



Instructions for Form CT-3-A

General Business Corporation Combined Franchise Tax Return

Table of contents

	Page
Form CT-1, <i>Supplement to Corporation Tax Instructions</i>	2
Corporate tax filing requirements	2
Corporations subject to tax under Article 9-A	2
Who must file a combined return	4
Other forms you may need to file	5
When to file	6
Where to file	7
Penalties and interest	7
Voluntary Disclosure and Compliance Program	7
Is this an amended return?.....	7
Filing your final return	8
New York S corporation termination year	8
Overview of corporation franchise tax	8
Tax bases	8
Tax on combined business income	8
Tax on combined business capital	8
Fixed dollar minimum tax	8
Computation of tax for corporate partners	8
Corporate partners required to file under the aggregate method	9
Tax rates schedule.....	9
Foreign airlines.....	10
How to fill out your tax return (Important identifying information and Signature)	10
Line instructions	10
Part 1 – General corporate information	11
Part 2 – Computation of balance due or overpayment	12
Part 3 – Computation of tax on combined business income base	14
Reconciliation of aggregate of federal separate taxable income to federal consolidated taxable income (CTI)	16
Part 4 – Computation of tax on combined capital base	16
Part 5 – Computation of combined investment capital for the current tax year.....	17
Part 6 – Computation of combined business apportionment factor.....	17
Worksheet A – Gross proceeds factors and net gains for lines 10, 12, 21, and 24	26
Worksheet B – Net gains and “other” income for line 30	29
Worksheet C – Marked to market (MTM) net gains for line 28	32
Worksheet D – Designated agent’s NYS receipts for fixed dollar minimum (FDM) tax base	38
Part 7 – Summary of tax credits claimed	40

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?
- NAICS business code number and NYS principal business activity
- Limitation on tax credit eligibility
- Third-party designee
- Paid preparer identification numbers
- Is your return in processible form?
- Use of reproduced and computerized forms
- Electronic filing and electronic payment mandate
- Online services
- Web File
- Form CT-200-V
- Collection of debts from your refund or overpayment
- Fee for payments returned by banks
- Reporting requirements for tax shelters
- Tax shelter penalties
- Voluntary Disclosure and Compliance Program
- Your rights under the Tax Law
- Need help?
- Privacy notification

All citations are to New York State Tax Law sections unless specifically noted otherwise.

Corporate tax filing requirements

For tax years beginning on or after January 1, 2015, including short periods, all New York C corporations subject to tax under Tax Law Article 9-A must file using the following returns, as applicable:

- Form CT-3, *General Business Corporation Franchise Tax Return*
- Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*. When filing Form CT-3-A, Form CT-3-A/BC, *Member's Detail Report, Filed by a Corporation Included in a Combined Franchise Tax Return*, must be filed by each member of the combined group, except for the designated agent, including non-taxpayer members. Form CT-3-A/BC provides individual group member detail concerning each member's: general information, fixed dollar minimum tax, prepayments, capital base, investment capital, and apportionment.
- Form CT-3-M, *General Business Corporation MTA Surcharge Return*

Any return filed on an incorrect form, or on a form for the wrong year, except as described below, will not be processed and will not be considered timely filed. As a result, penalties and interest may be incurred.

Use this tax return for calendar year 2020, fiscal years that begin in 2020 and end in 2021, and tax years of less than 12 months that begin on or after January 1, 2020, but before January 1, 2021.

You can also use the 2020 return if:

- you have a tax year of less than 12 months that begins and ends in 2021, **and**
- the 2021 return is not yet available at the time you are required to file the return.

In this case you must show your 2021 tax year on the 2020 return and take into account any tax law changes that are effective for tax years beginning **after** December 31, 2020.

For information on voluntary dissolution and surrender of authority, see *Instructions for voluntary dissolution of a New York business corporation* (TR-125), and *Instructions for surrender of authority by foreign business corporation* (TR-199), on our website.

Taxpayers using a 52-53 week year – A taxpayer who reports on the basis of a 52-53 week accounting period for federal income tax purposes may report on the same basis for Article 9-A purposes. If a 52-53 week accounting period begins within seven days from the first day of any calendar month, the tax year is deemed to begin on the first day of that calendar month. If a 52-53 week accounting period ends within seven days from the last day of any calendar month, the tax period will be deemed to end on the last day of the calendar month.

Corporations subject to tax under Article 9-A

The definition of a corporation, as used in Article 9-A and in these instructions, includes associations, limited liability companies (LLCs), limited liability partnerships (LLPs), and publicly traded partnerships that are taxed as corporations under the Internal Revenue Code (IRC). For more information, see §208.1.

A business corporation subject to tax under Article 9-A includes all corporations **except**:

- insurance corporations (including for-profit HMOs required to obtain a certificate of authority under Public Health Law Article 44) (Tax Law Article 33);
- transportation and transmission corporations (other than aviation corporations, corporations principally engaged in transportation, transmission, or distribution of gas, electricity, or steam (TTD corporations), and nonelecting railroad and trucking corporations) (Tax Law Article 9);
- farmers, fruit growers, and similar agricultural cooperatives with, or without, capital stock (§209.12);
- nonstock, not-for-profit corporations, no part of the net earnings of which inures to the benefit of any officer, director, or member;
- continuing §186 taxpayers (Article 9).

Domestic corporations – A domestic corporation (incorporated in New York State) subject to tax under Article 9-A is generally liable for franchise taxes for each fiscal or calendar year, or part thereof, during which it is incorporated until it is formally dissolved with the Department of State. However, a domestic corporation that is no longer doing business, employing capital, owning or leasing property, or deriving receipts from activity, in New York State is exempt from the fixed dollar minimum tax for years following its final tax year and is not required to file a franchise tax return provided it meets the requirements listed in §209.8.

Foreign corporations – A foreign corporation (incorporated outside of New York State) is liable for franchise taxes under Article 9-A during the period in which it is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in New York State.

A corporation is considered to be deriving receipts in this state if it has receipts within New York of \$1 million or more in a tax year (§209.1). *Receipts* means the receipts that are subject to the apportionment rules in §210-A, and the term *receipts within this state* means the receipts included in the numerator of the apportionment factor determined under §210-A. Also, receipts from processing credit card transactions for merchants include merchant discount fees received by the corporation (§209.1(b)).

A unitary group is considered to be deriving receipts in this state if the total New York receipts of the group are \$1 million or more. When determining whether this threshold is met, only receipts from corporations conducting a unitary business that meet the ownership requirements under §210-C (except corporations that may not be included in a combined return due to the exclusions in §210-C.2(c)), with at least \$10 thousand in New York receipts, are aggregated.

A corporation is doing business in this state if (§209.1(c)):

- it has issued credit cards (including bank, credit, travel, and entertainment cards) to 1,000 or more customers who have a mailing address in this state as of the last day of its tax year;
- it has merchant customer contracts with merchants and the total number of locations covered by those contracts equals 1,000 or more locations in this state to whom the corporation remitted payments for credit card transactions during the tax year; **or**
- the sum of the number of customers and the number of locations equals 1,000 or more.

A corporation that does not meet the above thresholds for §209.1(c) but has at least 10 customers, locations, or customers and locations, as described in the above thresholds for §209.1(c) and is part of a unitary group under §210-C, is doing business in this state if the number of customers, locations, or customers and locations within this state, of the members of the unitary group that have at least 10 customers, locations, or customers and locations within this state in the aggregate meets the above thresholds for §209.1(c).

A foreign corporation that is a partner in a partnership should see *Corporate partners*.

A foreign corporation shall **not** be deemed to be doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in this state by reason of (§209.2):

- the maintenance of cash balances with banks or trust companies in this state;
- the ownership of shares of stock or securities kept in this state if kept in a safe deposit box, safe, vault, or other receptacle rented for the purpose, or if pledged as collateral security, or if deposited with one or more banks or trust companies, or with brokers who are members of a recognized security exchange, in safekeeping or custody accounts;
- the taking of any action by any such bank or trust company or broker, which is incidental to the rendering of safekeeping or custodian service to the corporation;
- the maintenance of an office in this state by one or more officers or directors of the corporation who are not employees of the corporation if the corporation otherwise is not doing business in this state, and does not employ capital or own or lease property in this state;

- the keeping of books or records of a corporation in this state if such books and records are not kept by employees of the corporation and the corporation does not otherwise do business, employ capital, own or lease property, or maintain an office in this state; **or**
- any combination of the activities listed above.

All business corporations subject to tax under Article 9-A, other than New York S corporations, must file franchise tax returns using Form CT-3, unless such corporations are required or permitted to file as members of a combined group. A business corporation that has elected to be treated as a New York S corporation by filing Form CT-6, *Election by a Federal S Corporation to be Treated as a New York S Corporation*, must file Form CT-3-S, *New York S Corporation Franchise Tax Return*, instead of Form CT-3 or Form CT-3-A.

Qualified subchapter S subsidiary (QSSS) – The filing requirements for a QSSS that is owned by a federal S corporation that is a New York C corporation or a nontaxpayer corporation are outlined below. In those instances where New York State follows federal QSSS treatment:

- the QSSS is not considered a subsidiary of the parent corporation;
- the QSSS is ignored as a separate taxable entity, and the assets, liabilities, income, and deductions of the QSSS are included with the assets, liabilities, income, and deductions of the parent for franchise tax purposes; and
- for other taxes, such as sales and excise taxes, the QSSS continues to be recognized as a separate corporation.

In the situations outlined below where the federal QSSS treatment is followed for NYS, the combined reporting rules are applied to determine if the parent (with its QSSS's activity included) files a Form CT-3, or files as a member of a combined group on a Form CT-3-A. In the situations outlined below where the federal QSSS treatment is **not** followed, the combined reporting rules must still be applied to determine if either the parent, the QSSS, or both should file as distinct members of a combined group on a Form CT-3-A.

- **Parent is a New York C corporation** – New York State follows the federal QSSS treatment if: 1) the QSSS is a New York State taxpayer; or 2) the QSSS is not a New York State taxpayer but the parent makes a QSSS inclusion election. In both cases, the parent (**with** its QSSS's activity included) files as a New York C corporation on a Form CT-3 or, if the combined filing requirements are met with one or more entities (other than the QSSS), on a Form CT-3-A. If the parent does **not** make a QSSS inclusion election when the QSSS is not a New York State taxpayer, the parent (**without** its QSSS's activity included) files as a New York C corporation on a Form CT-3 or, if the combined filing requirements are met with one or more other entities (one of which could be the QSSS), on a Form CT-3-A. In this case, both the parent and the QSSS, as separate entities, are subject to the combined reporting rules, and if the parent and QSSS are unitary they both file as distinct members of a combined group on the same Form CT-3-A.
- **Nontaxpayer parent** – New York State follows the federal QSSS treatment where the QSSS is a New York State taxpayer but the parent is not, if the parent elects to be taxed as a New York S corporation by filing Form CT-6. The parent and QSSS are taxed as a single New York S corporation, and file Form CT-3-S. If the parent does **not** elect to be a New York S corporation, the QSSS (**without** its parent's activity included) must file as a New York C corporation on a Form CT-3 or, if the combined filing requirements are met with one or more other entities (one of which could be the parent), on a Form CT-3-A.

In this case, both the parent and the QSSS, as separate entities, are subject to the combined reporting rules, and if the parent and QSSS are unitary they both file as distinct members of a combined group on the same Form CT-3-A.

- **Exception: excluded corporation** – Notwithstanding the above rules, QSSS treatment is not allowed when the parent and QSSS file under different Articles of the Tax Law (or would file under different Articles if both were subject to New York State franchise tax); in this case, each corporation must file as a distinct entity under its applicable Article, subject to the Article 9-A or Article 33 combined reporting rules, as applicable.

Mandated New York S corporations – Shareholders of an eligible federal S corporation that have not made the election to be treated as a New York S corporation for the current tax year will be deemed to have made that election and must file Form CT-3-S if the corporation's investment income is more than 50% of its federal gross income for that year. For purposes of the mandated New York State S election, *investment income* means the sum of an eligible S corporation's gross income from interest, dividends, royalties, annuities, rents and gains derived from dealings in property, including the corporation's share of such items from a partnership, estate, or trust, to the extent such items would be includable in the corporation's federal gross income for the tax year. In determining whether an eligible S corporation is deemed to have made this election, the income of a QSSS owned, directly or indirectly, by the eligible S corporation shall be included with the income of the eligible S corporation.

Corporate partners

- If a partnership is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in New York State, then a corporation that is a **general** partner in that partnership is subject to tax under Article 9-A (§209.1(f)).
- If a partnership is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in New York State, then a corporation that is a **limited** partner of that partnership (other than a portfolio investment partnership) is subject to tax under Article 9-A if it is engaged, directly or indirectly, in the participation or in the domination or control of all or any portion of the business activities or affairs of the partnership. When subject to this provision, if none of the corporation's related corporations are subject to tax under Article 9-A, such corporation is not required or permitted to file a combined return under §210-C with such related corporations.

An LLC or LLP that is treated as a partnership for federal income tax purposes will be treated as a partnership for New York State tax purposes.

For purposes of determining nexus, the \$1 million threshold for deriving receipts is determined by combining the **general** partner's receipts in New York with the partnership's receipts in New York. Also, when a **limited** partner is engaged, directly or indirectly, in the participation or in the domination or control of all or any portion of the business activities or affairs of the partnership, other than a portfolio investment partnership, for purposes of determining nexus, the \$1 million threshold for deriving receipts is determined by combining the limited partner's receipts in New York with the partnership's receipts in New York.

In instances where an LLC is treated as a partnership, other than a portfolio investment partnership, when a corporate member is **not** limited in the participation in the management of the LLC by the LLC's operating agreement, such member's receipts in New York are combined with the receipts in New

York of the LLC. Where the LLC operating agreement limits a corporate member's participation in the management of the LLC but such member is engaged, directly or indirectly, in the participation in, or domination or control of, all or a portion of the business activities or affairs of the LLC, such member's receipts in New York are combined with the receipts in New York of the LLC.

Example: *Partnership A has two general partners: Partner B who owns 60% of the partnership and Partner C who owns 40%. Partnership A has \$600,000 of receipts in New York. Separately, Partner B has \$700,000 of receipts in New York and Partner C has \$450,000 of receipts in New York. For purposes of determining nexus only, both partners B and C would be treated as having \$600,000 from the partnership. Combined with their own receipts, both general partners exceed \$1 million in receipts in New York (\$1.3 million for Partner B and \$1.05 million for Partner C). Therefore, both general partners are subject to tax.*

Alien corporations – An alien corporation (a corporation organized under the laws of a country, or any political subdivision thereof, other than the United States, or organized under the laws of a possession, territory or commonwealth of the United States) is **not** deemed to be doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in this state if its activities in this state are limited solely to:

- investing or trading in stocks and securities for its own account per IRC section 864(b)(2)(A)(ii);
- investing or trading in commodities for its own account per IRC section 864(b)(2)(B)(ii); **or**
- any combination of the above two activities.

An alien corporation that under any provision of the IRC is not treated as a domestic corporation as defined under IRC section 7701 and has no effectively connected income, gain, or loss, for the tax year will not be subject to tax under Article 9-A for that tax year (§209.2-a).

Who must file a combined return

Under Tax Law §210-C.2(a), an Article 9-A taxpayer:

- which owns or controls, either directly or indirectly, more than 50% of the voting power of the capital stock of one or more other corporations; **or**
- more than 50% of the voting power of the capital stock of such taxpayer is owned or controlled, either directly or indirectly, by another corporation; **or**
- more than 50% of the voting power of the capital stock of such taxpayer, and the capital stock of one or more other corporations, is owned or controlled, directly or indirectly, by the same interests; **and**
- that is engaged in a unitary business with such other corporations,

must file a combined return with those other corporations.

A corporation required to file a combined return also includes (§210-C.2(b)):

- a captive real estate investment trust (REIT) (as defined in §2.9) or captive regulated investment company (RIC) (as defined in §2.10) that is not required to be included in a combined return under Article 33;
- a combinable captive insurance company (as defined in §2.11); **and**
- an alien corporation that satisfies the conditions in §210-C.2(a) (see above for such conditions), **if** such corporation is treated, under any provision of the IRC, as a *domestic corporation* as defined in IRC section 7701, **or** has effectively connected income pursuant to §208.9(iv).

A corporation required or permitted to file a combined return does **not** include (§210-C.2(c)):

- a corporation that is taxable, or would be taxable if subject to tax, under a franchise tax imposed by Article 9 or Article 33;
- a REIT that is not a captive REIT;
- a RIC that is not a captive RIC;
- a New York State S corporation; **or**
- an alien corporation that, under any provision of the IRC, is not treated as a *domestic corporation* as defined in IRC section 7701 and has no effectively connected income for the tax year pursuant to §208.9(iv).

If a corporation is subject to tax under Article 9-A solely as a result of its ownership of a limited partner interest in a limited partnership, or its membership interest that is equated to the interest of a limited partner, in an LLC that is being treated as a partnership for federal income tax purposes, that is doing business, employing capital, owning or leasing property, maintaining an office, or deriving receipts from activity, in this state, and none of the corporation's related corporations are subject to tax under Article 9-A, such corporation shall not be required or permitted to file a combined return with such related corporations.

Corporations included in a combined group are **not** eligible to make the election under NYCRR 3-13.5 (the separate accounting election).

Commonly owned group election (§210-C.3) - Subject to the restrictions of §210-C.2(c) (see above for such restrictions), a taxpayer may elect to treat as its combined group all corporations that meet only the ownership requirements of §210-C.2(a) (see above for such requirements) without regard to also meeting the unitary business requirement. **Caution:** A New York State commonly owned group is **not** limited to those entities included in a federal consolidated group under IRC §1504. When the commonly owned group election is made, the **more than 50%** ownership test is applied to all corporations that meet the criteria specified in Tax Law §210-C.2(a). If this election is made, such corporations must compute the combined business income, combined capital, and fixed dollar minimum bases of all members of the group, whether or not that business income or business capital is from a single unitary business.

The election must be made on an original, timely filed return of the combined group, determined with regard to valid extensions of time for filing, by marking an **X** in the box on Part 1, Section C, line 5a. You **must** continue to mark the box at line 5a in each subsequent year the election is in effect. Any corporation entering a commonly owned group subsequent to the year of election **must** be included in the combined group, and is considered to have waived any objection to its inclusion in the combined group. If the commonly owned group election is not in effect in the current tax year, mark an **X** in the box at line 5b.

Note: In Part 1, Section C, either the box at line 5a or the box at line 5b **must** be marked, but not both.

The election is irrevocable, and binding for and applicable to the tax year for which it is made, and for the next six tax years (not including short tax years). The election will automatically be renewed for another seven tax years, unless it has been revoked by the designated agent on an original, timely filed return for the first tax year after the completion of the prior seven year period. A revocation shall prohibit a new election in any of the immediately following three tax years (not including short tax years) by any member of the commonly owned group.

Designated agent – Each combined group **must** have one designated agent, which **must** be a taxpayer. The designated agent files the combined return of the combined group. Only

the designated agent may act on behalf of the members of the combined group for matters relating to the combined return (§210-C.7). However, every member of the combined group that is subject to tax under Article 9-A is jointly and severally liable for the tax due pursuant to a combined return.

When a member of a combined group has a tax year that differs from that of its designated agent, the member's tax year that ends within the designated agent's tax year is included in the combined return.

Other forms you may need to file

Form CT-3.1, *Investment and Other Exempt Income and Investment Capital*, must be filed by a combined group that has investment capital (§208.5), investment income (§208.6), other exempt income (§208.6-a), stock that generates (or could generate) other exempt income, or is required to make the addback for prior years presumed investment capital items that failed to meet the holding period presumption.

Form CT-3.2, *Subtraction Modification for Qualified Banks*, must be filed to utilize the subtraction modification for qualified residential loan portfolios (§208.9(r)), the subtraction modification for community banks and small thrifts (§208.9(s)), or the subtraction modification for community banks and small thrifts with a captive REIT (§208.9(t)).

Form CT-3.3, *Prior Net Operating Loss Conversion (PNOLC) Subtraction*, must be filed to calculate and utilize the PNOLC subtraction and carryforward (§210.1(a)(viii)). It must be filed for **every** tax year a combined group carries a balance of PNOLC subtraction, even if the group is unable to utilize the subtraction in a given year.

Form CT-3.4, *Net Operating Loss Deduction (NOLD)*, must be filed to calculate and utilize the NOLD and carryforward (§210.1(a)(ix)). It is used to make the irrevocable election to waive the carryback of an NOL in the year the loss occurs. It must also be filed with the amended return for a tax year beginning on or after January 1, 2015, when the carryback of a net operating loss (NOL) incurred in a tax year beginning on or after January 1, 2015, is applied.

Form CT-3-M, *General Business Corporation MTA Surcharge Return*, must be filed by a combined group taxable under Article 9-A that does business, employs capital, owns or leases property, maintains an office, or derives receipts from activity, in the Metropolitan Commuter Transportation District (MCTD). The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. An exception applies to a qualified entity of a New York State innovation hot spot when the qualified entity is located solely within a hot spot.

