIC is required under these provisions to be included in a combined return with another corporation, and that other corporation is required to be included in a combined return with another related corporation under these provisions, then the captive REIT or the captive RIC must be included in that combined return with the other related corporation.

Except as provided in Tax Law, Article 33, section 1515(f)(1), a combined return including any corporation is not required unless the Commissioner of Taxation and Finance deems inclusion necessary to properly reflect the tax liability under this Article (see Tax Law section 1515(f)).

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 calendar year 2013 and fiscal years that begin in 2013 and end in 2014.

You can also use the 2013 return if:

- you have a tax year of less than 12 months that begins and ends in 2014, **and**
- the 2014 return is not yet available at the time you are required to file the return.

In this case you must show your 2014 tax year on the 2013 return and take into account any tax law changes that are effective for tax years beginning after December 31, 2013.

All filers must complete the beginning and ending tax year boxes in the upper right corner on page 1 of the form.

Which forms to file

Each member of the combined group, including the parent, must complete and sign Form CT-33-A/ATT, *Schedules A, B, C, D, and E – Attachment to Form CT-33-A*.

A combined group with more than one subsidiary must 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.

If your New York State combined group is newly formed, you must complete Form CT-51, *Combined Filer Statement for Newly Formed Groups Only*. Follow the instructions on Form CT-51.

If your New York State combined group received Form CT-50, *Combined Filer Statement for Existing Groups*, you must verify its accuracy. Follow the instructions on Form CT-50.

Metropolitan transportation business tax (MTA surcharge) Article 33 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.

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 request a six-month extension of time by filing Form CT-5.3, *Request for Six-Month Extension to File (for combined franchise tax return, or combined MTA surcharge return, or both)*.

Mail returns to: **NYS CORPORATION TAX
PROCESSING UNIT
PO BOX 22038
ALBANY NY 12201-2038**

Also mail a copy to: **NYS DEPARTMENT OF FINANCIAL SERVICES
ONE COMMERCE PLAZA
ALBANY NY 12257**

Private delivery services — See Publication 55, *Designated Private Delivery Services*.

Exception for computerized returns

Form CT-33-A/B exception: If you wish, you may substitute a computer printout that replicates all the information requested on Form CT-33-A/B. You may reduce the printout to fit on 8½-by-11-inch paper. This exception applies to Form CT-33-A/B and **not** to Form CT-33-A or most other corporation tax forms. See *Use of reproduced and computerized forms* in Form CT-1.

Amended return

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

If you file an amended federal return, you must file an amended New York State return within 90 days (120 days if filing an amended combined return) thereafter.

For amended returns based on changes by the Internal Revenue Service (IRS)

— If any of the taxable income amounts listed here have been changed or corrected by a final determination of the Commissioner of Internal Revenue, you must file an amended return reflecting the federal changes within 90 days (120 days if filing an amended combined return) of the final federal determination. For a definition of final determination, see 20 NYCRR, Section 6-1.3(b).

- Life insurance company taxable income (which includes, in the case of a stock life insurance company that has an existing policyholders' surplus account, the amount of direct and indirect distributions during the tax year to shareholders from such account)
- Taxable income of a partnership
- Taxable income or alternative minimum taxable income of any taxpayer

You must attach a copy of federal Form 4549, *Income Tax Examination Changes*, to your amended return.

For credits or refunds based upon carryback of a net operating loss (NOL) or operations loss

— To claim a credit or refund resulting from the carryback of an NOL, an operations loss, or alternative net operating loss (ANOL) to a prior year, file an amended return within 90 days (120 days if filing an amended combined return) from the date of the document indicating approval of the federal refund or credit.

You must attach the following to your amended return:

- federal claim Form 1139, *Corporation Application for Tentative Refund*, amended consolidated Form 1120-L, *U.S. Life Insurance Company Income Tax Return*, or amended consolidated Form 1120-PC, *U.S. Property and Casualty Insurance Company Return*;
- a copy of the New York State return for the loss year; and
- proof of federal refund approval, *Statement of Adjustment to Your Account*.