Form CT-33-D, *Tax on Premiums Paid or Payable to an Unauthorized Insurer*, must be filed if you purchase or renew a taxable insurance contract directly from an insurer not authorized to transact business in New York State under a *Certificate of Authority* from the Superintendent of Financial Services; you may be liable for a tax of 3.6% (.036) of the premium. For more information, see Form CT-33-D.

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

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

Form CT-60, *Affiliated Entity Information Schedule*, must be filed if you are an Article 9-A taxpayer and you have included the activities of any of the following on your return:

- a QSSS;
- a single member LLC; **or**
- a tax-exempt domestic international sales corporation (DISC).

You must also file Form CT-60 if:

- you are a federal S corporation but are filing as a New York C corporation;
- you are a partner in a partnership;
- you have affiliated entities; **or**
- you are a federal QSSS where New York State does **not** follow federal QSSS treatment.

Tax-exempt DISCs – A corporation that qualifies as a DISC under IRC section 992(a) is exempt from tax under Article 9-A if during the year it received more than 5% of its:

- gross sales from the sale of inventory or other property purchased from its stockholders;
- gross rentals from the rental of property purchased or leased from its stockholders; **or**
- total receipts, other than sales or rentals, from its stockholders.

All corporate stockholders in tax-exempt DISCs must adjust each item of its receipts, expenses, assets, and liabilities, as otherwise computed under Article 9-A, by adding thereto its attributable share of each such DISC's receipts, expenses, assets, and liabilities as reportable by each such DISC to the United States Treasury for its annual reporting period ending during the current tax year of such taxpayer. The tax-exempt DISC itself has no franchise tax filing requirement.

Taxable DISCs are DISCs that do not meet the 5% test under *Tax-exempt DISCs*. Taxable DISCs must file on or before the 15th day of the ninth month after the end of the tax year. Such a DISC is subject to the tax on apportioned capital or the fixed dollar minimum, whichever is larger. Write **DISC** after the legal name of the corporation in the address section of the return.

Form CT-186-E, *Telecommunications Tax Return and Utility Services Tax Return*, must be filed by a corporation that provides telecommunication services. The corporation must pay an excise tax on its gross receipts from the sale of telecommunication services under Article 9 section 186-e.

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

Form CT-223, *Innovation Hot Spot Deduction*, must be filed if you are a corporation that is a qualified entity located both inside and outside a hot spot, or you are a corporate partner of a qualified entity, or both.

Form CT-224, *Public Utility, Power Producer, and Pipeline Adjustments*, must be filed by each corporation in the combined group that is required to make adjustments to federal taxable income (FTI) pursuant to §208.9(c-2) and §208.9(c-3).

Form CT-225-A, *New York State Modifications (for filers of combined franchise tax returns)*, must be filed if you are entering an amount on Form CT-3-A, Part 3, lines 2 and/or 4.

Form CT-225-A/B, *Group Member's Detail Spreadsheet*, must be filed if the combined group files Form CT-225-A, and there are two or more members in the combined group other than the designated agent.

Form CT-227, *New York State Voluntary Contributions*, must be filed if you choose to make a voluntary contribution to any of the available funds. For a detailed description of the funds, visit our website and search for *CT-227 (see [Need help?](#))*.

Form CT-300, *Mandatory First Installment (MFI) of Estimated Tax for Corporations*, must be filed to pay the MFI if the second preceding year's franchise tax after credits exceeds \$1,000.

Form CT-399, *Depreciation Adjustment Schedule*, must be filed to compute the allowable New York State depreciation deduction if you claim: 1) the federal accelerated cost recovery system (ACRS) depreciation or modified accelerated cost recovery system (MACRS) deduction for certain property placed in service after December 31, 1980; or 2) a federal special depreciation deduction for certain qualified property described in IRC section 168(k)(2) placed in service on or after June 1, 2003, in tax years beginning after December 31, 2002.

This form also contains schedules for determining a New York State gain or loss on the disposition of ACRS/MACRS property and property for which you claimed a federal special depreciation deduction.

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

Most corporations are required to electronically file this form either using tax software or online, after setting up an online services account through the department's website.

Form DTF-664, *Tax Shelter Disclosure for Material Advisors*, must be filed to assist material advisors in complying with New York State's disclosure requirements.

Form DTF-686, *Tax Shelter Reportable Transactions Attachment to New York State Return*, must be filed to assist taxpayers and persons in complying with New York State's disclosure requirements.

For more information about other taxes that may apply to you, see **Publication 20, *Tax Guide for New Businesses***.

When to file

File your return within 3½ months after the end of your reporting period. If you are reporting for the calendar year, your return is due on or before April 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.

Extensions if you cannot meet the filing deadline

If you cannot meet the 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)*, and paying your properly estimated franchise tax and metropolitan transportation business tax (MTA surcharge) on or before the original due date of the return.

Most corporations are required to electronically file their extension request either using tax software or online, after setting up an online services account through the department's website.

You may request up to two additional extensions by filing Form CT-5.1, *Request for Additional Extension of Time to File (for franchise/business taxes, MTA surcharge, or both)*. File it on or before the expiration date of the original extension or previously filed additional extension.

Where to file

NYS CORPORATION TAX
PO BOX 15181
ALBANY NY 12212-5181

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

Penalties and interest

If you pay after the due date

If you do not pay the tax due on or before the original due date, you must pay interest on the amount of the underpayment from the original due date of the return (**without** regard to any extension of time for filing) to the date the tax is paid. Interest is always due, without any exceptions, on any underpayment of tax. An extension of time for filing **does not** extend the due date for payment of tax.

If you file and pay after the due date

Compute additional charges for late filing and late payment on the amount of tax minus any payment made on or before the due date (**with** regard to any extension of time for filing).

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

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

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

If you understate your tax

If the tax you report is understated by 10% or \$5,000, whichever is greater, you must pay a penalty of 10% of the amount of understated tax. You can reduce the amount on which you pay penalty by subtracting any item for which: 1) there is or was substantial authority for the way you treated it; or 2) there is adequate disclosure on the return or in an attached statement (§1085(k)).

If you underpay your estimated tax

If you can reasonably expect your New York State franchise tax liability to exceed \$1,000, you must make payments of estimated tax. A penalty will be imposed if you fail to file a declaration of estimated tax or fail to timely pay the entire installment payment of estimated tax due. For complete details, see Form CT-222.

Other penalties

Strong civil and criminal penalties may be imposed for negligence or fraud.

Voluntary Disclosure and Compliance Program

Have you underreported your tax due on past returns?

Tax Law, Article 36, section 1700 authorizes the Tax Department to waive civil and criminal penalties for taxpayers who disclose and pay overdue taxes. Under the Tax Department's Voluntary Disclosure and Compliance Program, eligible taxpayers who owe back taxes can avoid monetary penalties and possible criminal charges by:

- telling the Tax Department what taxes they owe;
- paying those taxes; and
- entering an agreement to pay all future taxes.

It is easy to apply. Visit our website (see *Need help?*). Follow the prompts, answer a few questions, and submit your application electronically.

Is this an amended return?

If you are filing an amended return for any purpose, mark an **X** in the *Amended return* box on page 1 of the return.

If you file an amended federal return, you must file an amended New York State return within 90 days thereafter.

You **must** file using the correct year's return for the tax year being amended. Do **not** use the most current year's return if the current year is not the year being amended. If you file on the wrong year's return, it may cause the amended return to be rejected, or may cause a delay in receiving any tax benefits being claimed.

For amended returns based on changes to federal taxable income (FTI) – If your FTI has been changed or corrected by a final determination of the Commissioner of Internal Revenue, or by a renegotiation of a contract or subcontract with the United States, you must file an amended return reflecting the change to FTI within 90 days (120 days if filing an amended combined return) of the final federal determination (as final determination is described under the regulations of the Commissioner of Taxation and Finance).

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) – To claim a credit or refund resulting from the carryback of an NOL to a prior year, file an amended return for the year to which the carryback is being applied within three years of the date the return was due (including extensions thereof) for the tax year of the loss.

However, see §1087(d) for the last date to claim such credit or refund when:

- the last date for assessing tax for the tax year of the loss was extended by agreement (see §1087(b)), or
- you were required to file an amended return due to notice of change or correction of FTI for the tax year to which the loss is being carried back (see §1087(c)).

You must attach the following to your amended return:

- a copy of the New York State return previously filed with New York State for the loss year; and
- Form CT-3.4 when carrying back loss incurred in a tax year that began on or after January 1, 2015, to a tax year that began on or after January 1, 2015.

NOLs from tax years that begin on or after January 1, 2015, cannot be carried back to tax years that began before January 1, 2015.

For credits or refunds of corporation tax paid – To claim any refund type that requires an amended return, other than an NOL carryback (see *For credits or refunds based upon carryback of a net operating loss (NOL)*), 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 (usually Form 1120X) and proof of federal refund approval, *Statement of Adjustment to Your Account*. You must use the tax return for the year being amended.

If you are a federal S corporation, file an amended New York State return for the year being amended. If applicable, attach a copy of the amended federal Form 1120S.

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 to federal taxable income (FTI)*). For additional limitations on credits or refunds, see §1087.

Filing your final return

Mark an **X** in the *Final return* box on page 1 of the return if the designated agent is a:

- domestic corporation that ceased doing business, employing capital, owning or leasing property, or deriving receipts from activity, in New York State during the tax year and wishes to dissolve; or
- foreign corporation that is no longer subject to the franchise tax in New York State.

Do **not** mark an **X** in the *Final return* box if you are only changing the type of return that you file (for example, from Form CT-3-A to CT-3-S).

Do **not** mark an **X** in the *Final return* box in the case of a merger or consolidation.

Include the **full** profit from all installment sales made in your final tax year on your final return. Also include on your final return any remaining profit not yet received from all prior years' installment sales. When applicable to a member of the combined group, such member should include such amounts when computing its own federal separate taxable income in accordance with the provisions of the IRC that govern the computation of taxable income for separate return purposes, but subject to U.S. Treasury Regulations section 1.1502-12 (as that member reports on its Form CT-3-A/BC, Part 1, line 9 or, in the case of the designated agent, on Form CT-3-A, line F).

For information on voluntary dissolution and surrender of authority, see *Instructions for voluntary dissolution of a New York business corporation (TR-125)*, and *Instructions for surrender of authority by foreign business corporation (TR-199)*, on our website (see *Need help?*).

New York S corporation termination year

When a New York S corporation terminates its federal or New York S election on a day other than the first day of a tax year, the tax year is divided into two tax periods (an S short year and a C short year). The corporation must file Form CT-3-S for the New York S short year and Form CT-3 for the New York C short year.

When an IRC section 338(h)(10) election is made for a target corporation that is a New York S corporation, the target

corporation must file two short-period (less than 12 months) returns. When filing the second short-period return, the FTI of the new target is the starting point for computing entire net income (ENI).

The total tax for the S short year and the C short year may not be less than the fixed dollar minimum tax determined as if the corporation were a C corporation for the entire tax year. For more information, see Form CT-3-S-I, *Instructions for Form CT-3-S*.

The due date of the New York S corporation short year return (Form CT-3-S) is the same as the New York C corporation short year, even though they are treated as separate short tax years.

Overview of corporation franchise tax

Tax bases

Corporations subject to tax under Article 9-A filing as a combined group generally must compute three distinct taxes and pay the tax that results in the largest amount owed. The three taxes include a tax on the combined business income, a tax on combined capital, and the fixed dollar minimum tax of the group's designated agent.

In addition, the tax on a combined return includes the fixed dollar minimum tax of each member of the combined group (other than the designated agent) that is a taxpayer.

Note: A qualified entity of a New York State innovation hot spot filing as part of a combined group may **not** elect to file subject only to the fixed dollar minimum tax.

Tax on combined business income

The tax on the combined business income base is computed in Part 3. The business income base is determined using a single receipts factor computed in Part 6.

Tax on combined business capital

The tax on the combined business capital base is computed in Part 4. The business capital base is determined using a single receipts factor computed in Part 6.

Fixed dollar minimum tax

The fixed dollar minimum tax is determined by a corporation's New York receipts.

A domestic corporation that is no longer doing business, employing capital, owning or leasing property, or deriving receipts from activity, in New York State is exempt from the fixed dollar minimum tax for years following its final tax year and is no longer required to file a franchise tax return, provided it meets the requirements listed in §209.8.

Computation of tax for corporate partners

A taxpayer that is a partner in a partnership (a corporate partner) computes its tax for its interest in the partnership using either the aggregate method or entity method, whichever applies.

Aggregate method – Under the aggregate method, a corporate partner is viewed as having an undivided interest in the partnership's assets, liabilities, and items of receipts, income, gain, loss, and deduction. The partner is treated as participating in the partnership's transactions and activities.

Entity method – Under the entity method, a partnership is treated as a separate entity and a corporate partner is treated as owning an interest in the partnership entity. The partner's interest is an intangible asset that is classified as business capital. To the extent a corporate partner's ENI includes its

distributive share of partnership items of income, gain, loss, or deduction, those items are treated as business income.

Corporate partners required to file under the aggregate method

A corporate partner receiving a complete Form IT-204-CP, *New York Corporate Partner's Schedule K-1*, must file using the aggregate method. In addition, a corporate partner must file using the aggregate method if the corporate partner has access to the information necessary to compute its tax using the aggregate method. A corporate partner is presumed to have access to the information and therefore is required to file using the aggregate method if it meets **one or more** of the following conditions:

- it is conducting a unitary business with the partnership;
- it is a general partner of the partnership or is a managing member of an LLC that is treated as a partnership for federal income tax purposes;
- it has a 5% or more interest in the partnership;

- it has reported information from the partnership for a prior tax year using the aggregate method;
- its partnership interest constitutes more than 50% of its total assets;
- its basis in its interest in the partnership determined under IRC section 705 on the last day of the partnership year that ends within or with the taxpayer's tax year is more than \$5 million; or
- any member of its affiliated group has the information necessary to perform such computation.

A corporate partner that does not receive a complete Form IT-204-CP may file using the entity method **only** if it does **not** meet any of the conditions listed above **and** does not have access (and will not have access within the time period allowed for filing a return with regard to all extensions of time to file) to the information necessary to compute its tax using the aggregate method and certifies these facts to the Commissioner of Taxation and Finance.

Tax rates schedule

Tax base	Tax rates
Table 1 – Business income base for general business taxpayers	.065
Table 2 – Business income base for qualified small business taxpayers	.065
Table 3 – Business income base for qualified New York manufacturers	.00
Table 4 – Business income base for qualified emerging technology companies (QETCs)	.04875
Table 5 – Capital base	.00025
Table 6 – Capital base for qualified New York manufacturers and QETCs	.00019
Table 7 – Capital base for qualified cooperative housing corporations	.00025
Table 8 – Fixed dollar minimum tax For a corporation with New York receipts of:	
Not more than \$100,000:	\$ 25
More than \$100,000 but not over \$250,000:	\$ 75
More than \$250,000 but not over \$500,000:	\$ 175
More than \$500,000 but not over \$1,000,000:	\$ 500
More than \$1,000,000 but not over \$5,000,000:	\$ 1,500
More than \$5,000,000 but not over \$25,000,000:	\$ 3,500
More than \$25,000,000 but not over \$50,000,000:	\$ 5,000
More than \$50,000,000 but not over \$100,000,000:	\$ 10,000
More than \$100,000,000 but not over \$250,000,000:	\$ 20,000
More than \$250,000,000 but not over \$500,000,000:	\$ 50,000
More than \$500,000,000 but not over \$1,000,000,000:	\$ 100,000
Over \$1,000,000,000:	\$ 200,000
Table 9 – Fixed dollar minimum tax for qualified New York manufacturers and QETCs For a corporation with New York receipts of:	
Not more than \$100,000:	\$ 19
More than \$100,000 but not over \$250,000:	\$ 56
More than \$250,000 but not over \$500,000:	\$ 131
More than \$500,000 but not over \$1,000,000:	\$ 375
More than \$1,000,000 but not over \$5,000,000:	\$ 1,125
More than \$5,000,000 but not over \$25,000,000:	\$ 2,625
Over \$25,000,000:	\$ 3,750

Computation of tax under the aggregate method – The taxpayer's **distributive share** (IRC section 704) of each partnership item of receipts, income, gain, loss, and deduction, and the taxpayer's **proportionate part** of each partnership asset, liability, and partnership activity are included in the computation of the taxpayer's business income base, capital base, and the fixed dollar minimum. These items have the same source and character in the hands of the partner for Article 9-A purposes that the items have for the partner for federal income tax purposes.

Computation of tax under the entity method – A corporate partner is treated as owning an interest in the partnership entity for purposes of determining the taxes measured by the combined business income base, combined capital base, and the fixed dollar minimum. The partner's interest is an intangible asset that is business capital.

Foreign airlines

Foreign airlines that have a foreign air carrier permit pursuant to section 402 of the Federal Aviation Act of 1958 may exclude from ENI all income from international operations effectively connected to the United States, foreign passive income, and income earned from overseas operations, provided the foreign country in which the airline is based has a similar exemption from tax with respect to United States airlines (§208.9(c-1)).

When computing the tax on capital, foreign airlines may also exclude from business capital those assets used to generate the income that was excluded based on the previous paragraph (to the extent the assets were employed in generating that income) (§208.7(b)).

However, if the country in which the foreign airline is based does not provide a similar exemption from tax with respect to United States airlines, the foreign airline is not entitled to the exclusions from income and capital described above.

How to fill out your tax return

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.

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

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

Form CT-3-A is used to compute the combined tax.

For Part 4, *Computation of tax on combined capital base*, lines 1 and 6, and Part 6, *Computation of combined business apportionment factor*, a list of intercorporate eliminations for each corporation included in the combined return must be attached. Parts 4 and 6 provide a column A for the designated agent to report in, and a column B for the **total** of all other combined members to be reported in. The sum of columns A and B, less column C, is the amount to enter in columns D and E, unless otherwise instructed.

Form CT-3-A/BC **must** be completed by **each** corporation in the combined group other than the designated agent. This form is used to report such corporation's business capital and business apportionment detail, which are then included on Form CT-3-A, column B. Each corporation in the combined group, other than the designated agent, also computes its fixed dollar minimum tax, if applicable, on Form CT-3-A/BC.

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**.

Line B – If during the tax year the combined group does business, employs capital, owns or leases property, maintains an office, or derives receipts from activity, in the MCTD, it is subject to the MTA surcharge.

A corporation is deriving receipts from activity in the MCTD if it has receipts within the MCTD of \$1 million or more in a tax year. For more information, see Form CT-3-M.

The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

Mark an **X** in the appropriate box. If Yes, you must file Form CT-3-M.

Designated agent's information

Line F – *Federal separate taxable income* means, for this purpose, the amount the designated agent computed (or if the designated agent's federal consolidated group is not the same as its New York combined group, the amount the designated agent **would** have computed if the federal consolidated group was comprised of the same members as the New York State combined group) as follows: Report the amount computed in accordance with the provisions of the IRC that govern the computation of taxable income for separate return purposes, but **subject to** Treasury Regulations section 1.1502-12.

Line G – Enter the value of the designated agent's total assets at the beginning of the tax year on line G1, and at the end of the tax year on line G2. Use the values that would have been shown on the balance sheet of the federal return if the designated agent had filed a separate federal Form 1120. Enter on line G3 the average value, as the average value is described in Part 4, lines 1 through 15 instructions.

Line H – Enter the value of the designated agent's total liabilities at the beginning of the tax year on line H1, and at the end of the tax year on line H2. Use the values that would have been shown on the balance sheet of the federal return if the designated agent had filed a separate federal Form 1120. Enter on line H3 the average value, as the average value is described in Part 4, lines 1 through 15 instructions.

Line L – To indicate which method the designated agent is subject to, mark an **X** in the appropriate box. The percentage

should match that reported on Form CT-3.3, Schedule A, row A, column F.

Part 1 – General corporate information

Section A – Qualification for preferential tax rates

Failure to mark a box that pertains to you may result in a delay in processing your return or the loss of a claimed tax benefit.

Generally, you will have only one box marked in Section A indicating the preferential tax status you are actually utilizing to realize the tax benefits of that status. However, a qualified New York manufacturer can have the boxes on both lines 2 and 3 marked if it meets the principally engaged test for line 2 and the different principally engaged test for line 3.

Also, if you are a small business taxpayer utilizing small business tax benefits, you would mark the box on line 5 and enter your total capital contributions on line 5a. If you are also a QETC or a qualified New York manufacturer, you would mark the box on line 5b or line 5c, as applicable.

Line 1 – If you are claiming QETC status for purposes of the lower business income base tax rate, the lower capital base tax rate and cap, and the reduced fixed dollar minimum tax amounts, you must mark an **X** in the box. For qualifying criteria, see New York State Public Authorities Law section 3102-e(1)(c), without regard to the \$10 million limitation. All members of the combined group must meet the criteria for the group to qualify for QETC status. For more information, see TSB-M-12(9)C, *Clarification of Qualifications for Qualified Emerging Technology Company (QETC) Tax Credits*.

Line 2 – If you are claiming qualified New York manufacturer status based on the principally engaged test (see below) for purposes of the lower business income base tax rate, and the reduced fixed dollar minimum tax amounts, you must mark an **X** in the box.

A *qualified New York manufacturer* is a manufacturer (as described below) that has property in New York State that is principally used by the manufacturer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture, or commercial fishing, and either:

- the New York adjusted basis of the property is at least \$1 million at the close of the tax year (see TSB-M-19(5)C, (6)l, *New York State Adjusted Basis for Qualified New York Manufacturers*); or
- all of its real and personal property is located in New York State.

A combined group qualifies as a manufacturer if during the tax year the combined group is **principally engaged** in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture, or commercial fishing. A combined group is *principally engaged* in the foregoing activities if during the tax year more than 50% of its gross receipts are derived from receipts for the sale of goods produced by these activities.

For purposes of the 0% business income base tax rate and the reduced fixed dollar minimum tax amounts, the generation and distribution of electricity, the distribution of natural gas, and the production of steam associated with the generation of electricity are **not** considered qualifying activities for purposes of the principally engaged test.

Any amount of global intangible low-taxed income (GILTI) included in FTI is disregarded for purposes of the principally engaged test used to determine a taxpayer's, or combined group's, eligibility for preferential rates and amounts available to manufacturers (see TSB-M-19(1)(C), *New York State Tax*

Treatment of Repatriation, Foreign-Derived Intangible Income Deduction, and Global Intangible Low-Taxed Income for Businesses).

For more information, see TSB-M-15(3)C, *Real Property Tax Credit and Reduction of Tax Rates for Qualified New York Manufacturers*, and TSB-M-15(3.1)C, *Revised Information on the Real Property Tax Credit and Reduction of the Capital Base Tax Rate for Qualified New York Manufacturers*.

Line 3 – If you are claiming qualified New York manufacturer status based on the principally engaged test for purposes of the lower capital base tax rate and capital base tax cap, you must mark an **X** in the box. The definition of *qualified New York manufacturer* and the principally engaged test, as described in line 2 instructions, apply. For more information, see TSB-M-15(3)C and TSB-M-15(3.1)C.

Line 4 – If you are claiming qualified New York manufacturer status based on the significant employment and property test (see below) for purposes of the lower business income base tax rate, the lower capital base tax rate and cap, and the reduced fixed dollar minimum tax amounts, you must mark an **X** in the box.

A combined group that does not satisfy the principally engaged test may be a qualified New York manufacturer if the combined group employs during the tax year at least 2,500 employees in manufacturing in New York and the combined group has property in the state used in manufacturing, the adjusted basis of which for New York State tax purposes (see TSB-M-19(5)C, (6)l) at the close of the tax year is at least \$100 million.

For purposes of the 0% business income base tax rate and the reduced fixed dollar minimum tax amounts, the generation and distribution of electricity, the distribution of natural gas, and the production of steam associated with the generation of electricity are **not** considered qualifying activities for purposes of determining if employees are employed in manufacturing, or if property is used in manufacturing. For more information, see TSB-M-15(3)C and TSB-M-15(3.1)C.

Line 5 – If you are claiming small business taxpayer status for purposes of the exemption from the capital base tax when you are reporting for either of your first two tax years, you must mark an **X** in the box.

A combined group qualifies as a small business taxpayer if:

- 1) its combined ENI is not more than **\$390,000**;
- 2) the total amount of money and other property all members of the group received for stock, as a contribution to capital and as paid-in surplus, is not more than \$1 million as of the last day of its tax year;
- 3) the average number of individuals (excluding general executive officers) employed full time in New York State by all members of the group during the tax year is 100 or fewer; **and**
- 4) a member of the group is **not** part of an affiliated group, as defined in IRC section 1504, unless the group itself would have met the above criteria if it had filed a combined return.

For purposes of item 3 above, determine the average number of individuals employed full time in the state by averaging the sum of such individuals employed on March 31, June 30, September 30, and December 31 of the tax year.

An *individual employed full-time* means an employee in a job consisting of at least 35 hours per week, or two or more employees who are in jobs that together constitute the equivalent of a job at least 35 hours per week (full-time equivalent). A *full-time equivalent employee* in New York State includes any employee regularly connected with, or working out of an office or place of business of the taxpayer in the state.

General executive officers include the chairman, president, vice president, secretary, assistant secretary, treasurer, assistant treasurer, comptroller, and any other officer charged with the general executive affairs of the corporation. An executive officer whose duties are restricted to territory either in or outside New York State is not a general executive officer.

Short periods: A corporation filing for a tax year of less than 12 months must annualize ENI to determine if it qualifies as a small business taxpayer. For a period of less than 12 months, annualize the ENI by multiplying the ENI by 12 and dividing the result by the number of months in the short period.

Line 5a – If you are claiming the small business taxpayer exception to the capital base tax (see line 5 instructions), you must provide the information requested on this line. The amount taken into account with respect to any property, other than money, is the amount equal to the adjusted basis for the combined group of such property for determining gain, less any liability to which the property was subject or was assumed by the combined group. Use the worksheet below to determine the total capital contributions to enter on this line.

	No. of shares	Amount
Par value stock.....		
No-par value stock		
Contributions to capital and paid-in surplus		
Total capital contributions; enter on line 5a		

Section B – New York State information

Line 1 – Enter the number of full-time employees at the end of the tax year. For the definition of employee, see Section A, line 5 instructions.

Line 2 – Enter the total amount of all wages and compensation of employees (except general executive officers) that work out of an office or location in New York State.

Line 3 – A *business establishment* is a single physical location where business is conducted, or where services or industrial operations are performed.

Line 4 – A filer that is not included in a combined return with a related member must add back royalty payments directly or indirectly paid, accrued, or incurred in connection with one or more direct or indirect transactions with one or more such related members during the tax year. These royalty payments must be added back to the extent deductible in calculating FTI. This addback applies unless the filer meets one of the following four exceptions:

- The addback will not apply to the portion of the royalty payment for which the filer establishes by clear and convincing evidence of the form and type specified by the Commissioner of Taxation and Finance that:
 - the related member was subject to tax in New York or another state or possession of the United States, a foreign nation, or a combination of these on a tax base that included the royalty payment paid, accrued, or incurred by the filer;
 - the related member during the same tax year directly or indirectly paid, accrued, or incurred the portion of the royalty payment to a person that is not a related member; and
 - the transaction giving rise to the royalty payment between the filer and the related member was undertaken for a valid business purpose.
- The addback will not apply if the filer establishes by clear and convincing evidence of the form and type specified by the commissioner that:

- the related member was subject to tax on, or measured by, its net income in New York, another state or possession of the United States, or a combination of these;
 - the tax base for the tax included the royalty payment paid, accrued, or incurred by the filer; and
 - the aggregate effective rate of tax applied to the related member in those jurisdictions is not less than 80% of the statutory rate of tax that applied to the filer under §210 for the tax year.
- The addback will not apply if the filer establishes by clear and convincing evidence of the form and type specified by the commissioner that:
 - the royalty payment was paid, accrued, or incurred to a related member organized under the laws of a country other than the United States;
 - the related member's income from the transaction was subject to a comprehensive income tax treaty between that country and the United States;
 - the related member was subject to tax in a foreign nation on a tax base that included the royalty payment paid, accrued, or incurred by the filer;
 - the related member's income from the transaction was taxed in that country at an effective rate of tax at least equal to that imposed by New York; and
 - the royalty payment was paid, accrued, or incurred pursuant to a transaction that was undertaken for a valid business purpose and using terms that reflect an arm's-length relationship.
 - The addback will not apply if the filer and the commissioner agree in writing to the application or use of alternative adjustments or computations. The commissioner may, in his or her discretion, agree to the application or use of alternative adjustments or computations if he or she concludes that the income of the filer would not be properly reflected in the absence of such an agreement.

If any corporation in the combined group is claiming one of these exceptions, mark an **X** in the box and see the instructions for line 4a.

Line 4a – Enter the number of the applicable exception (see above) and the amount of royalty payments excluded from ENI. Attach a statement to your return explaining how you meet each requirement for this exception.

Section C – Filing information

To avoid an erroneous assessment or delayed refund, all filers **must** complete the applicable lines in this section.

Line 6 – Federal Public Law (P.L. 110-343) added section 457A to the Internal Revenue Code (IRC) to address the taxation of certain nonqualified deferred compensation.

If you were required to report any nonqualified deferred compensation on your 2020 federal tax return, as required under IRC section 457A, or if you are a federal S corporation any such amounts flowed-through to you from a pass-through entity, mark an **X** in the *Yes* box; otherwise mark an **X** in the *No* box.

Part 2 – Computation of balance due or overpayment

Line 1b – A **small business** may claim an exemption from the tax on capital base for its first two tax years if it meets certain requirements. However, it must mark the correct box on Part 4, line 14 for the return to process properly, and must complete Part 1, Section A, lines 5 through 5c, as applicable.

Line 1c – This line pertains only to the group’s designated agent. The sum of the fixed dollar minimum taxes for each taxable group member is reported on line 4b. The fixed dollar minimum tax is determined by a corporation’s New York receipts. Enter your New York receipts in the first box. If you do not have New York receipts, enter **0**. **To avoid an erroneous assessment or a delay in your refund, you must enter an amount on this line.**

The designated agent’s New York receipts are the receipts included in the numerator of the apportionment factor as determined in Part 6, *Computation of business apportionment factor*. Use Worksheet D in the Part 6 instructions to compute such receipts.

For a short period (tax periods of less than 12 months), compute New York receipts by dividing the amount of New York receipts for the tax year by the number of months in the tax year and multiplying the result by 12.

See Table 8 or 9 of the *Tax rates schedule* to determine the applicable fixed dollar minimum tax to enter on line 1c. The fixed dollar minimum tax may be reduced for short periods.

Period	Reduction
Not more than six months.....	50%
More than six months but not more than nine months	25%
More than nine months.....	None

A homeowners association, as such term is defined in IRC section 528(c), without regard to section 528(c)(1)(E), with no FTI, as the term is defined in section 528(d), is not subject to the fixed dollar minimum tax and must enter **0** on line 1c. A homeowners association filing federal Form 1120-H must mark an **X** in the *Other* box on Part 1, Section C, line 1, to avoid an erroneous assessment or delayed refund.

Qualified New York manufacturers and QETCs must mark an **X** in the applicable box on Part 1, Section A, line 1, 2, or 4, to avoid an erroneous assessment or delayed refund.

Line 2 – Tax due

Small business taxpayer exception: If you qualify as **both** a small business taxpayer **and** either a qualified New York manufacturer or a QETC, you must use the small business taxpayer rate for purposes of the business income base in order to be exempt from the tax on capital base. You **cannot** claim qualified New York manufacturer or QETC status for those lower business income base tax rates **and also** claim small business taxpayer status for the exemption from the capital base tax.

To indicate that you are claiming small business taxpayer status, mark an **X** in the box on Part 1, Section A, line 5, but do **not** mark an **X** in any of the boxes on Part 1, Section A, line 1, 2, 3, or 4.

Taxable DISC exception: Enter the larger of line 1b or 1c.

Line 3 – Complete Part 7, and enter the total amount of the tax credits that you are claiming to reduce your tax due. If you are claiming more than one tax credit, see Form CT-600-I, *Instructions for Form CT-600*, for the order of application under Article 9-A. **Attach** copies of all forms and schedules used. If you claim a tax credit without filing the appropriate tax credit claim form, the tax credit will be disallowed.

There are limited instances in which the use of a tax credit can reduce your tax below the fixed dollar minimum tax shown on line 1c. The manufacturer’s real property tax credit may reduce your tax to \$25. The QEZE tax reduction credit (if you have a 100% zone allocation), the tax-free New York area excise tax on telecommunications credit (if you have a 100% area allocation),

and the tax-free New York area tax elimination credit (if you have a 100% area allocation) may reduce your tax to \$0.

Line 4b – Enter the sum of all the amounts entered on all attached Forms CT-3-A/BC, Part 2, line 2.

Line 5 – Form CT-222 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 §1085(d).

Lines 6 and 7 – If you are not filing this return on time, you must pay interest and additional charges. See *Penalties and interest*.

Line 11 – Determine the amount to enter by completing the *Worksheet for Part 2, line 11* below.

Worksheet for Part 2, line 11		
From the Form CT-300 used to report the MFI for the tax period for which this return is being filed (Note: For calendar-year 2020 filers, such Form CT-300 was due March 16, 2020):		
1	Enter the portion of line A (<i>Payment enclosed</i>) that represents New York State MFI paid: generally, the amount on line 6, column A of such Form CT-300	1
2	Enter the portion of line 5, column A actually applied toward satisfying the amount on line 2, column A: generally, the lesser of the amount on line 5, column A or the amount on line 2, column A of such Form CT-300. This is your <i>2019 anticipated overpayment applied</i>	2
3	Add the amounts on lines 1 and 2, and enter the total here and on Form CT-3-A, Part 2, line 11	3

Line 16 – Enter the sum of the amounts reported on lines 26 and 31 of the Form CT-3-A that you filed for the tax period **immediately prior** to the tax period for which this return is being filed.

Note: If the Form CT-3-A filed for the immediate prior tax period was a 2020 return, use lines 22 and 27 instead of lines 26 and 31.

Line 18 – Include on this line only actual payments made by members of the group that were included on the member’s Form CT-3-A/BC.

Composition of prepayments on Part 2, line 19 – 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 this line.

Payment due or overpayment to be credited/refunded

If line 10 is **less than** line 19, skip lines 20a through 20c and proceed to line 21a.

If line 10 is **greater than or equal to** line 19, proceed to line 20a.

Line 20a – Subtract line 19 from line 10 and enter the result here.

Line 20b – If on line 5, column A of the Form CT-300 used to report the MFI for the tax period immediately **following** the tax period for which this return is being filed (the **next** franchise tax period) you did **not** apply an anticipated overpayment amount of New York State **franchise** tax from the tax period for which this return is being filed to your MFI for the **next** franchise tax period, enter **0** and proceed to line 20c. **Note:** For calendar-year 2021 filers, such Form CT-300 was due March 15, **2021**.

If on line 5, column A of such Form CT-300 you **did** apply an anticipated overpayment amount of New York State **franchise** tax from the tax period for which this return is being filed to your MFI for the **next** franchise tax period, enter the amount from line 5, column A of such Form CT-300 that you **actually** applied toward satisfying the amount on line 2, column A of such Form CT-300: generally, the lesser of the amount on line 5, column A or the amount on line 2, column A.

Line 20c – Add lines 20a and 20b. Enter the result here, and enter the **payment amount** on page 1, line A. Skip lines 21a through 21c.

Line 21a – Subtract line 10 from line 19 and enter the result here.

Line 21b – If on line 5, column A of the Form CT-300 used to report the MFI for the tax period immediately **following** the tax period for which this return is being filed (the **next** franchise tax period) you did **not** apply an anticipated overpayment amount of New York State **franchise** tax from the tax period for which this return is being filed to your MFI for the **next** franchise tax period, enter **0** and proceed to line 21c. **Note:** For calendar-year 2021 filers, such Form CT-300 was due March 15, **2021**.

If on line 5, column A of such Form CT-300 you **did** apply an anticipated overpayment amount of New York State **franchise** tax from the tax period for which this return is being filed to your MFI for the **next** franchise tax period, enter the amount from line 5, column A of such Form CT-300 that you **actually** applied toward satisfying the amount on line 2, column A of such Form CT-300: generally, the lesser of the amount on line 5, column A or the amount on line 2, column A. If line 21b is **less than or equal to** line 21a, proceed to line 21c. If line 21b is **greater than** line 21a, subtract line 21a from line 21b and enter the result on line **20c**. This is the amount due. Enter the **payment** amount on Form CT-3-A, page 1, line A. Skip line 21c.

Line 21c – Subtract line 21b from line 21a. This is your overpayment amount. Proceed to line 22.

Unrequested refunds to be credited forward – If the group overpays its tax, it will not automatically receive a refund. Instead, we will credit your overpayment to the following tax year unless you request a refund on line 25. We will notify you that the overpayment has been credited and explain how to request a refund of the credited amount. If you choose to request a refund of such credited amount, you must claim a refund of such overpayment prior to the original due date of the following year's return.

Lines 22 through 25 – You may apply an overpayment to your next state franchise tax period, or to your MTA surcharge for this period, or you may have it refunded. Indicate on these lines the amount of overpayment you want credited or refunded.

Lines 26 and 27 – If you request a refund of unused tax credits, enter the total amount on line 26. If you request tax credits to be credited as an overpayment to next year's return, enter the total amount on line 27. **Do not include** these amounts in the total credits claimed on Part 2, line 3; or Part 7, line 2 or 3. Attach the appropriate tax credit forms.

Part 3 – Computation of tax on combined business income base

Note: All amounts entered on lines 2, 4, 6, 8, 10, 12, 16, and 18 must be entered as positive numbers.

The combined business income **base** is the amount of the *combined business income* of the group that is apportioned to New York State, less any PNOLC subtraction and any NOLD for the combined group. In computing the combined business income base, the group is generally treated as a single corporation.

Combined business income is the ENI of the group minus the investment income of the group and the other exempt income of the group. In computing combined business income, most intercorporate dividends are eliminated. All other intercorporate transactions are deferred in a manner similar to the United States Treasury Regulations relating to intercompany transactions under IRC section 1502.

ENI is:

- total net income from all sources which is presumably the same as the entire taxable income the taxpayer is required to report to the U.S. Treasury Department, **or**
- income, gain, or loss, effectively connected with the conduct of a trade or business within the United States, as determined under IRC section 882, for an alien corporation that under any provision of the IRC is **not** treated as a *domestic corporation* as defined in IRC section 7701; **or**
- FTI that would have been reported to the IRS in the case of a corporation which is exempt from federal income tax (other than tax on unrelated business income imposed under IRC section 511), but is taxable under Article 9-A;

plus or minus certain New York State modifications.

If you have federal capital gains or losses included in your federal consolidated taxable income (CTI) that flow from items that qualify as New York investment capital, you **must** adjust federal CTI on line 1g by recomputing the amount of your federal net capital gain income. In this recomputation, you must net your federal capital gains and losses by the **type** of New York capital (business or investment) that generated the federal capital gain or loss, **rather** than netting business and investment capital gains and losses against each other. Business capital loss(es) are **only** allowed to be netted against business capital gain(s) to the extent that there are business capital gain(s) to absorb the business capital loss(es). Likewise, investment capital loss(es) are only allowed to be netted against investment capital gain(s) to the extent that there are investment capital gain(s) to absorb the investment capital loss(es). When completing Form CT-3.1, the adjustment made for purposes of line 1g **must** be taken into consideration.

The **sum** of the group's investment income and other exempt income must **not** exceed the group's ENI.

Line 1a – Enter the federal CTI of the New York State combined group. The CTI of the New York State combined group must be computed as if the New York State combined group, as formulated for purposes of filing this Form CT-3-A, had together filed a consolidated federal Form 1120 (even in instances where that was not the case, and even when some members of the New York State combined group would be prohibited under the IRC to file a consolidated federal Form 1120 with a member of the New York State combined group).

In computing the federal CTI of the New York State combined group, each member of the combined group must first compute its own federal separate taxable income in accordance with the provisions of the IRC that govern the computation of taxable

income for separate return purposes, but subject to United States Treasury Regulations section 1.1502-12. Report such federal separate taxable income of each member of the group on such member's Form CT-3-A/BC, Part 1, line 9, and report such income of the group's designated agent on Form CT-3-A, line F. To this aggregate of federal separate taxable incomes of all group members, the consolidated items stated in Treasury Regulations section 1.1502-11 must be subtracted from, or added to, such aggregate. The result is entered on line 1a.

Note: Federal CTI reported on line 1a includes the IRC section 965(a) inclusion amount and global intangible low-taxed income under IRC section 951A(a), as well as the corresponding deductions allowed under IRC sections 965(c) and 250(a). The addback of such deductions required by Tax Law §§ 208.9(b)(23), 208.9(b)(24) and 208.9(b)(25) is done on line 1c, *Addback federal consolidated special deductions*, **not** on Form CT-225-A.

When a captive REIT or captive RIC is required to file as a member of a combined group, determine federal separate taxable income of such captive REIT or captive RIC as follows (but also subject to Treasury Regulations section 1.1502-12):

- If you file Form 1120-REIT, use:
 - REIT taxable income as defined in IRC section 857(b)(2), as modified by IRC section 858; **and**
 - then, in computing the dividends paid deduction, 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 in combined business income. An affiliated group is defined in IRC section 1504, but without regard to the exceptions provided for in IRC section 1504(b). Include such disallowed dividends paid deduction amount on Form CT-3-A, Part 3, line 1d.

Note: If you are required to include a captive REIT in your combined return, and the captive REIT is required to include in its calculation of REIT taxable income an IRC section 965(a) inclusion amount, this inclusion, as well as the corresponding IRC section 965(c) amount, is already reflected in the line 1a amount. § 208.9(b)(23) requires that any IRC section 965(c) amount deducted when computing federal CTI must be added back to federal CTI. The addback of the IRC section 965(c) deduction amount is reported on Form CT-225-A (do **not** include this amount on line 1c). A federal election can be made under IRC section 965(m)(1)(B). When this election is made, New York State conforms to it.

- If you file Form 1120-RIC, use:
 - investment company taxable income (as defined in IRC section 852(b)(2)), as modified by IRC section 855; **plus**
 - the amount taxable under IRC section 852(b)(3);
 - then, in computing the dividends paid deduction, 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 in combined business income. An affiliated group is defined in IRC section 1504, but without regard to the exceptions provided for in IRC section 1504(b). Include such disallowed dividends paid deduction amount on Form CT-3-A, Part 3, line 1d.