For credits or refunds of corporation tax paid — To claim any refund type that requires an amended return, other than an NOL or operations loss carryback (see *For credits or refunds based upon carryback of a net operating loss (NOL) or operations loss*), file an amended New York State return for the year being amended and, if applicable, attach a copy of the claim form filed with the IRS and proof of federal refund approval, *Statement of Adjustment to Your Account*.

The amended return must be filed within three years of the date the original return was filed or within two years of the date the tax was paid, whichever is later. If you did not file an original return, you must make the request within two years of the date the tax was paid. However, a claim for credit or refund based on a federal change must be filed within two years from the time the amended return reporting the change or correction was required to be filed (see *For amended returns based on changes by the Internal Revenue Service (IRS)*). For additional limitations on credits or refunds, see Tax Law, Article 27, section 1087.

Erroneously paid or illegally or unconstitutionally imposed retaliatory taxes or other charges

— If after exhaustion of all further judicial review, there is a final determination by competent authority that a refund or credit is due for retaliatory taxes or other charges imposed or assessed by another state, and a credit against New York State tax was allowed under Tax Law, Article 33, section 1511(c) for such taxes or charges, then the final determination, along with the amount to be refunded or credited, must be reported within 90 days of its issuance.

Important identifying information

When preparing your corporation tax return, be sure to accurately complete the corporation's identifying information (employer identification number (EIN) and file number) including your current 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 your 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 corporation.

The return of an association, publicly traded partnership, or business conducted by a trustee or trustees must be signed by a person authorized to act for the association, publicly traded partnership, or business.

If an outside individual or firm prepared the return, all applicable entries in the paid preparer section must be completed, including identification numbers (see *Paid preparer identification numbers* in Form CT-1). Failure to sign the return will delay the processing of any refunds and may result in penalties.

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

General explanation

Form CT-33-A/ATT 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, Schedules A, B, C, D, and E*.

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 are designated *subsidiaries*.

Use Form CT-33-A 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. Report the subsidiary's amounts 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. Add the columns on Form CT-33-A/B together, and transfer the amounts from the *Total* column to column B (*Total subsidiaries*) of Form CT-33-A.

Add columns A and B on Form CT-33-A together and enter the subtotal 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 check or money order payable 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**.

Computation of tax and installment payments of estimated tax

Line 7 — Do not include any premiums of unauthorized insurance corporations included in the combined return unless such premiums were ceded to an authorized insurance corporation included in the combined return.

Line 9 — Do not include any premiums of unauthorized insurance corporations included in the combined return unless such premiums were ceded to an authorized insurance corporation included in the combined return.

Line 10 — Enter the amount from line 8 or line 9, whichever is greater. Combined groups consisting **only** of unauthorized insurance corporations: Enter the amount from line 8.

Line 11a — Enter the amount of empire zone (EZ) and zone equivalent area (ZEA) tax credits claimed on line 115. 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 of EZ and ZEA tax credits claimed may not reduce the tax due on line 11b to less than the minimum tax of \$250.

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 — Do not include any premiums of unauthorized insurance corporations included in the combined return unless such premiums were ceded to an authorized insurance corporation included in the combined return.

Line 15 — Enter the tax determined under Tax Law section 1505(a)(2) (line 14) or the tax determined under sections 1501 and 1510 (line 13), whichever is less. Combined groups consisting **only** of unauthorized insurance corporations: Enter the amount from line 13.

Line 16 — Enter the amount of tax credits from line 116. A special rule applies to taxpayers claiming EZ and ZEA tax credits. See line 11a.

Line 19 — If line 17 is more than \$1,000, and you did not file Form CT-5.3, you must pay a mandatory first installment of estimated tax for the period following the one that is covered by this return. In all cases if your tax on line 17 is more than \$100,000, enter 40%(.40) of the tax shown on line 17.

If your combined group consists of:

- **only** authorized life insurance corporations and line 17 is \$1,000 or more, enter 40%(.40) of the tax shown on line 17.
- **only** unauthorized insurance corporations and line 17 is more than \$1,000, but less than or equal to \$100,000, enter 25%(.25) of the tax shown on line 17.
- **both** authorized life insurance corporations and unauthorized insurance corporations, and line 17 is more than \$1,000, but less than or equal to \$100,000, multiply that portion of line 17 that is attributable to unauthorized insurance corporations by 25%(.25) and multiply that portion of line 17 that is attributable to authorized life insurance corporations by 40%(.40). Add the result and enter the total amount.

Line 23 — Form CT-222, *Underpayment of Estimated Tax by a Corporation*, is filed by a corporation to inform the Tax Department that the corporation meets one of the exceptions to reduce or eliminate the underpayment of estimated tax penalty pursuant to Tax Law, Article 27, section 1085(d).

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 your penalty and interest by accessing our Web site, or you may call and we will compute the penalty and interest for you (see *Need help?*).

Lines 32a and 32b — If you request a refund of unused tax credits, enter the total amount on line 32a. If you request tax credits to be credited as an overpayment to next year's tax, enter the total amount on line 32b. Attach the appropriate tax credit forms.

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 ENI, and combined ENI 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 10. 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 United States Code (USC) Title 5, Chapter 90, and premiums for federal group life insurance exempt under USC Title 5, Chapter 87, when computing the premium percentage.

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

Line 34 — See Tax Law, Article 33, section 1504(b).

Authorized life insurance corporations: Enter the total combined New York taxable premiums received from line 96.

Unauthorized insurance corporations: Enter New York life, accident and health, and other premiums, using the Schedule F instructions that are applicable to lines 93, 94, and 95.

All insurance corporations include 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 (attach schedules for such additional premiums).

Note: Do not include in the line 34 amount any separate costs assessed by the insurance corporation upon its policyholders.

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 Tax Law section 1504(b)(2)(C).

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 Insurance Law section 2105 and that are subject to the premiums tax on excess-lines brokers under Insurance Law section 2118.

Include the amount from the parent's Form CT-33-A/ATT, 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, 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 total premiums included on line 41.

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 Financial Services.

First, determine total gross premiums, deposit premiums, and assessments, minus 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.

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.

Lines 44 and 45 — 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, on line 44. It does not matter where the services were performed. Enter total wages, salaries, personal service compensation, and commissions for the tax year of all employees, agents, and representatives, on line 45. When computing the payroll percentage, include any commissions or personal service compensation derived from policies for a long-term care insurance policy under USC Title 5, Chapter 90, and from policies for federal group life insurance under USC Title 5, Chapter 87.

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

On a combined return, the tax is measured by the combined capital of all the corporations included in the return, including any captive REIT or captive RIC.

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

Lines 49 through 52 — Obtain the amounts for Forms CT-33-A and CT-33-A/B 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, line 2, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 2, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 49, Total column
50	enter amount from CT-33-A/ATT, line 2, column D	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 2, column D; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 50, Total column
51	enter amount from CT-33-A/ATT, line 2, column E	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 2, column E; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 51, Total column
52	enter amount from CT-33-A/ATT, line 3	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 3; or 2. 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

On a combined return, the tax is measured by the combined capital of all the corporations included in the return, including any captive REIT or captive RIC.

Before computing and allocating combined business and investment capital, eliminate intercompany stockholdings, intercompany bills, intercompany notes receivable and payable, and other intercompany indebtedness.

Lines 53, 54, 55, 57, and 61 — Obtain the amounts for Forms CT-33-A and CT-33-A/B 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, line 4, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 4, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 53, Total column
54	enter amount from CT-33-A/ATT, line 5, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 5, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 54, Total column
55	enter amount from CT-33-A/ATT, line 6, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 6, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 55, Total column
57	enter amount from CT-33-A/ATT, line 7, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 7, column C; or 2. if more than one subsidiary, enter amount from CT-33-A/B, line 57, Total column
61	enter amount from CT-33-A/ATT, line 8, column C	1. if only one subsidiary is filing, enter amount from CT-33-A/ATT, line 8, column C; or 2. 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 ENI

On a combined return, the tax is measured by the combined ENI of all corporations included in the return, including any captive REIT or captive RIC. In computing combined ENI, intercorporate dividends are eliminated. In the case of a captive REIT required to be included in a combined return, ENI means REIT taxable income as defined in IRC section 857, subdivision (b), paragraph 2 (as modified by section 858), plus the amount taxable under IRC section 857, subdivision (b), paragraph 3, subject to the modifications required by Tax Law, Article 33, section 1503.