Note: If you are required to include a captive RIC in your combined return, and the captive RIC is required to include in its calculation of investment company taxable income an IRC section 965(a) inclusion amount, this inclusion, as well as the corresponding IRC section 965(c) amount, is already reflected in the line 1a amount. § 208.9(b)(23) requires that any IRC section 965(c) amount deducted when computing federal CTI must be added back to federal CTI. The addback of the IRC

section 965(c) deduction amount is reported on Form CT-225-A (do **not** include this amount on line 1c).

- If you are a federal S corporation filing federal Form 1120S but you have **not** made an election to be treated as a New York S corporation, you must determine the amount you would have had to report as separate federal taxable income, were you not a federal S corporation. Attach a separate sheet showing how you determined this amount. In general, the items on Form 1120 affected are:
 - dividends
 - interest
 - gross rents
 - gross royalties
 - capital gain net income
 - charitable contributions
- If you are exempt from federal income tax but subject to New York State franchise tax, you must determine the amount you would have had to report as separate federal taxable income, were you not exempt. Attach a separate sheet showing how you determined the amount.
- If you have an amount of excess inclusion as a result of having a residual interest in a real estate mortgage investment conduit (REMIC), you must properly reflect this income.
- If you are a corporate stockholder in a tax-exempt DISC, all transactions between you and each such DISC must be eliminated from your receipts, expenses, assets, and liabilities. Your ENI must not include the amount of the deemed distribution of current income, if any, that was included in your FTI. The tax-exempt DISC itself has no franchise tax filing requirement.
- If you are a partner in a partnership(s) and received a Form IT-204-CP from your partnership(s) and an amount was reported to you in the *Partner's share of New York adjustments due to decoupling from the IRC* section, line 1 or line 2 of that form, you must account for that amount by properly adjusting your CTI. If your partnership(s) does not provide you with the necessary information to make the adjustment, you are responsible for obtaining the information from the partnership.

If you are a member of a federal affiliated group that files a consolidated return and the state combined group is the same as the federal group, or if all members of the state group are included in a larger federal group filing the consolidated return, attach a copy of the federal consolidated return and the consolidating workpapers indicating the separate taxable income of each corporation before elimination of intercorporate transactions. If some members of the state combined group are not included in the federal consolidated return, but instead file separately, send a copy of the federal consolidated return plus a complete copy of the separate federal return, as filed with the IRS, for each corporation not included in the federal consolidated group.

Lines 1b, 1c, 1d, and 1f – These lines are computed as if the New York State combined group, as formulated for purposes of filing this Form CT-3-A, had together filed a consolidated federal Form 1120 (even in the instance where that was not the case, and even when some members of the New York State combined group would be prohibited under the IRC to file a consolidated federal Form 1120 with a member of the NYS combined group).

Line 1f – Enter any intercorporate dividends between members of the New York State combined group that remain on line 1e after the application of the federal rules governing the computation of federal CTI (if any). However, if the combined group is claiming the modification for a captive REIT under §208.9(t), intercompany dividends received from the combined captive REIT should **not** be eliminated.

Line 4 – If you have included on this line an amount attributable to the operations at, or as part of, a New York State innovation hot spot, you are no longer eligible for any other New York State exemption, deduction, credit, or refund under the Tax Law to the extent that such exemption, deduction, credit, or refund is attributable to the business operations of a tenant in, or as part of the hot spot. Claiming the benefit on this line represents an irrevocable election.

Line 6 – Certain thrifts and community banks are eligible to make **one** of the following modifications to ENI:

- Subtraction modification for qualified residential loan portfolios (§208.9(r))
- Subtraction modification for community banks and small thrifts (§208.9(s))
- Subtraction modification for community banks and small thrifts with a captive REIT (§208.9(t))

Enter the amount of subtraction modification (r), (s), or (t) from Form CT-3.2, Schedule A, line 1.

Line 8 – The amount entered on this line must **not** exceed your combined ENI (line 7).

Line 12 – An addback to business income is required when the presumptive holding period for qualification as investment capital is not met. See Form CT-3.1.

Line 19 – When this line is reporting a loss, Form CT-3.4 must be filed to report such loss, and to make the irrevocable election to waive the carryback of such loss, if applicable.

Line 20 – If you do not qualify as a QETC (see Part 1, Section A, line 1 instructions), or a qualified New York manufacturer (see Part 1, Section A, lines 2 and 4 instructions), multiply line 19 by 6.5% (.065). Enter the result on this line and on Part 2, line 1a.

QETCs: Multiply line 19 by 4.875% (.04875). Enter the result on this line and on Part 2, line 1a.

Qualified New York manufacturers: Enter **0** on this line and on Part 2, line 1a.

Mark an **X** in the applicable box in Part 1, Section A, to avoid an erroneous assessment or delayed refund.

Reconciliation of aggregate of federal separate taxable income to federal consolidated taxable income (CTI)

Column A – Enter the legal name of **each** member of the New York State combined group. Use row A to enter the group's designated agent. Include non-taxpayer members of the group.

Column C – If the member entered the New York State combined group during the period covered by the return being filed, mark an **X** in the *New* box.

Column D – If the member was in the New York State combined group on the last return filed, is in the New York State combined group for the entirety of the period covered on the return being filed, and will be in the New York State combined group beyond the period end date of the return being filed, mark an **X** in the *Existing* box.

Column E – If the member left the New York State combined group during the period covered by the return being filed, mark an **X** in the *Departed* box.

Note: It is possible for a member to mark an **X** in both column C and column E in the same tax period.

Column F – For each member, enter the percentage of the voting power of the capital stock that is owned, directly or indirectly, by all other members of the New York State combined group.

Column G – If the member filed as part of a federal consolidated group, mark an **X** in the box.

Column H – For each member, enter the form number of the federal return filed by, or on behalf of, that member.

Column J – For each member, enter the federal separate taxable income or loss **before** applying the rules and the adjustments required by Treasury Regulations section 1.1502-12.

Note: The amount to enter is **not** the amount the designated agent entered on line D, nor is it the amount a combined group member entered on its Form CT-3-A/BC, line 9, as those amounts were **after** the application of Treasury Regulations section 1.1502-12.

If more space is needed, attach additional sheets providing the information in the same format.

Line 2 – Enter the combined group's aggregate amount of the adjustment to line 1 as a result of the application of the rules of Treasury Regulations section 1.1502-12. Apply such rules as if the New York State combined group had together filed a consolidated federal Form 1120.

Line 4 – Enter the combined group's aggregate amount of the adjustment to line 3 as a result of the application of the rules of Treasury Regulations section 1.1502-11. Apply such rules as if the New York State combined group had together filed a consolidated federal Form 1120.

Line 6 – The amount entered on this line should equal the amount entered on Part 3, line 1a.

Lines 7 through 10 – Report the amount of certain specific adjustments that were included on either line 2 or line 4. The amount reported should be computed as if the New York State combined group had together filed a consolidated federal Form 1120.

Part 4 – Computation of tax on combined capital base

The tax on the combined capital base is computed on that portion of the combined capital apportioned to New York State. Total business capital includes the addback of capital previously reported as investment capital that subsequently does not meet the holding period requirement. In computing combined capital, all intercorporate stockholdings, intercorporate bills, intercorporate notes receivable and payable, intercorporate accounts receivable and payable, and other intercorporate indebtedness, shall be eliminated. Combined capital is all assets, other than investment capital and stock issued by the taxpayer, less liabilities not deducted from investment capital. Combined capital includes only those assets the income, loss, or expense of which are properly reflected (or would have been properly reflected if not fully depreciated or expensed, or depreciated or expensed to a nominal amount) in the computation of ENI for the tax year. Business capital includes stock that generates, or could generate, other exempt income. Corporate partners filing using the aggregate method must include their proportionate part of the partnership's assets and liabilities in their computation.

Lines 1 through 15

To determine the value of your assets for the capital base computations, you must include real property and marketable securities at fair market value (FMV). You must include all other property at the value shown on your books in accordance with generally accepted accounting principles (GAAP). Use lines 2 through 5 to adjust the value of the real property and marketable securities you reported on your federal return. If you

are not required to complete the balance sheet on your federal tax return, use the amount that would have been reported on the federal return. If you are an alien corporation, only report the amounts that are effectively connected with your United States trade or business.

Short periods – If a tax return is for a period of less than 12 months, determine the amount of business capital by multiplying the average value by the number of months covered by the return and dividing by 12 (§210.2).

Line 1 – In column A, enter the average value entered on line G3 for the designated agent. In column B, enter the sum of **all** Forms CT-3-A/BC, Part 4, line 1, column C. In column C, enter any required intercorporate eliminations. In column D, enter the result of column A, plus column B, minus column C. 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 value results.

Line 4 – Enter the FMV of real property and marketable securities included on line 2. The *fair market value* of an asset is the price (without deduction of an encumbrance whether or not the taxpayer is personally liable) at which a willing seller will sell and a willing purchaser will buy. You can generally find the FMV of marketable securities from price quotes in financial newspapers. For determination of FMV of real property, see TSB-M-85(18.1)C, *Valuation of Real Property*.

Line 6 – Enter the amount of all liabilities attributable to assets entered on line 1, both long and short term. Use the same method of averaging used to determine average value of assets. In column A, enter the average value entered on line H3 for the designated agent. In column B, enter the sum of **all** Forms CT-3-A/BC, Part 4, line 6, column C. In column C, enter any required intercorporate eliminations. In column D, enter the result of column A, plus column B, minus column C.

Line 10 – An addback to business capital is required when the presumptive holding period for qualifications of investment capital is not met (§208.5(d)). See Form CT-3.1.

Line 14 – Small business taxpayers (see Part 1, Section A, line 5 instructions): You may claim an exemption from the tax on the capital base for your first two tax years. If you are claiming this exemption, enter **0** on line 15 and mark an **X** in the box indicating the year for which the exemption is taken. You will continue to be liable for the tax computed on Part 2, line 2.

Line 15 – Capital base tax computation – If you do **not** qualify as a QETC or qualified New York manufacturer, multiply line 13 by the tax rate of .00025. Do **not** enter more than \$5 million.

Qualified New York manufacturers (see Part 1, Section A, lines 3 and 4 instructions) **and QETCs** (see Part 1, Section A, line 1 instructions): multiply line 13 by the tax rate of .00019. Do **not** enter more than \$350,000.

Part 5 – Computation of combined investment capital for the current tax year

This part computes the amount of investment capital that is excluded from, or added back to, the tax on the capital base and is reported on Part 4, lines 8 and 10.

For more information on investment capital, see Form CT-3.1.

Note: You **must** file Form CT-3.1 and identify investment capital items or the subtraction will be disallowed.

Part 6 – Computation of combined business apportionment factor

Receipts, net income, net gains, and other items are sourced, and the amounts allowed in the apportionment factor are determined, pursuant to §210-A. Include only the receipts, net income, net gains, and other items described in §210-A, that are earned in the regular course of business and included in your business income, determined without regard to the amount subtracted on Part 3, line 6 (*Subtraction modification for qualified banks*), and without regard to any amount from investment capital that is determined to exceed the 8% of ENI limitation on gross investment income.

Note: Generally, receipts from services are reported on line 53, (*Receipts from other services/activities not specified*.)

In determining the apportionment factor for a combined return, the receipts, net income, net gains, and other items of all members of the combined group, whether or not they are taxpayers, are included; and intercorporate receipts, income, and gains are eliminated.

New York State (NYS) amounts to enter in **row a** of Part 6, lines 1 through 54 are determined per the specific line instructions below. Everywhere (*EW*) amounts to enter in **row b**, of Part 6, lines 1 through 54 should be 100%, **before** intercorporate eliminations, of the amount of the item being reported on a line, unless otherwise specified. If only one line of Part 6 applies to your business, you must still enter the *NYS* and *EW* amounts for that line. Skip a line only if **both** the numerator (*NYS*) and the denominator (*EW*) are zero.

For columns **A** (*Designated agent*) **and B**, for all lines involving the computation of net gains, net income, or net interest, amounts less than zero must be entered, where applicable. Amounts less than zero are allowed in columns **A and B** because these amounts must be netted on a **combined** basis in columns D and E to amounts not less than zero for each such line. For columns A and B use a minus sign (-) to report amounts less than zero (not parentheses or brackets).

Form CT-3-A/BC, Part 6, must be completed for **all** group members (**including** non-NYS taxpayers), **except** for the group designated agent. For column **B** (*Total of all combined members*) the amount to include in rows a and b of such column for any specific group member, except for the designated agent, comes from such group member's Form CT-3-A/BC, Part 6, columns A and B.

For column **C**, the amount entered can be either a positive or negative amount depending on what is being eliminated. If a negative amount, use a minus (-) sign, not parentheses or brackets.

For columns **D and E**, if any combined total for a particular line nets to less than zero, enter **0** for that line. Unless specifically instructed otherwise, enter in column D of any given line the result of row a, column A plus column B, minus column C for that particular line; and enter in column E of any given line the result of row b, column A plus column B, minus column C for that particular line.

The column A, *NYS* receipts amounts for each line should be calculated using the applicable apportionment rule or fraction as computed for the **combined group** for each line.

Example: For line 45, in column A, the designated agent would multiply its own separate amount of receipts from the conduct of a railroad business or a trucking business by a fraction, the numerator of which is the total miles of the combined group within New York State and the denominator of which is the total miles of the combined group within and outside New York State.

Designated agent: Use Worksheet D of these instructions to compute your New York State receipts for the fixed dollar minimum tax base.

A combined group that has no receipts required to be included in the denominator of the apportionment factor must mark the box at the beginning of Form CT-3-A, Part 6, *Computation of business apportionment factor*. Examples include a combined group that owns property in New York State but has no FTI, ECI, or receipts from the rental, sale or lease of such property amounts, or a combined group whose only income is dividends and net gains from the sales of stock or sales of partnership interests when the fixed percentage election is **not** made. If you have any other everywhere receipts, this box does not apply. If you mark the box, you must attach a statement explaining why you have no receipts required to be included in the business apportionment factor.

Section 210-A.2 – Sales of tangible personal property, electricity and net gains from real property

Line 1 – Receipts from the sale of tangible personal property are included in the *NYS* row when shipments are made to points in the state, or the destination of the property is a point in the state. Receipts from sales of tangible personal property and electricity that are traded as commodities, as defined in IRC section 475, are included on line 27, in accordance with §210-A.5(a)(2)(l).

Line 2 – Receipts from the sale of electricity are included in the *NYS* row when delivered to points in the state. Receipts from sales of tangible personal property and electricity that are traded as commodities, as defined in IRC section 475, are included on line 27, in accordance with §210-A.5(a)(2)(l).

Line 3 – For the *NYS* row, net the gains from the sales of real property located within the state against the losses from the sales of real property located within the state and enter the result (but not less than zero). For the *EW* row, net the gains from the sales of real property located everywhere against the losses from the sales of real property located everywhere and enter the result (but not less than zero).

Section 210-A.3 – Rentals of real and tangible personal property, royalties, and rights for certain closed-circuit and cable TV transmissions

Line 4 – Receipts from rentals of real and tangible personal property located within the state are included in the *NYS* row.

Line 5 – Receipts of royalties from the use of patents, copyrights, trademarks, and similar intangible personal property within the state are included in the *NYS* row.

Line 6 – Receipts from the sales of rights for closed-circuit and cable television transmissions of an event (other than events occurring on a regularly scheduled basis) taking place within the state as a result of the rendition of services by employees of the corporation, as athletes, entertainers, or performing artists, are entered in the *NYS* row to the extent that those receipts are attributable to such transmissions received or exhibited within the state.

Section 210-A.4 – Receipts from sale of, license to use, or granting of remote access to digital products

Line 7 – For Article 9-A apportionment purposes, the term *digital product* means any property or service, or combination thereof, of whatever nature delivered to the purchaser through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite

or similar successor media, or any combination of these. Digital product includes, but is not limited to, an audio work, audiovisual work, visual work, book or literary work, graphic work, game, information or entertainment service, and storage of digital products. In addition, it includes computer software by whatever means delivered. The term *delivered* to includes furnished or provided to or accessed by. A digital product does **not** include legal, medical, accounting, architectural, research, analytical, engineering or consulting services.

If the receipt for a digital product is comprised of a combination of digital property and services, it cannot be divided into separate components and is considered to be one receipt, regardless of whether it is separately stated for billing purposes. The entire receipt must be allocated according to a hierarchy (see below).

Receipts from the sale of, license to use, or granting of remote access to digital products within the state, are sourced by each corporation in the combined group according to the following hierarchy:

- 1) The customer's primary use location of the digital product.
- 2) The location where the digital product is received by the customer or is received by a person designated for receipt by the customer.
- 3) The apportionment fraction for the preceding tax year for such digital product.
- 4) The apportionment fraction in the current tax year for those digital products that can be sourced using the methods in items 1 and 2.

Note: Item 3 does not apply to your first tax period that begins on or after January 1, 2015, for which you are subject to Article 9-A.

Each corporation in the combined group must exercise due diligence under each method before rejecting it and proceeding to the next method in the hierarchy, and must base its determination on information known to the corporation or information that would be known to the corporation upon reasonable inquiry.

Section 210-A.5(a)1 – Qualified financial instruments (QFIs), the 8% fixed percentage method

Line 8 – A *qualified financial instrument (QFI)* means a financial instrument of these types that is marked to market in the tax year by the taxpayer under IRC section 475 or 1256: Type A (reported on lines 11 and 12); Type B (reported on lines 13 – 18); Type C (reported on lines 19 – 21); Type D (reported on lines 22 – 24); Type I (reported on line 27); Type(s) H (reported on lines 29 and 30); and Type(s) G (also reported on line 30).

If the taxpayer has in the tax year marked to market a financial instrument within types A, B, C, D, and I, then **any** financial instrument **within that same type** that has **not** been marked to market by the taxpayer under IRC section 475 or 1256 **is also** a QFI in the tax year. When a financial instrument within either types H or G is marked to market, **not** all financial instruments within type H or G, respectively, are QFIs, as explained further below.

When reporting interest from "other" financial instruments on line 29, and net gains and other income from "other" financial instruments on line 30, marking to market one "other" financial instrument does **not** necessarily cause all "other" financial instruments to be QFIs. It is an instrument by instrument determination as to when "other" financial instruments are of the same type. Thus, you may have more than one **type** of "other"

financial instruments reported on either of lines 29 and 30, and some types may be QFI while other types may not be QFI.

Line 30 can be used to report financial instruments under clause **G** (dividends and net gains from sales of stock or partnership interests) **or** clause **H** (“other” financial instruments) of §210-A.5(a)(2), or both. Line 30 will be used to report financial instruments under clause (G) **only** when the financial instrument is a QFI **and** the 8% fixed percentage method has been elected. When **any** stock that is business capital has been marked to market, **all** stock that is business capital is a QFI (for exception, see next paragraph immediately following). When **any** partnership interest in a widely held or publicly traded partnership has been marked to market, **all** partnership interests in a widely held or publicly traded partnership are QFIs. However, marking to market stock that is business capital does **not** cause partnership interests in a widely held or publicly traded partnership that are **not** marked to market to be QFIs. The same is true in regard to the marking to market of partnership interests in a widely held or publicly traded partnership in respect to stock that is business capital. When a financial instrument falling under clause (H) has been marked to market, it does **not** necessarily cause all financial instruments under clause (H) to be QFIs. It is an instrument by instrument determination as to when instruments under clause (H) are of the same **type**. Thus, you may have more than one type of “other” financial instruments under clause (H) to report on line 30. Marking to market a financial instrument of the type under clause (G) does **not** cause financial instruments of the type under clause (H) to be QFIs. The same is true in regard to clause (H) in respect to clause (G).

If the **only** loans that are marked to market under IRC section 475 or 1256 are loans secured by real property, then **no** loans are QFIs. Stock that is investment capital shall **not** be a QFI. A stock that generates other exempt income as defined in §208.6-a, and that is not, **itself**, marked to market under IRC section 475 or 1256, is **not** a QFI with respect to such other exempt income only, even if other stocks are marked to market in the tax year.

Taxpayers may elect to use the 8% *fixed percentage method* to apportion business receipts from QFIs. This election is irrevocable, applies to **all** QFIs, and must be made on an annual basis on the original timely filed return (determined with regard to valid extensions of time for filing) by marking an **X** in the box on line 8. If you do not mark the box but still apportion QFI receipts by 8%, you will be considered to have made the election and to have marked the box.

Regardless of whether or not the 8% fixed percentage method is elected, when **any** financial instrument has been marked to market that is described on:

- a) **either** line 11 or 12, then the boxes on **both** lines 11 and 12 must be marked, and all financial instruments reported on such lines are QFIs (Type A financial instruments);
- b) **any** of lines 13 through 18, then the box above line 13 must be marked, and all financial instruments reported on such lines are QFIs (Type B financial instruments);
- c) **any** of lines 19 through 21, then the box above line 19 must be marked, and all financial instruments reported on such lines are QFIs (Type C financial instruments);
- d) **any** of lines 22 through 24, then the box above line 22 must be marked, and all financial instruments reported on such lines are QFIs (Type D financial instruments);
- e) line 27, then the box above line 27 must be marked, and all financial instruments reported on line 27 are QFIs (Type I financial instruments);
- f) line 28, then the box above line 28 must be marked;

- g) line 29, then the section 210-A.5(a)(2)(H) box above line 29 must be marked;
- h) line 30, due to clause (H), then the section 210-A.5(a)(2)(H) box above line 30 must be marked; and
- i) line 30, due to clause (G), then the section 210-A.5(a)(2)(G) box above line 30 must be marked

A marked QFI box does **not** indicate which method of sourcing (8% fixed percentage method or customer-based sourcing rule) is being used to apportion such instruments. Also, because lines 28, 29, and 30 may report more than one **type** of financial instrument, when the QFI box above line 28 is marked, or one of the boxes above lines 29 and 30 is marked: a) in the case of line 28, it does **not** indicate that all financial instruments being reported on line 28 are QFIs, and b) in the case of lines 29 and 30 it does **not** indicate that all financial instruments being reported on lines 29 and 30 are QFIs.

General lines 9 through 53 instructions

For all financial instruments that do **not** meet the definition of a QFI, or for instruments that meet the definition of a QFI but the 8% fixed percentage method election is **not** in effect, use the customer-based sourcing rules as provided in the individual line instructions for lines 9 through 27, 29, and 30.

Regardless of whether or not the 8% fixed percentage method election is in effect, Worksheets A, B, and C of these instructions compute certain amounts for lines 10, 12, 21, 24, 28, and 30 of Forms CT-3-A, Part 6; CT-3-A/BC, Part 6; and Worksheet D of these instructions.

For purposes of these apportionment instructions, an individual is deemed located in New York State if his or her billing address is in the state. A business entity is deemed to be located in New York State if its commercial domicile is located in the state.

Use the following hierarchy to determine the *commercial domicile* of a business entity, based on known information, or information that would be known upon reasonable inquiry:

- 1) The seat of management and control of the business entity.
- 2) The billing address of the business entity in the taxpayer’s records.

You must exercise due diligence before rejecting the first method and proceeding to the next method in this hierarchy.

For purposes of these apportionment instructions, *registered securities broker or dealer* means a broker or dealer registered as such by the Securities and Exchange Commission (SEC) or a broker or dealer registered as such by the commodities futures trading commission, and shall include an over-the-counter (OTC) derivatives dealer as defined under regulations of the SEC (17 CFR 240.3b-12).

Section 210-A.5(a)(2)

Section 210-A.5(a)(2)(A) – Loans

A loan is secured by real property if 50% or more of the value of the collateral used to secure the loan (when valued at FMV as of the time the loan was originated) consists of real property.

Line 9 – Include in the *NYS* row, interest from loans secured by real property located within the state. Include in the *EW* row interest from loans secured by real property located anywhere.

Line 10 – *NYS* amounts are determined by multiplying **net** gains from sales of loans secured by real property by a fraction, the numerator of which is the amount of gross proceeds from sales of loans secured by real property located within the state, and the denominator of which is the amount of gross proceeds from sales of such loans everywhere. *Gross proceeds* are determined

after the deduction of any cost to acquire the loans, but shall not be less than zero.

EW amounts are the amount of net gains from sales of loans secured by real property both within and outside New York State.

Use Worksheet A at the end of these instructions.

Line 11 – If the fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 11 is marked, enter 8% of the applicable receipts in row a, columns A and B.

When the 8% fixed percentage method **is not** elected (the box on line 8 is **not** marked), **and** the QFI box above line 11 **is** marked, use the customer-based sourcing rule below for **all** financial instruments to be reported on this line.

When the QFI box above line 11 is **not** marked, use the customer-based sourcing rule below for **all** financial instruments to be reported on this line.

In the *NYS* row, include interest from loans **not** secured by real property if the borrower is located in New York State.

In the *EW* row, include interest from all loans **not** secured by real property.

Line 12 – *NYS* amounts are determined by multiplying **net** gains from sales of loans **not** secured by real property by a fraction, the numerator of which is the amount of gross proceeds from sales of loans **not** secured by real property to purchasers located within the state, and the denominator of which is the amount of gross proceeds from sales of such loans to purchasers located within and outside the state. *Gross proceeds* are determined after the deduction of any cost to acquire the loans, but shall not be less than zero.

EW amounts are the amount of **net** gains from sales of loans **not** secured by real property within and outside the state.

Use Worksheet A at the end of these instructions.

Section 210-A.5(a)(2)(B) – Federal, state, and municipal debt

For **lines 13** (*Interest from federal debt*) **and 15** (*Interest from NYS and its political subdivisions debt*):

- If the 8% fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B. Enter 100% of the applicable receipts in row b, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. Enter 100% of the applicable receipts in row b, columns A and B.

For **line 16** (*Net gains from federal, NYS, and NYS political subdivisions debt*):

- If the 8% fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B. Enter 100% of the applicable receipts in row b, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. Enter 100% of the applicable receipts in row b, columns A and B. For row b, column E, add row b, column A to row b, column B; then subtract row b, column C and enter the result. If the result is less than zero, enter **0** in column E.

For **line 17** (*Interest from other states and their political subdivisions debt*):

- If the 8% fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 13

is marked, enter 8% of the applicable receipts in row a, columns A and B. Enter 100% of the applicable receipts in row b, columns A and B.

- In all other instances, enter **0** in row a, columns A, B, C, and D. Enter only 50% (not 100%) of the applicable everywhere receipts in row b, columns A and B.

For **line 18** (*Net gains from other states and their political subdivisions debt*):

- If the 8% fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B. Enter 100% of the applicable receipts in row b, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. Enter 100% of the applicable receipts in row b, columns A and B. For row b, column E, add row b, column A to row b, column B; then subtract row b, column C. If the result is less than zero, enter **0** in column E. If the result is greater than zero, multiply the result by 50% and enter the result in column E.

Section 210-A.5(a)(2)(C) – Asset-backed securities and other government agency debt

Line 19 – In the *EW* row, enter 100% of the interest income from all:

- 1) Asset-backed securities issued by government agencies;
- 2) Other securities issued by government agencies, including but not limited to securities issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or the Small Business Administration (SBA); and
- 3) Asset-backed securities issued by other entities.

In the *NYS* row, enter 8% of the amount in the *EW* row.

Line 20 – In the *EW* row, enter the result (but not less than zero) of netting the gains and losses from all:

- 1) Sales of asset-backed securities or other securities issued by government agencies, including but not limited to securities issued by GNMA, FNMA, FHLMC, or the SBA; and
- 2) Sales of other asset-backed securities that are sold through a registered securities broker or dealer, or through a licensed exchange.

In the *NYS* row, enter 8% of the amount in the *EW* row.

Line 21 – For the *NYS* amount, **net** gains from sales of other asset-backed securities **not** reported on line 20 is multiplied by a fraction, the numerator of which is the amount of gross proceeds from such sales to purchasers located in the state, and the denominator of which is the amount of gross proceeds from such sales to purchasers located within and outside the state. *Gross proceeds* are determined after the deduction of any cost incurred to acquire the securities, but shall not be less than zero.

The *EW* amount is 100% of the amount of net gains from sales of other asset-backed securities not reported on line 20.

Use Worksheet A at the end of these instructions.

Section 210-A.5(a)(2)(D) – Corporate bonds

Line 22 – In the *NYS* row, enter interest from corporate bonds when the commercial domicile of the issuing corporation is in the state.

If the 8% fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 22 is marked, enter 8% of the applicable receipts in row a, columns A and B.

Line 23 – For the *EW* row, enter the result (but not less than zero) of netting the gains and losses from the sales of all corporate bonds through a licensed exchange, or through a registered securities broker or dealer.

For the *NYS* row, enter 8% of the amount in the *EW* row.

Line 24 – For the *NYS* amount, **net** gains from those sales of corporate bonds **not** reported on line 23 is multiplied by a fraction, the numerator of which is the amount of gross proceeds from such sales to purchasers located within the state, and the denominator of which is the amount of gross proceeds from such sales to purchasers located within and outside the state. *Gross proceeds* are determined after the deduction of any cost incurred to acquire the securities, but shall not be less than zero.

The *EW* amount is the amount of net gains from sales of corporate bonds **not** reported on line 23 to purchasers within and outside the state.

Use Worksheet A at the end of these instructions.

Section 210-A.5(a)(2)(E) – Interest income from reverse repurchase and securities borrowing agreements

Line 25 – In column E enter the **combined group's** net interest income (not less than zero), and after intercorporate eliminations, from reverse repurchase agreements and securities borrowing agreements. For this calculation, the combined group's net interest income is determined after the deduction of the amount of the combined group's interest expense, after intercorporate eliminations, from repurchase agreements and securities lending agreements, but cannot be less than zero. The amount of the combined group's interest expense to be deducted is the combined group's interest expense associated with the sum, determined after intercorporate eliminations, of the value of the combined group's repurchase agreements where a member of the combined group is the seller or borrower, **plus** the value of the combined group's securities lending agreements where a member of the combined group is the securities lender; provided that such sum is limited to the sum, after intercorporate eliminations, of the value of the combined group's reverse repurchase agreements where a member of the combined group is the purchaser or lender, **plus** the value of the combined group's securities borrowing agreements where a member of the combined group is the securities borrower.

In column D, enter 8% of the amount in column E.

Section 210-A.5(a)(2)(F) – Interest income from federal funds

Line 26 – In the *EW* row, enter 100% of the net interest from federal funds. In determining net interest from federal funds, deduct interest expense that is from federal funds. The resulting net interest cannot be less than zero.

In the *NYS* row, enter 8% of the amount in the *EW* row.

Section 210-A.5(a)(2)(I) – Net income from sales of physical commodities

Line 27 – For the *NYS* amount, multiply the net income from sales of physical commodities by a fraction, the numerator of which is the amount of receipts from sales of physical commodities actually delivered to points within the state or, if there is no actual delivery of the physical commodity, the amount sold to purchasers located in the state, and the denominator of which is the amount of receipts from all sales of physical commodities actually delivered to points within and outside the state or, if there is no actual delivery of the physical commodity, the amount sold to purchasers located both within and outside the state.

For the *EW* amount, use 100% of the net income from sales of physical commodities.

For this line, net income is determined after the deduction of the cost to acquire or produce the physical commodities.

If the fixed percentage method election has been made (the box on line 8 is marked), **and** the QFI box above line 27 is marked, enter 8% of the applicable receipts in row a, columns A and B.

Section 210-A.5(a)(2)(J) – Marked to market net gains

Line 28 – All marked to market net gains are reported on this line for **all** financial instruments. For purposes of computing marked to market net gains for this line, *marked to market (MTM)* means that a financial instrument is **treated** by the taxpayer as sold for its FMV on the last business day of the taxpayer's tax year, despite no actual sale having taken place, under IRC sections 475 or 1256. The term *marked to market (MTM) gain or loss* means the gain or loss recognized by the taxpayer under IRC sections 475 or 1256 because the financial instrument is **treated** as sold for its FMV on the last business day of the tax year.

All MTM net gains are reported on this line. When the 8% fixed percentage method **is** elected, use such method for **all** QFIs. When the 8% fixed percentage method **is** elected, use the following instructions to source MTM net gains that are **not** QFIs. When the 8% fixed percentage method is **not** elected, **all** MTM net gains are sourced using the following instructions.

Section 210-A.5(a)(2)(J)(ii)

The amount of MTM net gains from each type of financial instrument to be included in the *NYS* row is determined by multiplying such net gains from each such type of financial instrument by a fraction, the numerator of which is the numerator of the apportionment fraction for the net gains from **actual** sales of that type of financial instrument as reported on lines 9 through 30 (as applicable), and the denominator of which is the denominator of the apportionment fraction for the net gains from **actual** sales of that type of financial instrument determined on the applicable line.

For the *EW* amount, use 100% of the MTM net gains from financial instruments for which the amount to be included in the New York column is determined under the immediately preceding paragraph.

Section 210-A.5(a)(2)(J)(iii)

If the type of financial instrument that is MTM is **not** otherwise sourced by the taxpayer on lines 9 through 30, **or** if the taxpayer has a net **loss** from the sales of **that type** of financial instrument not otherwise sourced on lines 9 through 30, for the *NYS* row, multiply the MTM net gains from **that type** of financial instrument by a fraction, the numerator of which is the sum of the amount of receipts from financial instruments entered in the *NYS* row on lines 9 through 30, **plus** any New York State receipts determined under §210-A.5(a)(2)(J)(ii) above, and the denominator of which is the sum of the amount of receipts entered in the *EW* row on lines 9 through 30, **plus** any everywhere receipts determined under §210-A.5(a)(2)(J)(ii) above.

For the *EW* amount, use 100% of the MTM net gains from financial instruments for which the amount to be included in the *NYS* row is determined under the immediately preceding paragraph.

Use Worksheet C at the end of these instructions.

However, when sourcing the marked to market net gain from loans secured by real property, always use customer-based

sourcing (even when the 8% fixed percentage method election was made). If using customer-based sourcing to source such MTM net gains, when 210-A.5(a)(2)(j)(iii) applies, never include any amounts sourced under the 8% fixed percentage method election in computing the NYS aggregate MTM factor in Part 2 of Worksheet C.

Section 210-A.5(a)(2)(H) – Income from other financial instruments

Line 29 – When the 8% fixed percentage method is elected, use such method for all financial instruments to be reported on this line that are QFIs. When the 8% fixed percentage method is elected, use the customer-based sourcing rule below for those financial instruments to be reported on this line that are not QFIs. Also, use the customer-based sourcing rule below for all financial instruments to be reported on this line when the 8% fixed percentage method is not elected.

Interest income from other financial instruments includes, but is not limited to, interest income on: deposit accounts; money market mutual funds; and debt issued by a country, or political subdivision thereof, other than the United States.

In the NYS row, enter interest from other financial instruments when the payor is located in New York State.

Line 30 – More than one type of financial instrument may be reported on this line. Report financial instruments under clause (G) or clause (H) of §210-A.5(a)(2).

Include clause (G) financial instruments **only** when the 8% fixed percentage method is elected. The following constitute clause (G) instruments to be included:

- dividends and net gains from stock that is business capital if you have, in the tax year, marked to market any stock under IRC section 475 or 1256; provided that dividends that qualify as other exempt income should **not** be included; and
- net gains from the sale of partnership interests in widely held or publicly traded partnerships if you have, in the tax year, marked to market any partnership interest in a widely held or publicly traded partnership under IRC section 475 or 1256.

Customer-based sourcing rules for clause (H) instruments included on line 30:

- for **gains** from “other” financial instruments, for the *EW* row, net the gains from all sales of a type of “other” financial instrument against the losses from all sales of the **same** type of “other” financial instrument. For the *NYS* row, for the **same** type of “other” financial instrument being reported in the *EW* row, net the gains from all sales of such **same** type of “other” financial instrument, where the purchaser or payor is located in New York State, against the losses from all sales of such **same** type of “other” financial instrument, where the purchaser or payor is located in New York State. **However**, if the purchaser or payor is a registered securities broker or dealer, or the transaction is made through a licensed exchange, then include 8% of the *EW* amount in the *NYS* row.
- for “**other**” income from “other” financial instruments, for the *EW* row, compute the “other” income (but not less than zero) from a type of “other” financial instrument. For the *NYS* row, for the **same** type of “other” financial instrument being reported in the *EW* row, compute the “other” income (but not less than zero) from such **same** type of “other” financial instrument, where the purchaser or payor is located in New York State. **However**, if the purchaser or payor is a registered securities broker or dealer, or the transaction is made through a licensed exchange, then include 8% of the *EW* amount in the *NYS* row.

Use Worksheet B at the end of these instructions.

Section 210-A.5(b) – Other receipts from broker or dealer activities

For the purposes of lines 31 through 37, *securities* has the same meaning as in IRC section 475(c)(2), and *commodities* has the same meaning as in IRC section 475(e)(2). If the taxpayer receives any of the receipts reported on lines 31 through 35 as a result of a securities correspondent relationship that the taxpayer has with another broker or dealer (with the taxpayer acting in this relationship as the clearing firm), those receipts are deemed generated within the state to the extent set forth in §210-A.5(b)(1) through §210-A.5(b)(4). The amount of those receipts excludes the amount the taxpayer is required to pay to the correspondent firm for the correspondent relationship. If the taxpayer receives any of the receipts reported on lines 31 through 35 as a result of a securities correspondent relationship that the taxpayer has with another broker or dealer (with the taxpayer acting in this relationship as the introducing firm), these receipts are deemed generated within the state to the extent set forth in §210-A.5(b)(1) through §210-A.5(b)(4). If the taxpayer is unable to determine the mailing address of the customer from its records, include 8% of the receipts in the numerator of the apportionment fraction.

Line 31 – In the *NYS* row, enter brokerage commissions derived from the execution of securities or commodities purchase or sales orders for the accounts of customers if in the records of the taxpayer, the mailing address of the customer responsible for paying the commissions is in the state.

Line 32 – In the *NYS* row, enter margin interest earned on behalf of brokerage accounts if in the records of the taxpayer, the mailing address of the customer responsible for paying such margin interest is in the state.

Line 33 – In the *NYS* row, enter the amount of fees for advisory services to a customer in connection with the underwriting of securities for the entity that is contemplating issuing or is issuing securities, or fees for managing an underwriting, if in the records of the taxpayer, the mailing address of the customer responsible for paying such fees is in the state.

Line 34 – In the *NYS* row, enter the receipts constituting the primary spread of selling concession from underwritten securities if the customer is located in the state. The term *primary spread* means the difference between the price paid by the taxpayer to the issuer of the securities being marketed and the price received from the subsequent sale of the underwritten securities at the initial public offering price, less any selling concession and any fees paid to the taxpayer for advisory services or any manager’s fees, if those fees are not paid by the customer to the taxpayer separately. The term *public offering price* means the price agreed upon by the taxpayer and the issuer at which the securities are to be offered to the public. The term *selling concession* means the amount paid to the taxpayer for participating in the underwriting of a security where the taxpayer is not the lead underwriter.

Line 35 – In the *NYS* row, enter account maintenance fees if in the records of the taxpayer, the mailing address of the customer responsible for paying such account maintenance fees is in the state.

Line 36 – In the *NYS* row, enter fees for management or advisory services, including fees for advisory services in relation to merger or acquisition activities, if in the records of the taxpayer, the mailing address of the customer responsible for paying such fees is in the state. Exclude fees paid for services reported on line 43.

Line 37 – Interest earned on loans and advances made by the taxpayer to a corporation affiliated with the taxpayer, but with which the taxpayer is not included in a combined return under Article 9-A are deemed to arise from services performed at the

principal place of business of the affiliated corporation. If such principal place of business is in New York State, include the interest in the *NYS* row.

Section 210-A.5(c) – Receipts from credit card and similar activities

Lines 38 through 42 – These lines are used by corporations that **issue or process** credit cards and **not** by businesses that accept credit cards as payment for goods or services.

Line 38 – In the *NYS* row enter interest, fees, and penalties in the nature of interest from bank, credit, travel, and entertainment card receivables if, in the records of the taxpayer, the mailing address of the card holder is in the state.

Line 39 – In the *NYS* row, enter service charges and fees from such cards if, in the records of the taxpayer, the mailing address of the card holder is in the state.

Line 40 – In the *NYS* row, enter receipts from merchant discounts when the merchant is located within the state. If the merchant has locations both within and outside of New York State, **only** receipts from merchant discounts attributable to sales made from locations within New York State are entered in the *NYS* row. The location of the merchant is presumed to be the address of the merchant shown on the invoice submitted to the taxpayer by the merchant.

Line 41 – In the *NYS* row, enter receipts from credit card authorization processing, and clearing and settlement processing, received by credit card processors if the location where the customer of the credit card processor accesses the credit card processor's network is located within the state.

Line 42 – For the *NYS* row, multiply the total amount of all other receipts received by credit card processors not reported on lines 1 through 41, lines 43 through 52, or line 54 by the average of 8% and the percent of its New York access points. The *percent of New York access points* is the number of locations within the state from which the credit card processor's customers access the credit card processor's network, divided by the total number of locations in the United States where the credit card processor's customers access the credit card processor's network.

Section 210-A.5(d) – Receipts from certain services to investment companies

Line 43 – For the *NYS* row, multiply the receipts received from an investment company arising from the sale of management, administration, or distribution services to such investment company by a fraction, the numerator of which is the sum of the monthly percentages determined for each month of the investment company's federal tax year that ends within the tax year of the taxpayer (but excluding any month during which the investment company had no outstanding shares), and the denominator of which is the number of those monthly percentages.

To determine the monthly percentage for each month, divide the number of shares in the investment company that are owned on the last day of the month by shareholders that are located in New York State by the total number of shares in the investment company outstanding on that date.

In the *EW* row, enter 100% of the receipts received from an investment company arising from the sale of management, administration, or distribution services to the investment company.

For purposes of these receipts, the following apply:

- An individual, estate or trust is deemed located in the state if his, her, or its mailing address in the records of the investment company is in the state. A business entity is deemed located in the state if its commercial domicile is located in the state.