In the case of a captive RIC required to be included in a combined return, ENI means investment company taxable income as defined in IRC section 852, subdivision (b), paragraph 2 (as modified by section 855), plus the amount taxable under IRC section 852, subdivision (b), paragraph 3, subject to the modifications required by Tax Law section 1503.

However, the deduction under the IRC for dividends paid by the captive REIT or captive RIC to any member of the affiliated group that includes the corporation that directly or indirectly owns over 50% of the voting stock of the captive REIT or captive RIC is not allowed. An affiliated group is defined in IRC section 1504, but without regard to the exceptions provided for in IRC section 1504, subsection (b).

Line 64 — Enter the amount of life insurance company taxable income (LICTI) (including, in the case of a stock life insurance company, distributions to shareholders from an existing policyholder's surplus account), plus the operations loss deduction included in LICTI as reported to the U.S. Treasury Department for the tax year. Corporations filing federal Form 1120-PC must enter the total of taxable income per Schedule A, plus any NOL included in taxable income as reported to the U.S. Treasury Department for the tax year. Corporations having an amount of excess inclusion as a result of having a residual interest in a real estate mortgage investment conduit (REMIC), must properly reflect this income in federal taxable income (FTI). Corporations exempt from federal income tax but subject to tax under Article 33 must enter the taxable income that would have been required to be reported to the U.S. Treasury Department.

If you file Form 1120-REIT, use the sum of: a) REIT taxable income (as defined in IRC section 857(b)(2), but **before** the NOL deduction), as modified by IRC section 858, **plus** b) the amount taxable under IRC section 857(b)(3). However, in computing the total deduction for dividends paid, any dividends paid by the captive REIT to any member of the affiliated group that includes the corporation that directly or indirectly owns over 50% of the voting stock of the captive REIT are not allowed and must be included on line 64. An affiliated group is defined in IRC section 1504, but without regard to the exceptions provided for in IRC section 1504(b).

If you file Form 1120-RIC, use the sum of a) investment company taxable income (as defined in IRC section 852(b)(2)), as modified by IRC section 855, **plus** b) the amount taxable under IRC section 852(b)(3). However, in computing the deduction for dividends paid, any dividends paid by the captive RIC to any member of the affiliated group that includes the corporation that directly or indirectly owns over 50% of the voting stock of the captive RIC are not allowed and must be included on line 64. An affiliated group is defined in IRC section 1504, but without regard to the exceptions provided for in IRC section 1504(b).

Enter in the first entry box of line 64 the total amount of all captive REIT and captive RIC disallowed dividends paid deductions for the combined group that are being included on line 64.

Additions

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, line 10, 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, line 10, in column B (*Total subsidiaries*).

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

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 FTI 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 FTI 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 accelerated cost recovery system/modified accelerated cost recovery system (ACRS/MACRS) deduction for property placed in service either **in 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, *New York Depreciation Deduction for Property Placed in Service Outside New York State in Tax Years 1985 – 1993*); or
- The corporation claims a 30%/50%/100% federal special depreciation deduction under IRC section 168(k) for qualified property (excluding qualified resurgence zone property described in Tax Law, Article 9-A, section 208.9(q) or qualified New York liberty zone property described in IRC section 1400L(b)(2)) placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002; or
- The corporation disposes this year of either ACRS/MACRS property, or property for which you claimed a 30%/50%/100% federal special depreciation deduction, and the New York State depreciation modifications applied to the property in any prior years.

If this line applies, enter the amount from Form CT-399, *Depreciation Adjustment Schedule*, line 3, column E, or, if you disposed of certain property this year, use the amount from CT-399, line 10, column A.

Line 74 — If you have any of the other additions to FTI listed below, enter the total amount of these additions and attach a list.

IRC section 199 deduction — Enter in the first entry box the total amount of the combined group's deduction for domestic production activities that is required to be added back under Tax Law section 1503(b)(2)(u) and that is included on line 74.

- A-1** The portion of the special additional mortgage recording tax claimed as a credit that was claimed as a deduction in arriving at FTI. 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 FTI 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** Include the amount deducted from federal gross income on Form 1120-PC as a result of IRC section 847(1).
- A-4** Include 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** Include 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** Include the amount of royalty payments directly or indirectly paid, accrued, or incurred in connection with one or more direct or indirect transactions with one or more related members during the tax year to the extent deductible in calculating FTI except where you are included in a combined return with a related member (Tax Law section 1503(b)(14)).
- A-7** If you are claiming an environmental remediation insurance credit, you must include on this line the amount of premiums paid for environmental remediation insurance and deducted in determining FTI, to the extent of the amount of the credit allowed under Tax Law, Article 1, section 23 and Article 33, section 1511(w).
- A-8** Include the amount of New York Article 23 Metropolitan Commuter Transportation Mobility Tax (MCTMT) that was deducted on your federal return.

Subtractions

Line 76 — Enter interest and dividend income from subsidiary capital, and capital gains from sales and exchanges of subsidiary capital. The interest, dividends, and capital gains amount used to calculate the deduction **cannot** exceed the amount used to compute FTI.

Line 77 — Enter 50% of the 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 **all** 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 FTI.

Line 79 — The operations loss or NOL 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 operations losses or NOLs. Attach a separate schedule providing details of both federal and New York State losses claimed.

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

- Federal operations losses (IRC section 810) or NOLs (IRC section 172) must be adjusted in accordance with Article 33 section 1503(b).
- The operations losses incurred may be carried back as set forth in IRC section 810.
- For NOLs incurred, refer to IRC section 172 for carry back and carry forward periods.
- If you have elected for federal purposes to relinquish the carry back of an operations loss or NOL, you may not carry back an operations loss or NOL for state purposes, and you must submit a copy of your federal election.
- The New York State operations loss deduction or NOL deduction for any particular year is limited to the federal operations loss deduction (IRC section 810) or NOL deduction (IRC section 172) for that year.
- No deduction is allowed for an operations loss or NOL 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 FTI 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 more information, see TSB-M-82(15)C, *1982 Legislation — Safe Harbor Leases*.

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 more information, see the instructions for Form CT-399.

Use this line if:

- The corporation claims the federal ACRS/MACRS deduction for property placed in service either **in 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 a 30%/50%/100% federal special depreciation deduction under IRC section 168(k) for qualified property (excluding qualified resurgence zone property described in Tax Law, Article 9-A, section 208.9(q) or qualified New York liberty zone property described in IRC section 1400L(b)(2)) placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002; or
- The corporation disposes this year of either ACRS/MACRS property, or property for which you claimed a 30%/50%/100% federal special depreciation deduction, and the New York State depreciation modifications applied to the property in any prior years.

If this line applies, enter the amount from Form CT-399, line 3, column I, or, if you disposed of certain property this year, use the amount from CT-399, line 10, column B.

Line 83 — Other subtractions:

- S-1** Include the amount of wages disallowed under IRC section 280C in the computation of your FTI 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 in calculating line 66.
- S-3** You may defer the gain on the sale of 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 FTI the amount of the gain deferral (to the extent the gain is included in FTI). 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 more information, see pages 5 and 6 of TSB-M-98(7)C, *1998 Summary of Corporation Tax Legislative Changes*.

- S-4** Include the amount included in federal gross income as a result of IRC sections 847(5) and 847(6).