- *Investment company* means a regulated investment company, as defined in IRC section 851, and a partnership to which IRC section 7704(a) applies (by virtue of section 7704(c)(3)) and that meets the requirements of IRC section 851(b). This is applied to the tax year, for federal income tax purposes, of the business entity that is asserted to constitute an investment company that ends within the tax year of the taxpayer.
- *Receipts from an investment company* includes amounts received directly from an investment company as well as amounts received from the shareholders in the investment company, in their capacity as such.
- *Management services* means the rendering of investment advice to an investment company, making determinations as to when sales and purchases of securities are to be made on behalf of an investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed pursuant to a contract with the investment company entered into according to the federal Investment Company Act of 1940, section 15(a), as amended.
- *Distribution services* means the services of advertising, servicing investor accounts (including redemptions), marketing shares or selling shares of an investment company; but in the case of advertising, servicing investor accounts (including redemptions) or marketing shares, **only** where such service is performed by a person who is (or was, in the case of a closed end company) also engaged in the service of selling such shares. In the case of an open-end company, the service of selling shares must be performed pursuant to a contract entered into pursuant to the federal Investment Company Act of 1940, section 15(b), as amended.
- *Administration services* includes clerical, accounting, bookkeeping, data processing, internal auditing, legal, and tax services performed for an investment company, but only if the provider of such service or services during the tax year in which such service or services are sold also sells management or distribution services (as defined above), to such investment company.

Section 210-A.5-a – Global intangible low-taxed income

Line 44 – GILTI under IRC section 951A(a) **must** be included in the apportionment fraction, but only to the extent such income is included in New York State business income. Generally, the amount of GILTI included in New York State business income will be 5% of the amount of GILTI included in FTI per IRC section 951A(a). Enter 100% of the GILTI that is included in New York State business income in the *EW* row. Do **not** include GILTI in the *NYS* row.

Section 210-A.6 – Receipts from railroad and trucking businesses

Line 45 – For the *NYS* row, multiply receipts from the conduct of a railroad business or a trucking business (including surface railroad, whether or not operated by steam, subway railroad, elevated railroad, palace car or sleeping car business) by a fraction, the numerator of which is the revenue miles in such business within the state during the period covered by this return, and the denominator of which is the revenue miles in such business both within and outside the state during such period.

Section 210-A.6-a – Receipts from operation of vessels

Line 46 – For the *NYS* row, multiply receipts from the operation of vessels by a fraction, the numerator of which is the aggregate number of working days of the vessels owned or leased by

the taxpayer in territorial waters of the state during the period covered by this return, and the denominator of which is the aggregate number of working days of all vessels owned or leased by the taxpayer during such period.

Section 210-A.7 – Receipts from aviation services

Line 47 Air freight forwarding – In the NYS row, enter the receipts from the activity of air freight forwarding acting as principal and like indirect air carrier receipts arising from that activity as follows:

- 100% of such receipts if both the pickup and delivery associated with those receipts are made in the state; and
- 50% of such receipts if either the pickup or delivery associated with those receipts is made in this state.

In the EW row, enter the amount of receipts from all such activity.

Line 48 Other aviation services – For the NYS and EW rows, determine the portion of receipts from aviation services, other than services described in line 47 (but including the receipts of a qualified air freight forwarder, as described below) to enter by completing *Worksheet for Part 6, line 48*.

Aircraft arrivals and departures means the number of landings and takeoffs in the tax year, **plus** the number of air pickups and deliveries by such aircraft. Do **not** include arrivals and departures solely for maintenance, repair, or refueling (where no debarkation or embarkation of traffic occurs). Arrivals and departures of ferry and personnel training flights, or in the event of emergency situations, are also not included. Arrivals and departures of flights transporting officers and employees receiving air transportation are included (but see *Note*: below for exceptions) without regard to remuneration.

Note: The Commissioner of Taxation and Finance may exempt from the calculation arrivals and departures of all non-revenue flights including flights involving the transportation of officers and employees receiving air transportation to perform maintenance or repair services, or where such officers or employees are transported in conjunction with an emergency situation or the investigation of an air disaster (other than on a scheduled flight).

Revenue tons handled by the taxpayer at airports means the weight, in tons, of revenue passengers (at 200 pounds per passenger) and revenue cargo first received, either as originating or connecting traffic or finally discharged at an airport.

Originating revenue means revenue to the taxpayer from the transportation of revenue passengers and revenue property first received by the taxpayer as originating or connecting traffic at airports.

A corporation is a *qualified air freight forwarder* with respect to another corporation if:

- it owns or controls, either directly or indirectly, all of the capital stock of such other corporation; or if all of its capital stock is owned or controlled, either directly or indirectly, by such other corporation; or if all of the capital stock of both corporations is owned or controlled, either directly or indirectly, by the same interests;
- it is principally engaged in the business of air freight forwarding; and
- its air freight forwarding business is carried on principally with the airline or airlines operated by such other corporation.

Worksheet for Part 6, line 48

		A Within NYS	B Column A X 60% (.60)	C Everywhere	D NYS percentage (round to three decimal places)
1	Aircraft arrivals and departures during the period of this return	1			
2	Divide line 1, column B, by line 1, column C	2			
3	Revenue tons handled at airports during the period of this return	3			
4	Divide line 3, column B, by line 3, column C	4			
5	Originating revenue during the period of this return	5			
6	Divide line 5, column B, by line 5, column C	6			
7	Add all percentage amounts in column D, lines 2, 4, and 6; then divide by 3	7			
8	Enter 100% of receipts from other aviation services; also enter on line 48b of Form CT-3-A or Form CT-3-A/BC, as applicable	8			
9	Multiply line 7 by line 8; also enter on line 48a of Form CT-3-A or Form CT-3-A/BC, as applicable	9			

Section 210-A.8 – Advertising: newspapers/periodicals, TV/radio, and other means

Line 49 – For the NYS row, multiply receipts from sales of advertising in newspapers or periodicals by a fraction, the numerator of which is the number of newspapers and periodicals delivered to points within the state, and the denominator of which is the number of newspapers and periodicals delivered to points both within and outside the state.

Line 50 – For the NYS row, multiply receipts from sales of advertising on television or radio by a fraction, the numerator of which is the number of viewers or listeners within the state, and the denominator of which is the number of viewers or listeners both within and outside the state.

Line 51 – For the NYS row, multiply receipts from sales of advertising **not** reported on either line 49 or 50 that is furnished, provided, or delivered to or accessed by the viewer or listener through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite or similar successor media, or any combination of these, by a fraction, the numerator of which is the number of viewers or listeners within the state, and the denominator of which is the number of viewers or listeners both within and outside the state.

Section 210-A.9 – Receipts from the transportation or transmission of gas through pipes

Line 52 – For the NYS row, multiply receipts from the transportation or transmission of gas through pipes by a fraction, the numerator of which is the taxpayer's transportation units within the state, and the denominator of which is the taxpayer's transportation units both within and outside the state. A *transportation unit* is the transportation of one cubic foot of gas over a distance of one mile.

Section 210-A.10 – Receipts from other services/activities not specified

Line 53 – In the NYS row, enter receipts from services and other business receipts not reported on lines 1 through 52 or line 54, if the location of the customer is within the state. The determination of the amount of receipts included in the NYS row is made according to the *Hierarchy of methods* below. Each corporation must exercise due diligence under each method described before rejecting it and proceeding to the next method in the hierarchy, and must base its determination on information known to the corporation, or information that would be known to the corporation upon reasonable inquiry.

Hierarchy of methods

- 1) The benefit is received in this state.
- 2) Delivery destination.
- 3) The apportionment fraction for such receipts within the state determined according to §210-A.10 for the preceding tax year.
- 4) The apportionment fraction for the current tax year determined according to §210-A.10 for those receipts that can be sourced using the hierarchy of sourcing method in item 1 or 2.

Note: Item 3 does not apply to your first tax period that begins on or after January 1, 2015, for which you are subject to Article 9-A, or your first tax year in New York.

Section 210-A.11 – Discretionary adjustments

Line 54 – If it appears that the apportionment fraction determined according to §210-A does not result in a proper reflection of the taxpayer's business income or capital within the state, the Commissioner of Taxation and Finance is authorized in his or her discretion to adjust it, or the taxpayer may request that the commissioner adjust it. This is done by:

- excluding one or more items in such determination,
- including one or more other items in such determination, or
- any other similar or different method calculated to effect a fair and proper apportionment of the business income and capital reasonably attributed to the state.

The party seeking the adjustment bears the burden of proof to demonstrate that the apportionment fraction determined according to §210-A does not result in a proper reflection of the taxpayer's business income or capital within the state and that the proposed adjustment is appropriate.

Where you have received approval from the commissioner to make such adjustment, use line 54 to report it. Do **not** use line 54 to report an adjustment **unless** you have received the approval of the commissioner. If you have received the approval of the commissioner, you must attach a copy of such approval to your return. If you have not received the approval of the commissioner before filing this return, you must file using the statutory rules for apportionment. You may file an amended return after you have received approval.

Calculation of business apportionment factor

Line 56 – The BAF should be shown as a decimal, not a percent. When computing the BAF, round to 6 decimal places. For example, $5,000/7,500 = 0.6666666 = 0.666667$. **Note:** If all your receipts are New York State receipts, enter decimal as 1.000000.

Worksheet A – Gross proceeds factors and net gains for lines 10, 12, 21, and 24						
	A		B Intercorporate eliminations	C Combined group NYS total	D Combined group everywhere total	E Combined group NYS gross proceeds factor
	EIN	Entity specific detail				
Line 10	§210-A.5(a)(2)(A)(iii) – Gross proceeds from sales of loans secured by real property (see instructions)					
	10a	NYS				
	10b	EW				
	10c	NYS gross proceeds factor				
	§210-A.5(a)(2)(A)(iii) – Net gains from sales of loans secured by real property (see instructions)					
	10d	EW				
	10e	NYS				
10f	NYS FDM					
Line 12	§210-A.5(a)(2)(A)(iv) – Gross proceeds from sales of loans not secured by real property (see instructions)					
	12a	NYS				
	12b	EW				
	12c	NYS gross proceeds factor				
	§210-A.5(a)(2)(A)(iv) – Net gains from sales of loans not secured by real property (see instructions)					
	12d	EW				
	12e	NYS				
12f	NYS FDM					
Line 21	§210-A.5(a)(2)(C) – Gross proceeds from all other asset backed securities not reported on line 20 (see instructions)					
	21a	NYS				
	21b	EW				
	21c	NYS gross proceeds factor				
	§210-A.5(a)(2)(C) – Net gains from all other asset backed securities not reported on line 20 (see instructions)					
	21d	EW				
	21e	NYS				
21f	NYS FDM					
Line 24	§210-A.5(a)(2)(D) – Gross proceeds from other sales of corporate bonds not reported on line 23 (see instructions)					
	24a	NYS				
	24b	EW				
	24c	NYS gross proceeds factor				
	§210-A.5(a)(2)(D) – Net gains from other sales of corporate bonds not reported on line 23 (see instructions)					
	24d	EW				
	24e	NYS				
24f	NYS FDM					

Worksheet A – Gross proceeds factors and net gains – Form CT-3-A and Form CT-3-A/BC, Part 6, lines 10, 12, 21, and 24 and Worksheet D lines 10, 12, 21, and 24.

General information

This worksheet computes the amounts for Forms CT-3-A and CT-3-A/BC, Part 6, lines 10, 12, 21, and 24, as well as the amounts for these lines for Worksheet D, *Designated agent's NYS Receipts for purposes of fixed dollar minimum (FDM) tax base*. The line numbers correspond to the line numbers on Form CT-3-A, Part 6. See the corresponding Form CT-3-A-I, Part 6 line instructions and also the specific instructions below. In the instructions below, **all lines** refers to lines 10, 12, 21, and 24, and specific rows (a, b, c, d, e, or f) are indicated to clarify which rows of these lines the specific instruction applies to.

Worksheet A, **column A** (for **all lines** of Worksheet A, rows a through f) is completed for the designated agent and for **each** combined member, in the manner set forth in these instructions.

Therefore, there should be as many columns A completed as there are entities in your combined return. Enter the EIN of the applicable entity at the top of each column A completed.

Amounts less than zero **are** allowed in an entity's Worksheet A, column A, rows a, b, d, and e.

For rows a and b, the *gross proceeds* amounts are determined after the deduction of any cost incurred to acquire the securities.

Columns B, C, D, and E are completed only once on a combined group basis, as instructed below.

Line instructions for Worksheet A

Column A – Complete column A using the instructions for Condition 1 or Condition 2 below, whichever applies.

Condition 1

Use Condition 1 for:

- **line 10**
- **line 12** when the QFI box on line 12 (of Form CT-3-A, Part 6) is **not** marked;
- **line 21** when the QFI box above line 19 (of Form CT-3-A, Part 6) is **not** marked;
- **line 24** when the QFI box above line 22 (of Form CT-3-A, Part 6) is **not** marked;
- **lines 12, 21, and 24** when the fixed percentage method for QFIs is **not** in effect for the combined group (Form CT-3-A, Part 6, line 8 box is **not** marked).

- 1.1. In each entity's column A, for all lines, rows a and b respectively, enter **that entity's** NYS and EW gross proceeds amount for **that** line's category of receipts.

Example: *Entity X is a member of a combined group and is completing a column A for itself. Entity X has receipts from the sales of loans secured by real property to report on Worksheet A, line 10. The amount of all such sales of loans secured by real property for Entity X is \$10 million. The cost incurred to acquire such loans that were sold by Entity X is \$3 million. Entity X enters 7 million in Line 10, column A, row 10b (EW). Entity X must now determine the receipts from the sales by Entity X of loans secured by real property located within New York State, and subtract from that amount the cost incurred to acquire such loans. The result of this subtraction is entered in Line 10, column A, row 10a (NYS).*

- 1.2. In each entity's column A, for all lines, row c, divide the amount in column A, row a by the amount in such column A, row b, and enter the result rounded to four decimal places; however, if **either** the amount in row a or the amount in row b for an entity is an amount less than or equal to zero, enter **0**. Row c is the NYS gross proceeds factor for each entity, for each respective line, computed on a **separate** company basis. It is used to compute the row f (NYS FDM) amount for all lines in each entity's column A.
- 1.3. In each entity's column A, for each line, row d, enter that entity's EW net gains for the net gains being reported on each such line. If the netting of gains and losses for a particular line, for a particular entity, results in zero, or less, enter in row d zero, or the negative amount, as the case may be.

Note: To complete each line's column E, which is needed for 1.4 below, you must first complete, for all lines, that line's row a, columns B and C, and row b, columns B and D. Move to the **Columns B through E** instructions now.

- 1.4. In each entity's row e, for each line, multiply the factor in column E of that line's row c (the combined NYS gross proceeds factor) by the amount in that line's row d for each respective entity, and enter the result. If the result is less than zero, enter the negative amount with a minus (-) sign.
- 1.5. In each entity's row f, for each line, multiply the factor in that line's column A, row c (the NYS gross proceeds factor on a separate company basis) by the amount in that line's row d for each respective entity, and enter the result (but **not** less than zero). For FDM purposes only, the net gains (not less than zero) are computed on a separate company basis.

Condition 2

Use Condition 2 when the fixed percentage method for QFIs is in effect for the combined group (Form CT-3-A, Part 6, line 8 box is marked). **However:**

- only use Condition 2 for line 12 when the QFI box on line 12 (of Form CT-3-A, Part 6) is **also** marked;

- only use Condition 2 for line 21 when the QFI box above line 19 (of Form CT-3-A, Part 6) is **also** marked;
 - only use Condition 2 for line 24 when the QFI box above line 22 (of Form CT-3-A, Part 6) is **also** marked;
 - **never** use Condition 2 for line **10**.
- 2.1. In each entity's column A, leave rows a through c blank, for such specific line(s).
 - 2.2. In each entity's row d, for such specific lines, enter that entity's EW net gains for the net gains being reported on each such line.
 - 2.3. In each entity's **rows e and f**, for such specific line(s), multiply row d for each respective entity by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row **e**, but enter **0** in row **f**.

Columns B through E

For any of lines 12, 21, and 24 for which Condition 2 applies, leave rows a and b of columns B through D **blank**.

For **column B**, for all lines for which the immediately preceding paragraph did **not** apply, enter in row **a** the amount of the combined group's **NYS** gross proceeds generated from intercorporate transactions for the receipts being reported on **that** line; enter in row **b** the amount of the combined group's **EW** gross proceeds generated from intercorporate transactions for the receipts being reported on **that** line.

For column **C**, for all lines for which amounts are entered in column B, enter in column C the **sum** of **all** entities' column A, row **a** **less** any intercorporate eliminations in column **B** for row **a**. For column **D**, for all lines for which amounts are entered in column B, enter in column D the **sum** of **all** entities' column A, row **b** **less** any intercorporate eliminations in column **B** for row **b**. **However**, if the resulting combined total for **either** row is less than zero, enter **0** for that row.

For column **E**, **all** lines, **row c**, divide column C by column D for each line, and enter the result rounded to four decimal places; however, if **either** column C or column D is less than or equal to zero, enter **0**. This is the combined NYS gross proceeds factor for each respective line. It is used to compute the row e amount for all lines in each entity's column A.

Where are the amounts calculated on Worksheet A entered?

The amounts entered or calculated in columns B, C, D, and E are only used for Worksheet A calculations and do not get transferred to any other form or worksheet. The amounts entered or calculated in rows a, b, and c, for all lines, are also only used for Worksheet A calculations and do not get transferred to any other form or worksheet. The amounts entered or calculated in rows d, e, and f need to be entered on Form CT-3-A, Form CT-3-A/BC, or Worksheet D, as follows:

Amount from Worksheet A, column A completed for the designated agent	Amount is entered on
Line 10d (EW)	CT-3-A, Part 6, column A, line 10b (EW)
Line 10e (NYS)	CT-3-A, Part 6, column A, line 10a (NYS)
Line 10f (NYS FDM)	Worksheet D, line 10 (NYS FDM)
Line 12d (EW)	CT-3-A, Part 6, column A, line 12b (EW)
Line 12e (NYS)	CT-3-A, Part 6, column A, line 12a (NYS)
Line 12f (NYS FDM)	Worksheet D, line 12 (NYS FDM)
Line 21d (EW)	CT-3-A, Part 6, column A, line 21b (EW)
Line 21e (NYS)	CT-3-A, Part 6, column A, line 21a (NYS)
Line 21f (NYS FDM)	Worksheet D, line 21 (NYS FDM)
Line 24d (EW)	CT-3-A, Part 6, column A, line 24b (EW)
Line 24e (NYS)	CT-3-A, Part 6, column A, line 24a (NYS)
Line 24f (NYS FDM)	Worksheet D, line 24 (NYS FDM)

Amount from Worksheet A, column A completed for each combined entity other than the designated agent	Amount is entered in each entity's Form CT-3-A/BC, as follows:
Line 10d (EW)	CT-3-A/BC, Part 6, column A, line 10 (EW)
Line 10e (NYS)	CT-3-A/BC, Part 6, column B, line 10 (NYS)
Line 10f (NYS FDM)	CT-3-A/BC, Part 6, column C, line 10 (NYS FDM)
Line 12d (EW)	CT-3-A/BC, Part 6, column A, line 12 (EW)
Line 12e (NYS)	CT-3-A/BC, Part 6, column B, line 12 (NYS)
Line 12f (NYS FDM)	CT-3-A/BC, Part 6, column C, line 12 (NYS FDM)
Line 21d (EW)	CT-3-A/BC, Part 6, column A, line 21 (EW)
Line 21e (NYS)	CT-3-A/BC, Part 6, column B, line 21 (NYS)
Line 21f (NYS FDM)	CT-3-A/BC, Part 6, column C, line 21 (NYS FDM)
Line 24d (EW)	CT-3-A/BC, Part 6, column A, line 24 (EW)
Line 24e (NYS)	CT-3-A/BC, Part 6, column B, line 24 (NYS)
Line 24f (NYS FDM)	CT-3-A/BC, Part 6, column C, line 24 (NYS FDM)

Worksheet B – Net gains and “other” income for line 30					
		A	B	C	D
		EIN	Intercompany eliminations	Combined group NYS total	Combined group everywhere total
		Entity specific detail			
Part 1					
§210-A.5(a)(2)(H) – Net gains from all “other” financial instruments of one type (see instructions)					
30.1a	EW				
30.1b	NYS				
30.1c	NYS FDM				
§210-A.5(a)(2)(H) – Net gains from all “other” financial instruments of a second type (see instructions)					
30.1a	EW				
30.1b	NYS				
30.1c	NYS FDM				
§210-A.5(a)(2)(H) – Net gains from all “other” financial instruments of a third type (see instructions)					
30.1a	EW				
30.1b	NYS				
30.1c	NYS FDM				
§210-A.5(a)(2)(H) – Other income from all “other” financial instruments of one type (see instructions)					
30.2a	EW				
30.2b	NYS				
30.2c	NYS FDM				
§210-A.5(a)(2)(H) – Other income from all “other” financial instruments of a second type (see instructions)					
30.2a	EW				
30.2b	NYS				
30.2c	NYS FDM				
§210-A.5(a)(2)(H) – Other income from all “other” financial instruments of a third type (see instructions)					
30.2a	EW				
30.2b	NYS				
30.2c	NYS FDM				
Part 2 (see instructions)					
§210-A.5(a)(2)(G) – Dividends from stock that is business capital (see instructions)					
30.3a	EW				
30.3b	NYS				
30.3c	NYS FDM				
§210-A.5(a)(2)(G) – Net gains from sales of stock that is business capital (see instructions)					
30.4a	EW				
30.4b	NYS				
30.4c	NYS FDM				
§210-A.5(a)(2)(G) – Net gains from sales of partnership interests (see instructions)					
30.5a	EW				
30.5b	NYS				
30.5c	NYS FDM				
Totals of Parts 1 and 2					
§210-A.5(a)(2)(H) and (G) – Net gains and “other” income from “other” financial instruments (see instructions)					
30a	Total EW				
30b	Total NYS				
30c	Total NYS FDM				

Worksheet B – Net gains and “other” income – Form CT-3-A and Form CT-3-A/BC, Part 6, line 30 and Worksheet D, line 30

General information

This worksheet computes certain amounts for Forms CT-3-A and CT-3-A/BC, Part 6, line 30, as well as the amount for Worksheet D, line 30. See the line 30 instructions in Form CT-3-A-I, Part 6 and also the specific instructions below. In the instructions below, **all lines** refers to all lines 30.1 and 30.2,

and lines 30.3, 30.4, 30.5, and 30, and specific rows (a, b, or c) are indicated to clarify which rows of these lines the specific instruction applies to. **Note:** Lines 30.1 through 30.5 are specific to this worksheet only. Since Form CT-3-A, Part 6, line 30 is comprised of different types of receipts that have to be netted separately, these receipts amounts are shown separately on lines 30.1 through 30.5.

Column A (for all lines, rows a through c), is completed for the designated agent and for **each** combined member, in the

manner set forth in these instructions. There should be as many columns A completed as there are entities in your combined return that have line 30 receipts. Enter the EIN of the applicable entity at the top of each column A completed.

Amounts less than zero **are** allowed in an entity's column A, rows a and b.

Columns B, C, and D are completed only once on a combined group basis.

Line instructions for Worksheet B

Part 1

Only clause (H) receipts are reported in Part 1.

Step 1 – Column A, lines 30.1 and 30.2, row a – Regardless of whether or not the 8% fixed percentage method is in effect for the combined group, for **lines 30.1 and 30.2, for row a (EW)** in each entity's **column A** follow the applicable Form CT-3-A-I, Part 6, line 30 instructions to determine the amount of everywhere receipts, except that if the amount is less than zero, enter the negative amount with a minus (-) sign. When you have **net gains** from sales of more than one **type** of "other" financial instruments, use separate lines 30.1 to report sales of all "other" financial instruments of each such type. The same is true for lines 30.2 when reporting "other" income from "other" financial instruments.

If you have receipts reportable on lines 30.1 or 30.2 from more than three separate types of "other" financial instruments, use an additional line 30.1 or line 30.2 for **each** additional separate type of "other" financial instrument for which you have gains/(losses) (line 30.1) or "other" income/(loss) (line 30.2); include the amounts from these additional lines in the same manner as you would for the three lines 30.1 and 30.2 provided on the worksheet, as you complete the steps below, as applicable.

Step 2 – Complete column A, lines 30.1 and 30.2, rows b and c, using the instructions for Condition 1 or Condition 2 (or both), as applicable.

Condition 1 – If the fixed percentage method for QFIs is **not** in effect for the combined group (Form CT-3-A, Part 6, line 8 box is **not** marked); **or** if the receipts from line 30.1 or 30.2 do **not** represent receipts from QFIs (see instructions for Form CT-3-A-I, Part 6, line 8):

- 1.1. For such **lines 30.1 and 30.2, row b**, follow the applicable line 30 instructions to determine the amount of NYS receipts, except that if the amount is less than zero, enter the negative amount with a minus (-) sign. Use a separate line 30.1 for **net gains** from sales of all "other" financial instruments of each certain type, and use a separate line 30.2 for "other" income from all "other" financial instruments of each certain type.
- 1.2. For such **lines 30.1 and 30.2, row c**, enter the amount entered in row b for that entity, for **that** line, except that if the row b amount for that entity is less than zero, enter **0**. For fixed dollar minimum purposes only, the net gains (not less than zero) and "other" income (not less than zero) are computed on a **separate** company basis. Use a separate line 30.1 for net gains from sales of all "other" financial instruments of each certain type, and a separate line 30.2 for "other" income from all "other" financial instruments of **each** certain type.

Condition 2 – If the fixed percentage method for QFIs **is** in effect for the combined group (Form CT-3-A, Part 6, line 8 box is marked) **and**:

- 2.1. the clause (H) QFI box is **not** marked on Form CT-3-A, Part 6, above line 29, each entity's column A, lines 30.1 and 30.2, rows b and c, are completed in the same manner as if

the fixed percentage method is **not** in effect (see above instructions).

- 2.2. the clause (H) QFI box **is** marked on Form CT-3-A, Part 6, above line 29, **and** the receipts to be reported on a line 30.1 or 30.2 represent receipts from QFIs (see instructions for CT-3-A-I, Part 6, line 8), in each entity's column A, for such lines 30.1 or 30.2, **rows b and c**, multiply column A, row **a**, for each respective entity and line, by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row **b**, but enter **0** in row **c**. Use a separate line 30.1 for **net gains** from sales of all "other" financial instruments of **each** certain type, and use a separate line 30.2 for "other" income from all "other" financial instruments of **each** certain type.

Step 3 – Column B – For **each** line 30.1 and 30.2, enter in column B, in row a (EW) and in row b (NYS) of each such lines, the amount of the combined group's receipts generated from intercorporate transactions that are included on each such lines, row a and row b, of column A.

Step 4 – Columns C and D – For all lines 30.1 and 30.2, **rows a and b**, enter the result of taking the **sum** of the amounts for each such line and row entered in **each** entity's column A (i.e., the **sum** of all entities' columns A, rows a and b, respectively) **less** any intercorporate eliminations in column B for each such line and row; however, if the resulting combined total for **either** row is less than zero, enter **0** for that row.

Part 2

Only clause (G) receipts are reported in Part 2.

Part 2 of Worksheet B must **only** be completed if the fixed percentage method for QFIs **is** in effect. If Form CT-3-A, Part 6, line 8 box is **not** marked, leave lines 30.3, 30.4, and 30.5 blank and continue with *Totals of Parts 1 and 2* instructions below; otherwise continue with Step 1 below.

Step 1 – Columns A, B, C and D, lines 30.3 and 30.4, rows a, b, and c – If the fixed percentage method for QFIs **is** in effect and **any** member of the combined group in the tax year has marked to market **any** stock that is business capital under IRC section 475 or 1256, complete substeps 1.1, 1.2, and 1.3 below; otherwise leave lines 30.3 and 30.4 blank and continue with Step 2 below.

- 1.1. In each entity's **column A**, enter on **line 30.3, row a**, 100% of dividends from stock that is business capital, provided that dividends that qualify as other exempt income should not be included. In each entity's **column A**, enter on **line 30.4, row a**, 100% of net gains from sales of stock that is business capital; if the amount is less than zero, enter the negative amount with a minus (-) sign.
 - 1.1.1. In each entity's **column A, lines 30.3 and 30.4, rows b and c**, multiply column A, row a, for each respective entity and line, by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row **b**, but enter **0** in row **c**.
- 1.2. In **column B**, for **lines 30.3 and 30.4, rows a and b**, enter the amount of EW and NYS receipts generated from intercorporate transactions, respectively, from that category of receipts.
- 1.3. In **columns C and D**, for **lines 30.3 and 30.4, rows a and b**, enter the result of taking the **sum** of the amounts for each such row entered in **each** entity's column A (i.e., the **sum** of all entities' columns A, rows a and b, respectively) **less** any intercorporate eliminations in column B for each such row; however, if the resulting combined total for **either** row is less than zero, enter **0** for that row.

Step 2 – Columns A, B, C and D, line 30.5, rows a, b, and c – If the fixed percentage method for QFIs is in effect, and any member of the combined group in the tax year has marked to market any partnership interest in a widely held or publicly traded partnership under IRC section 475 or 1256, complete substeps 2.1, 2.2, and 2.3 below; otherwise leave line 30.5 blank and continue with *Totals of Parts 1 and 2* below.

- 2.1. In each entity's **column A**, enter on **line 30.5, row a**, 100% of net gains from sales of partnership interests in widely held or publicly traded partnerships; if the amount is less than zero, enter the negative amount with a minus (-) sign.
 - 2.1.1. In each entity's **column A, line 30.5, rows b and c**, multiply column A, row a, for each respective entity and line, by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row b, but enter **0** in row c.
- 2.2. In **column B**, for **line 30.5, rows a and b**, enter the amount of EW and NYS receipts generated from intercorporate transactions, respectively, from that category of receipts.
- 2.3. In **columns C and D**, for **line 30.5, rows a and b**, enter the result of taking the **sum** of the amounts for each such row entered in **each** entity's column A (i.e., the **sum** of all entities' columns A, rows a and b, respectively) **less** any intercorporate eliminations in column B for each such row; however, if the resulting combined total for **either** row is less than zero, enter **0** for that row.

Totals of Parts 1 and 2

Step 1 – Line 30, row c – Enter on **line 30, row c** the **sum** of the amounts in column A, row c, lines 30.1 through 30.5 for **that** entity.

Step 2 – Column D, line 30, and column C, line 30

- 2.1. For column D, line 30, enter the **sum** of the amounts in column D, lines 30.1 through 30.5.
- 2.2. For column C, line 30, enter the **sum** of the amounts in column C, lines 30.1 through 30.5.

Where are the amounts calculated on Worksheet B entered?

The amounts entered or calculated on lines 30.1 through 30.5 are used to compute the line 30 totals and do not get transferred to any other form or worksheet; the line 30 totals need to be entered on Form CT-3-A, Form CT-3-A/BC, or Worksheet D, as follows:

Amount from Worksheet B	Amount is entered on
Column A completed for the designated agent Line 30c (Total NYS FDM)	Worksheet D, line 30 (NYS FDM)
Column A completed for each combined entity other than the designated agent Line 30c (Total NYS FDM)	each entity's Form CT-3-A/BC, Part 6, column C, line 30 (NYS FDM)
Column C Line 30b (Total NYS)	Form CT-3-A, Part 6, column D, line 30a (NYS)
Column D Line 30a (Total EW)	Form CT-3-A, Part 6, column E, line 30b (EW)

Worksheet C – Marked to market (MTM) net gains for line 28									
		A				B			C
		EIN				Combined group NYS total			Combined group everywhere total
		Entity specific detail							
Part 1 – MTM net gains under §§210-A.5(a)(1) and 210-A.5(a)(2)(J) (see instructions)									
Line 10	MTM net gains from loans secured by real property								
	10a	EW							
	10b	NYS		J(ii)	J(iii)		J(ii)	J(iii)	
	10c	NYS FDM							
Line 12	MTM net gains from loans not secured by real property								
	12a	EW							
	12b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	12c	NYS FDM							
Line 14									
Line 16	MTM net gains from federal, NYS, and NYS political subdivisions debt								
	16a	EW							
	16b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	16c	NYS FDM							
Line 18	MTM net gains from other states and their political subdivisions debt								
	18a	EW							
	18b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	18c	NYS FDM							
Line 20	MTM net gains from government agency debt or asset-backed securities sold through an exchange								
	20a	EW							
	20b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	20c	NYS FDM							
Line 21	MTM net gains from all other asset-backed securities								
	21a	EW							
	21b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	21c	NYS FDM							
Line 23	MTM net gains from corporate bonds sold through broker/dealer or licensed exchange								
	23a	EW							
	23b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	23c	NYS FDM							
Line 24	MTM net gains from other corporate bonds								
	24a	EW							
	24b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	24c	NYS FDM							
Line 27	MTM net gains from physical commodities								
	27a	EW							
	27b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	27c	NYS FDM							
Line 30	MTM net gains from all other financial instruments of one type								
	30a	EW							
	30b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	30c	NYS FDM							
Line 30	MTM net gains from all other financial instruments of a second type								
	30a	EW							
	30b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	30c	NYS FDM							
Line 30	MTM net gains from all other financial instruments of a third type								
	30a	EW							
	30b	NYS	8%	J(ii)	J(iii)	8%	J(ii)	J(iii)	
	30c	NYS FDM							

Worksheet C – Marked to market (MTM) net gains for line 28 (continued)				
		A	B	C
		EIN	Combined group NYS total	Combined group everywhere total
		Entity specific detail		
Part 1 – MTM net gains under §§210-A.5(a)(1) and 210-A.5(a)(2)(J) (see instructions) (continued)				
Line 30-Stk	MTM net gains from stock that is business capital			
	30a Stk	EW		
	30b Stk	NYS	8%	8%
	30c Stk	NYS FDM		
Line 30-Pship	MTM net gains from partnership interests			
	30a Pship	EW		
	30b Pship	NYS	8%	8%
	30c Pship	NYS FDM		
J(ii) Totals (see instructions)				
J(ii) Total EW				
J(ii) Total NYS				
Line 28	Total MTM net gains under §210-A.5(a)(2)(J)			
	28a	EW		
	28b	NYS		
	28c	NYS FDM		
Part 2 – NYS aggregate MTM factor, based on net gains from actual sales, plus J(ii) MTM net gains (see instructions)				
A	NYS			
B	EW			
C	NYS aggregate MTM factor			
D	Combined NYS aggregate MTM factor			

Worksheet C – Marked to market (MTM) net gains – Form CT-3-A and Form CT-3-A/BC, Part 6, line 28 and Worksheet D, line 28

General information

Note: You must first complete Worksheets A and B, and lines 9 through 27, 29, and 30 of Worksheet D, and Forms CT-3-A and CT-3-A/BC, Part 6; then, follow the steps below, in order, to complete Worksheet C.

This worksheet computes the amounts for Forms CT-3-A and CT-3-A/BC, Part 6, line 28, and the amount for line 28 of Worksheet D, *Designated agent's NYS Receipts for purposes of fixed dollar minimum (FDM) tax base*. See the Form CT-3-A-I, Part 6, line 28 instructions and also the specific instructions below. For purposes of Worksheet C, §210-A.5(a)(2)(J)(ii) is referred to as J(ii), and §210-A.5(a)(2)(J)(iii) as J(iii). J(ii) sources MTM net gains based on the sourcing of net gains from actual sales of financial instruments of the same type. J(iii) is used when there are no actual sales of a type, or the actual sales of a type resulted in a net loss for that type.

Part 1 of the worksheet computes MTM net gains for those financial instruments that are described on Form CT-3-A, Part 6, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and 30, and that have been MTM. Columns A and B, row b are broken out into subcolumns for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30. For each such line in columns A and B, respectively, only one of the subcolumns will apply for that line, depending on the sourcing rule that applies for that line; the subcolumns that do not apply in columns A and B should be left blank.

Part 2 of the worksheet is generally only applicable if the 8% fixed percentage method for QFIs is not in effect. Provided

however, that if the 8% fixed percentage method for QFIs is in effect, and you have MTM gains/(losses) reportable on line 10 of the worksheet, you may have to complete Part 2 of the worksheet, as instructed further below. Part 2 computes the NYS aggregate MTM factor for each entity in the combined return, and also computes the combined NYS aggregate MTM factor for the combined group. These factors are used to determine NYS MTM net gains under J(iii) in Part 1, as per the specific line instructions for columns A and B, under *Customer-based sourcing* below.

Column A (for all lines in all parts of the worksheet) is completed for the designated agent and for each combined member, in the manner set forth in these instructions. Column A, row B amounts are used to determine an entity's row c amounts. There should be as many columns A completed as there are entities in your combined return. Enter the EIN of the applicable entity at the top of each column A completed.

Amounts less than zero are allowed in an entity's Part 1, column A, row a.

Line instructions for Worksheet C

If the 8% fixed percentage method for QFIs is in effect (Form CT-3-A, Part 6, line 8 box is marked), you must complete the steps under the 8% fixed percentage method elected instructions below to complete Worksheet C. Do not complete the steps under the *Customer-based sourcing* instructions, unless specifically instructed to do so for a certain line.

If the fixed percentage method for QFIs is not in effect (Form CT-3-A, Part 6, line 8 box is not marked), you must complete the steps under the *Customer-based sourcing* instructions below to complete Worksheet C. Do not complete

the steps under the *8% fixed percentage method elected* instructions.

Regardless of whether or not the 8% fixed percentage method for QFIs is in effect, use a separate line 30 for MTM gains/(losses) from all “other” financial instruments of one same certain type. If you need more than three lines 30, use an additional line 30 for each separate type of “other” financial instrument for which you have MTM gains/(losses); include the amounts from these additional lines in the same manner as you would for the three lines 30 provided on the worksheet, as you complete the steps below, as applicable.

8% fixed percentage method elected

When the 8% fixed percentage method for QFIs is in effect follow the instructions for Condition 1 or Condition 2 below, whichever applies. When Condition 1 applies, only Part 1 of Worksheet C needs to be completed, and the **Part 1, J(ii) Totals** section should be left blank. When Condition 2 applies, you may need to complete Part 2 of the worksheet, and the **Part 1, J(ii) Totals** section.

Condition 1 – If you do **not** have MTM gains/(losses) reportable on line 10 of this worksheet, complete **steps 1** through **3** below (under these *8% fixed percentage method elected* instructions) and do **not** complete any of the steps under the *Customer-based sourcing* instructions.

Condition 2 – If you have MTM gains/(losses) reportable on line 10 of this worksheet, you must determine the amounts to enter on line 10 by completing the applicable steps under *Customer-based sourcing for line 10 only*. When Condition 2 applies:

- First, **for line 10 only**, complete **steps 1.1** through **4.2** AND **steps 5** through **9.1.2** under *Customer-based sourcing* (do **not** complete step 4.3 or step 10).
- Next, complete **all of steps 1** through **3** below (under these *8% fixed percentage method elected* instructions) for all remaining lines (including lines 30-STK and 30-Pship (if applicable)).

Step 1 – Part 1, column A, rows a, b, and c

- 1.1. In **row a** (EW), lines 12, 16, 18, 20, 21, 23, 24, 27, all lines 30 (including lines 30-Stk and 30-Pship), in each entity’s column A, enter **100%** of each entity’s MTM net gains/(losses) for those financial instruments **described** on each such line (and described further in the lines’s corresponding line instructions in Form CT-3-A-I, Part 6), except that if the net amount is less than zero, enter the negative amount with a minus (-) sign. If the amount is zero for an entity, for any line, enter **0** in row **a** for that line.

Note: Use **line 30** for MTM net gains/(losses) from “other” financial instruments (§210-A.5(a)(2)(H)). If **any** member of the combined group in the tax year has marked to market **any** stock under IRC section 475 or 1256, use **line 30-Stk** for MTM net gains/(losses) from sales of stock that is business capital (§210-A.5(a)(2)(G)); otherwise leave line 30-Stk blank. If **any** member of the combined group in the tax year has MTM **any** partnership interest in a widely held or publicly traded partnership under IRC section 475 or 1256, use **line 30-Pship** for MTM net gains/(losses) from sales of partnership interests in widely held or publicly traded partnerships (§210-A.5(a)(2)(G)); otherwise, leave line 30-Pship blank.

- 1.2. In **row b** (NYS), **subcolumn 8%**, lines 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship, in each entity’s column A, multiply column A, row **a**, for each respective entity and line, by 8% (.08) and enter the result; if the result is less than zero, enter **0**. You must leave **row b**,

subcolumn J(ii) and **row b**, **subcolumn J(iii)** blank for all such lines as they are not applicable when the 8% fixed percentage method sourcing is in effect for QFIs.

- 1.3. In **row c** (NYS FDM), lines 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship, in each entity’s column A, enter the amount you entered in **row b**, **subcolumn 8%** for that line.
- 1.4. In **row c**, for **line 28**, in each entity’s column A, enter the **sum** of the amounts from row **c** in lines 10, 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship, for **that** entity.

Step 2 – Part 1, column C, row a

- 2.1. In column C, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship, enter the **sum** of **all** entities’ columns A, row **a** amounts for each such line. However, if the resulting **combined** total is less than **or** equal to zero for any such line, enter **0** for column C.
- 2.2. In column C for **line 28**, enter the **sum** of the amounts from column C for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship.

Step 3 – Part 1, column B, row b

- 3.1. In column B, lines 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship, **row b**, **subcolumn 8%**, of each such line, enter the **product** of: the amount in column C, for that line, and 8% (.08).
- 3.2. In column B for **line 28**, enter the **sum** of all amounts from all applicable subcolumns in column B, row **b** for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, all lines 30, 30-Stk, and 30-Pship.

Customer-based sourcing

Parts 1 and 2 of Worksheet C need to be completed when the 8% fixed percentage method for QFIs is **not** in effect. To complete Worksheet C in this instance, follow Steps 1 through 10 below, in that order.

Note: Lines 30-Stk and 30-Pship should **not** be completed as these lines are not applicable when customer-based sourcing is used (§210-A.5(a)(2)(G)).