- S-5** Include 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** Include 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** Include 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 FTI. Do not include amounts received from assets acquired with such assets or with the proceeds from the sale of such assets (Tax Law, Article 1, section 13).
- S-9** Include the amount of any refund or credit of an overpayment of tax imposed under New York State Tax Law Article 23 or 33 that was properly included as income for federal income tax purposes, for which no exclusion or deduction was allowed in determining the taxpayer's ENI for any prior year.
- S-10** Enter in the first entry box the amount of refund of the qualified empire zone enterprise (QEZE) credit for real property taxes that is included in your LICIT or FTI and is being included on line 83.

Schedule E — Computation of alternative base

Line 87 — Enter the amount from Form CT-33-A/ATT, line 11, 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, line 11, 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

An unauthorized insurance corporation is not subject to the additional premiums tax under section 1510 or the limitations under section 1505. Therefore, unauthorized insurance corporations do not include their premiums in Schedule F. However, an unauthorized insurance corporation uses the Schedule F instructions to complete line 34.

An authorized life insurance corporation subject to Tax Law Article 33 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). Authorized life insurance corporations must include reinsurance premiums assumed from all unauthorized insurance corporations. For more information on the floor limitation on tax, see TSB-M-03(9)C, *Summary of Insurance Corporation Tax Legislative Changes Enacted in 2003*.

Use this schedule to compute premiums due under Tax Law sections 1510, 1505(a)(2), and 1505(b), and transfer the combined total to the appropriate boxes 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 Financial Services. For purposes of this schedule, the term *premium* includes all amounts received as consideration for insurance or reinsurance contracts or contracts with HMOs for health services (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.

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

Gross direct premiums — Include total gross premiums, deposit premiums and assessments, minus returns thereon, on all policies, certificates, renewals, policies subsequently canceled, and 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 that 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 Tax Law section 1510, do not include premiums on annuity contracts, ocean marine insurance, and policies issued under Insurance Law section 4236. Also exempt from the tax on premiums are premiums on risks located outside the United States that 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.

Note: Gross direct premiums do not include any premiums that New York State cannot tax according to federal law (including premiums received for a long-term care insurance policy under USC Title 5, Chapter 90, and any premiums for federal group life insurance under USC Title 5, Chapter 87).

Line 101 — Life insurance corporations that received more than 95% of their premiums from annuity contracts, ocean marine insurance, and policies issued under Insurance Law section 4236, enter **only** the New York portion of the amount of such premiums that **exceeds 95%** of all premiums received, if applicable. Life insurance corporations receiving 95% or less of their premiums from annuity contracts, ocean marine insurance, and policies issued under Insurance Law section 4236, enter **0** on line 101.

Deductions from gross direct premiums

- **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 Insurance Law section 2105, and that are subject to the premiums tax on excess-lines brokers under Insurance Law section 2118.
- **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 103 and combined total gross direct premiums on line 104, as reported in your annual statement filed with the Superintendent of Financial Services for the tax year.

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

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 111 — Include overpayment credited from prior years. You may also include from last year's return any amount of refundable tax credits you chose to be credited as an overpayment.

Summary of tax credits claimed against current year's franchise tax

See instructions for lines 11a and 16.

Ordering of credits — You must apply tax credits under Article 33 in the following order:

1. EZ capital tax credit
2. EZ and 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 115 — Enter the total EZ and ZEA tax credits (EZ capital tax credit, EZ and ZEA wage tax credits) claimed 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. If you are required to recapture the EZ capital tax credit that was allowed in a previous reporting period, and the result is a negative credit amount on your credit form, enter this negative amount using a minus (-) sign in the applicable box.

Fire insurance premiums tax credit — Credit for taxes on premiums for any insurance on loss or damage by fire under Insurance Law sections 9104 and 9105, 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 minus 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 Form CT-33-R.

Do not send the documentation for the retaliatory tax credit (retaliatory prints) with your return. Send the documentation to:

**NYS TAX DEPARTMENT
I/FDAB - AUDIT 9
W A HARRIMAN CAMPUS
ALBANY NY 12227**

Other credits — Enter in the *Other credits* box any credits being claimed on line 16 that are not specifically listed on Form CT-33-A above line 116 and attach the appropriate form(s).

Line 116 — Enter the total tax credits claimed, **excluding** the EZ and ZEA tax credits claimed on line 115, 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. If you are required to recapture a tax credit that was allowed in a previous reporting period, and the result is a negative credit amount on your credit form, enter this negative amount using a minus (-) sign in the applicable box.

Line 117 — Enter the total amount of refund eligible tax credits claimed on line 116. The retaliatory tax credits, QEZE real property tax credit, excelsior jobs credit program, the brownfield redevelopment tax credit, the remediated brownfield credit for real property taxes, the environmental remediation insurance credit, the security officer training tax credit, the investment tax credit (ITC) for financial services industry (if a qualified new business), the economic transformation and facility redevelopment program tax credit, the Empire State jobs retention program credit, and the temporary deferral refundable payout credit are the refund eligible credits under Article 33.

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. Complete this schedule 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 calling the Corporation Tax Information Center (see *Need help?*). 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.

Schedule B — Computation and allocation of subsidiary 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.

Column C — Average fair market value — Enter the average fair market value of each item of subsidiary capital listed in column A. 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.

Column D — Average value of current liabilities

attributable to subsidiary capital — 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.

Column F — Issuer's allocation percentage — 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.

Issuer's allocation percentages are available on the Tax Department's Web site and from many online and printed tax services. You may also call to obtain up to three issuer's allocation percentages (see *Need help?*).

Schedule C — Computation of business and investment capital

Definition of total capital — *Total capital* is the average fair market value of all the corporation's assets, minus its average current liabilities.

Valuation of capital — *Business and investment capital* is total capital minus subsidiary capital. It does not include assets held to maintain reserves of an insurance corporation as required under Insurance Law sections 1303, 1304, and 1305. 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.

Line 4 — Total assets — Insurance corporations: Enter the total assets from the annual statement balance sheet. **Captive REIT and captive RIC:** Enter the total assets from federal Form 1120-REIT or federal Form 1120-RIC balance sheet.

Line 7 — 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.

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

Tax Law, Article 33, section 1503(b)(5) 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 FTI.

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.

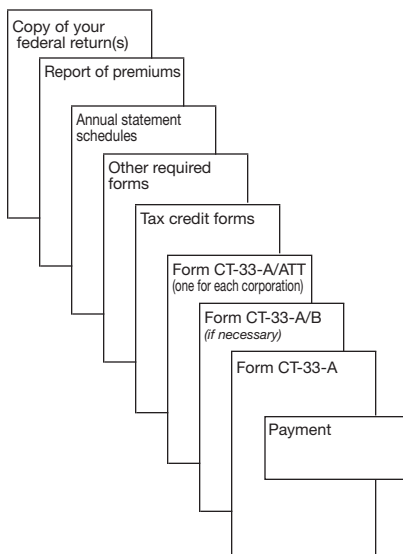
- If **both** the amounts entered in columns B **and** C are more than the amount entered in column D, a New York loss is sustained. Enter in column E (with a minus (-) sign) the difference between column D and the lower of column B or C.
- If only one of the amounts entered in column B **or** C is more 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.

When preparing and mailing your life insurance corporation combined franchise tax return:

- Carefully read the instructions.
- Use the correct forms and include all pages.
- Accurately complete the corporation's identifying information including your current address. Enter your EIN and file number above your corporation name and address. 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.

Keep a record of your identifying information for future use.

- 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(s) 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 are using tax software, attach a completed copy of Form CT-2, *Corporation Tax Return Summary*.
- Attach a copy of your *Annual Report of Premiums* as filed with the New York State Department of Financial Services.
- Attach appropriate schedules from your *Annual Statement*.
- Make your check or money order 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 DEPARTMENT OF FINANCIAL SERVICES
ONE COMMERCE PLAZA
ALBANY NY 12257**
- See Publication 55 for private delivery service information.