If the fixed percentage method for QFIs **is** in effect **and** you have MTM gains/(losses) reportable on line **10** of this worksheet, then you must use customer-based sourcing for the MTM net gains **for line 10 only**. In this instance, follow the instructions for **Condition 2** under the *8% fixed percentage method elected* instructions, above.

Step 1 – Part 1, column A, row a, and row b, subcolumn J(ii)

- 1.1. In **row a**, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, in each entity’s column A, enter **100%** of each entity’s **MTM** net gains/(losses) for those financial instruments **described** on each such line (and described further in the corresponding line instructions in Form CT-3-A-I, Part 6), except that if the net amount is less than zero, enter the negative amount with a minus (-) sign. If the amount is **equal** to zero for an entity, for any line, enter **0** in row **a** for **that** line.
- 1.2. **Row b**, **subcolumn J(ii)** - Subcolumn J(ii), lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, in each entity’s column A, is used to compute **NYS MTM** net gains, for those financial instruments **described** on each such line, under the sourcing rules of J(ii). Follow the steps below to compute the subcolumn J(ii) amounts. These amounts are computed on a **separate** company basis in column A, and are used in the computation of the NYS aggregate MTM factor in Part 2, column A, and also used to compute

NYS receipts for FDM purposes in Part 1, row c. Complete substeps 1.2.1 through 1.2.4 for each line (10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30) for each entity's column A:

- 1.2.1. If the step 1.1 amount is less than **or** equal to zero for an entity, for any line, enter **0** in row **b**, subcolumns J(ii) and J(iii), **and** row **c** for that entity, for **that** line.
- 1.2.2. For each entity, for each line for which row **a** is **not** less than or equal to zero, determine if **that entity** has **actual** everywhere sales that generated a net **gain** during the tax year, for **that** type of financial instrument. An entity, **other than** the designated agent, had **actual** everywhere sales that generated a net **gain** during the tax year for a specific type of financial instrument if there is an amount greater than zero reported on **that** type of financial instrument's corresponding line of Form CT-3-A/BC, Part 6, Column A. The designated agent had **actual** sales that generated a net **gain** during the tax year for a specific type of financial instrument if there is an amount greater than zero reported on **that** type of financial instrument's corresponding line of Form CT-3-A, Part 6, column A, row b (EW). However, for line 30, for all entities, an entity had **actual** everywhere sales that generated a net **gain** during the tax year for a type of financial instrument described in §210-A.5(a)(2)(H) if there is an amount greater than zero reported on Worksheet B, in that entity's column A, line 30.1 (used to report the **same specific** type of financial instruments), row **a**.
- 1.2.3. In each entity's column A, for each line for which row **a** is **not** less than or equal to zero, if that entity did have **actual** everywhere sales that generated a net **gain** for the **same** specific type of financial instrument described on such line (as determined in substep 1.2.2 above), enter in that entity's row b, subcolumn J(ii), for such line, the **product** of: the amount in that entity's row **a** for such line, and a fraction, the numerator and the denominator of which are determined as follows:
 - If the entity is the designated agent, for all such lines (except line 30): the **numerator** of the fraction for such line (except line 30) is the amount from Form CT-3-A, Part 6, column A, row **a** (NYS) of the corresponding line; and the **denominator** of the fraction for such line (except line 30) is the amount from Form CT-3-A, Part 6, column A, row **b** (EW) of the corresponding line. However, if the numerator so determined is less than **or** equal to zero, enter **0**. For line 30, see the specific line 30 instructions below.
 - If the entity is an entity **other than** the designated agent, for all such lines (except line 30): the **numerator** of the fraction for such line (except line 30) is the amount from that entity's Form CT-3-A/BC, Part 6, column B (NYS) of the corresponding line; and the **denominator** of the fraction for such line (except line 30) is the amount from that entity's Form CT-3-A/BC, Part 6, column A (EW) of the corresponding line. However, if the numerator so determined is less than **or** equal to zero, enter **0**. For line 30, see the specific line 30 instructions below.
 - **Line 30** – For all entities, the **numerator** of the fraction for any **specific** line 30 is the amount from Worksheet B, from **that** entity's column A, line 30.1 (used to report the **same specific** type of financial instrument), row **b** (NYS) (but

not less than zero). The **denominator** of the fraction for any **specific** line 30 is the amount from Worksheet B, from **that** entity's column A, line 30.1 (used to report the **same specific** type of financial instrument), row **a** (EW) (but not less than zero). However, if the numerator so determined is zero, enter **0**.

- 1.2.4. In each entity's column A, for each line for which row **a** is **not** less than or equal to zero, if that entity did **not** have **actual** everywhere sales that generated a net **gain** for the **same specific** type of financial instrument described in such line (as determined in substep 1.2.2 above), leave row b, subcolumn J(ii) **blank** for that line.

Step 2 – Part 1, column A, J(ii) Total EW, and J(ii) Total NYS

When you have completed each entity's column A, Part 1, row a, and row b subcolumn J(ii), for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, you must next complete, for each entity's column A, the **J(ii) Total** lines for EW and NYS, which are directly below line 30-Pship. The J(ii) totals are needed to calculate the NYS aggregate MTM factor in Part 2, Column A of this worksheet, when applicable.

- 2.1. In each entity's **column A**, enter in the **J(ii) Total EW** line, the **sum** of the column A, row **a** amounts for all lines that have an amount entered in column A, row **b**, subcolumn J(ii) even if the amount entered is zero, but do **not** include in the sum any column A, row **a** amounts that are **less** than zero for a particular line.
- 2.2. In each entity's **column A**, enter in the **J(ii) Total NYS** line, the **sum** of the row b, subcolumn J(ii) amounts for all lines that have an amount entered in column A, row **b**, subcolumn J(ii).

Step 3 – Part 2, column A

Part 2 of the worksheet, column A, computes each entity's NYS aggregate MTM factor, on a **separate** company basis, which you will need in order to complete Part 1, row b, subcolumn J(iii), when applicable.

Never include any amounts sourced under the 8% fixed percentage method election when determining the amounts to include in the sums described in these step 3 instructions.

- 3.1. **Line A (NYS)** – In each entity's column A, enter on this line the result of the applicable instruction for that entity:
 - For the designated agent, enter the **sum** of: the **J(ii) Total NYS** amount from the designated agent's Part 1, column A of this worksheet **plus** the amounts from Worksheet D, lines 9 through 27, 29, and 30 (complete Worksheet D, except for Worksheet D, line 28, now if you have not done so already).
 - For each entity **other than** the designated agent, enter the **sum** of: the **J(ii) Total NYS** amount from that entity's Part 1, column A of this worksheet **plus** the amounts from that entity's Form CT-3-A/BC, Part 6, column C (NYS FDM), lines 9 through 27, 29, and 30 (for each member of the group, except the designated agent, complete column C of Form CT-3-A/BC, Part 6, now if you have not done so already).
- 3.2. **Line B (EW)** – In each entity's column A, enter on this line the result of the applicable instruction for that entity:
 - For the designated agent, enter the **sum** of: the **J(ii) Total EW** amount from the designated agent's column A, Part 1 of this worksheet **plus** the amounts (but **not** less than zero from any line) from Form CT-3-A, Part 6, column A, lines 9 through 27 and 29, row b (EW) **plus** the amounts (but **not** less than zero for any line) from the designated agent's Worksheet B, column A, lines 30.1 and 30.2, row a (EW).

- For **each** entity **other than** the designated agent, enter the **sum** of: the **J(ii) Total EW** amount from that entity's column A, Part 1, of this worksheet **plus** the amounts (but **not** less than zero from any line) from Form CT-3-A/BC, Part 6, column A (EW), lines 9 through 27 and 29, **plus** any amounts (but **not** less than zero for any line) from that entity's Worksheet B, column A, lines 30.1 and 30.2, row a (EW).

- 3.3. **Line C** – For each entity's column A, divide the line A amount by the line B amount and enter the result, rounded to four decimal places.

Step 4 – Part 1, column A, row b, subcolumn J(iii), and row c:

- 4.1. **Row b, subcolumn J(iii)** - Subcolumn J(iii), lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, in each entity's column A, is used to compute **NYS MTM** net gains, for those financial instruments **described** on each such line, under the sourcing rules of J(iii). Follow the steps below to compute the subcolumn J(iii) amounts. These amounts are computed on a **separate** company basis in column A. Complete substeps 4.1.1 and 4.1.2 for each line (10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30) for each entity's column A:
- 4.1.1. For each entity, for each line, if there is an amount greater than **or** equal to zero entered in row b, subcolumn J(ii), then leave row b, subcolumn J(iii) **blank** for that line, for that entity. **Note:** When an **entity** had **actual** everywhere sales that generated a net **gain** for **that type** of financial instrument during the tax year, subcolumn J(ii) should have an amount entered, and subcolumn J(iii) should be left **blank**.
- 4.1.2. In each entity's column A, for each line, if that entity did **not** have actual everywhere sales that generated a net **gain** for the **specific type** of financial instrument described on **that line** (row b, subcolumn J(ii) was left blank for **that line** per substep 1.2.4), enter in that entity's row b, subcolumn J(iii), for that line, the **product** of: the amount in that entity's row a (EW) for that line, and the factor in Part 2, line C of that entity's column A.
- 4.2. In **row c**, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, for each entity, for all lines that have an amount entered in row b, subcolumn J(ii), enter the amount you entered in row b, subcolumn **J(ii)** for that line. If row b, subcolumn J(ii) is **blank** for any line for an entity, enter the amount you entered in row b, subcolumn **J(iii)** for that line, for that entity. **Note:** for each entity's column A, you must complete row b, subcolumn J(iii), for all lines that do **not** have an amount entered in row b, subcolumn J(ii), **before** you can complete row **c** for such lines (see row b, subcolumn J(iii) instructions above).
- 4.3. In **row c**, for **line 28**, in each entity's column A, enter the **sum** of the amounts from row **c** in lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30 for that entity.

Step 5 – Part 1, column C, row a

In **column C** of lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, enter the **sum** of **all** the amounts entered in each entity's column A, row a (EW), for each such line; however, if the resulting **combined** total is less than **or** equal to zero for any such line, enter **0** for column C.

Step 6 – Part 1, column B, row b, subcolumn J(ii)

- 6.1. **Column B, subcolumn J(ii)** - Subcolumn J(ii), lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, in column B, is used to compute **NYS MTM** net gains

on a **combined** basis, for those financial instruments **described** on each such line, under the sourcing rules of J(ii). Follow the steps below to compute the Column B, subcolumn J(ii) amounts. These amounts are computed on a combined basis in column B, and are used in the computation of the **combined** NYS aggregate MTM factor in Part 2. Complete the following steps for each line (10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30) for column B:

- 6.1.1. If the column C amount entered is **equal** to zero, for any line, enter **0** in row b, subcolumns J(ii) and J(iii), **and** row **c** for that entity, for that line.
- 6.1.2. For each line for which column C is **not** equal to zero, determine if the **combined group** has **actual** everywhere sales that generated a net **gain** during the tax year, for **that** type of financial instrument. The combined group had **actual** everywhere sales that generated a net **gain** during the tax year for a type of specific financial instrument if there is an amount greater than zero reported on the corresponding line for **that** type of financial instrument of Form CT-3-A, Part 6, column E, row b (EW). However, for all lines 30, the **combined group** had **actual** everywhere sales that generated a net **gain** for **that** type of financial instrument if there is an amount greater than zero reported on the Worksheet B, column D, line 30.1 used to report the **same** specific type of financial instrument.
- 6.1.3. For each line for which column C is **not** equal to zero, if the **combined** group did have **actual** everywhere sales that generated a net **gain** for the **same** specific type of financial instrument **described** on that line (as determined in substep 6.1.2), enter in column B, subcolumn J(ii), for that line, the **product** of: the amount in column C for that line and a fraction, the numerator and the denominator of which are determined as follows:
- the **numerator** of the fraction for such line (except line 30) is the amount from Form CT-3-A, Part 6, column D, of the corresponding line, and the **denominator** of the fraction for such line (except line 30) is the amount from Form CT-3-A, Part 6, column E of the corresponding line; however, if the numerator so determined is less than **or** equal to zero, enter **0**.
 - **Line 30** – The **numerator** of the fraction for any specific line 30 is the amount from the Worksheet B, column C, line 30.1 that is used to report the **same** specific type of financial instrument. The **denominator** of the fraction for any specific line 30 is the amount from the Worksheet B, column D, line 30.1 that is used to report the **same** specific type of financial instrument. However if the numerator so determined is zero, enter **0**.
- 6.1.4. For each line for which column C is **not** equal to zero, if the combined group did **not** have **actual** everywhere sales that generated a net **gain** for the **same** specific type of financial instrument described in that line (as determined in substep 6.1.2), leave column B, row b, subcolumn J(ii) **blank** for that line.

Step 7 – Part 1, column C, J(ii) Total EW, and column B, J(ii) Total NYS

When you have completed column C, Part 1, and column B, Part 1, row b subcolumn J(ii), for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, you must next complete, for column C, the **J(ii) Total EW** line, and for column B, the **J(ii) Total NYS**

line; the **J(ii) Total** lines are directly below line 30-Pship. The J(ii) totals are needed to calculate the **combined** NYS aggregate MTM factor in Part 2, column B of this worksheet, when applicable.

- 7.1. In **column C**, enter in the **J(ii) Total EW** line, the **sum** of all column C, **row a** amounts for all lines that have an amount entered in column B, row b, subcolumn J(ii).
- 7.2. In **column B**, enter in the **J(ii) Total NYS** line, the **sum** of the column B, row b, subcolumn J(ii) amounts.

Step 8 – Part 2, columns B and C

Part 2 of the worksheet, columns B and C, compute your **combined** NYS aggregate MTM factor, which you will need in order to complete Part 1, column B, for those lines which are sourced to NYS on a combined basis under J(iii).

Never include any amounts sourced under the 8% fixed percentage method election when determining the amounts to include in the sums described in these step 8 instructions.

- 8.1. **Column B, line A** – Enter the **sum** of the following amounts:
 - the **J(ii) Total NYS** amount from Part 1, **column B** plus the amounts from Form CT-3-A, Part 6, lines 9 through 27, 29, and 30, **column D**.
- 8.2. **Column C** – Enter the **sum** of the following amounts:
 - the **J(ii) Total EW** amount from Part 1, **column C** plus the amounts from Form CT-3-A, Part 6, lines 9 through 27, 29, and 30, **column E**.
- 8.3. **Column B, line D** – Divide the column B, line A amount by the column C amount and enter the result, rounded to four decimal places.

Step 9 – Part 1, column B, row b, subcolumn J(iii)

- 9.1. **Column B, subcolumn J(iii)**, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30, in column B, is used to compute **NYS MTM** net gains on a **combined** basis, for those financial instruments **described** on each such line, under the sourcing rules of J(iii). Follow the steps below to compute the subcolumn J(iii) amounts. Complete substeps 9.1.1 and 9.1.2 for each line (10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30) for column B:
 - 9.1.1. For each line, if there is an amount greater than **or** equal to zero entered in column B, row b, subcolumn J(ii), then leave column B, row b, subcolumn J(iii) **blank** for that line. **Note:** When the **combined group** had **actual** everywhere sales that generated a net **gain** on a **combined** basis for **that** type of financial instrument during the tax year, subcolumn J(ii) should have an amount entered, and subcolumn J(iii) should be **blank**.
 - 9.1.2. For each line, if the combined group did **not** have **actual** everywhere sales that generated a net **gain** on a **combined** basis for the specific type of financial instrument **described** on **that** line, enter in column B, row b, subcolumn J(iii), for that line, the **product** of: the amount in column C for that line, and the factor in Part 2, column B, line D.

Step 10 – Part 1, columns B and C, line 28

- 10.1. In column B for **line 28**, enter the **sum** of the amounts from column B, row b, subcolumns J(ii) **and** J(iii) for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30.
- 10.2. In column C for **line 28**, enter the sum of the amounts from column C, for lines 10, 12, 16, 18, 20, 21, 23, 24, 27, and all lines 30.

Where are the amounts calculated on Worksheet C entered?

The amounts entered or calculated on Part 1, lines 10, 12, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship and Part 2, lines A, B, C, and D are only used to compute the **line 28** MTM totals in Part 1 and do not get transferred to any other form or worksheet; the **line 28 totals** from Part 1 need to be entered on Form CT-3-A, Form CT-3-A/BC, or Worksheet D, as follows:

Amount from Worksheet C	Amount is entered on
Column A completed for the designated agent Line 28c (NYS FDM)	Worksheet D, line 28 (NYS FDM)
Column A completed for each combined entity other than the designated agent Line 28c (NYS FDM)	each entity's Form CT-3-A/BC, Part 6, column C, line 28 (NYS FDM)
Column B Line 28b (NYS)	Form CT-3-A, Part 6, column D, line 28a (NYS)
Column C Line 28a (EW)	Form CT-3-A, Part 6, column E, line 28b (EW)

Worksheet D – Designated agent’s NYS receipts for fixed dollar minimum (FDM) tax base

		NYS for FDM of designated agent
Section 210-A.2		
1 Sales of tangible personal property	1	
2 Sales of electricity	2	
3 Net gains from sales of real property	3	
Section 210-A.3		
4 Rentals of real and tangible personal property	4	
5 Royalties from patents, copyrights, trademarks, and similar intangible personal property	5	
6 Sales of rights for certain closed-circuit and cable TV transmissions of an event	6	
Section 210-A.4		
7 Sale, licensing, or granting access to digital products	7	

Section 210-A.5(a)(1)

8 When the fixed percentage method election is in effect for the combined group, mark an **X** in the box (see instructions) 8

Section 210-A.5(a)(2) – Mark an X in each box that is applicable (see instructions)

Section 210-A.5(a)(2)(A)

9 Interest from loans secured by real property	9	
10 Net gains from sales of loans secured by real property	10	
11 Interest from loans not secured by real property (QFI <input type="checkbox"/>)	11	
12 Net gains from sales of loans not secured by real property (QFI <input type="checkbox"/>)	12	

Section 210-A.5(a)(2)(B) (QFI)

13 Interest from federal debt	13	
14		

15 Interest from NYS and its political subdivisions debt	15	
16 Net gains from federal, NYS, and NYS political subdivisions debt	16	
17 Interest from other states and their political subdivisions debt	17	
18 Net gains from other states and their political subdivisions debt	18	

Section 210-A.5(a)(2)(C) (QFI)

19 Interest from asset-backed securities and other government agency debt	19	
20 Net gains from government agency debt or asset-backed securities sold through an exchange	20	
21 Net gains from all other asset-backed securities	21	

Section 210-A.5(a)(2)(D) (QFI)

22 Interest from corporate bonds	22	
23 Net gains from corporate bonds sold through broker/dealer or licensed exchange	23	
24 Net gains from other corporate bonds	24	

Section 210-A.5(a)(2)(E)

25 Net interest from reverse repurchase and securities borrowing agreements	25	
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Section 210-A.5(a)(2)(F)

26 Net interest from federal funds	26	
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Section 210-A.5(a)(2)(I) (QFI)

27 Net income from sales of physical commodities	27	
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Section 210-A.5(a)(2)(J) (QFI)

28 Marked to market net gains	28	
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Section 210-A.5(a)(2)(H) (QFI)

210-A.5(a)(2)(G) (QFI)

29 Interest from other financial instruments	29	
30 Net gains and other income from other financial instruments	30	

(continued)

Worksheet D – Designated agent’s NYS receipts for fixed dollar minimum (FDM) tax base *(continued)*

		NYS for FDM of designated agent
Section 210-A.5(b)		
31 Brokerage commissions	31	
32 Margin interest earned on behalf of brokerage accounts	32	
33 Fees for advisory services for underwriting or management of underwriting	33	
34 Receipts from primary spread of selling concessions	34	
35 Receipts from account maintenance fees	35	
36 Fees for management or advisory services	36	
37 Interest from an affiliated corporation	37	
Section 210-A.5(c)		
38 Interest, fees, and penalties from credit cards	38	
39 Service charges and fees from credit cards	39	
40 Receipts from merchant discounts	40	
41 Receipts from credit card authorizations and settlement processing	41	
42 Other credit card processing receipts	42	
Section 210-A.5(d)		
43 Receipts from certain services to investment companies	43	
Section 210-A.5-a		
44 Global intangible low-taxed income	44	
Section 210-A.6		
45 Receipts from railroad and trucking business	45	
Section 210-A.6-a		
46 Receipts from the operation of vessels	46	
Section 210-A.7		
47 Receipts from air freight forwarding	47	
48 Receipts from other aviation services	48	
Section 210-A.8		
49 Advertising in newspapers or periodicals	49	
50 Advertising on television or radio	50	
51 Advertising via other means	51	
Section 210-A.9		
52 Transportation or transmission of gas through pipes	52	
Section 210-A.10		
53 Receipts from other services/activities not specified	53	
Section 210-A.11		
54 Discretionary adjustments	54	
Total receipts		
55 Add lines 1 through 54 <i>(enter here and in the New York receipts box on Form CT-3-A, Part 2, line 1c)</i>	55	

Worksheet D – Designated agent’s NYS receipts for purposes of fixed dollar minimum (FDM) tax base

This worksheet computes the amount for the New York receipts box on Form CT-3-A, Part 2, line 1c. Generally, New York receipts for purposes of the fixed dollar minimum tax are calculated on a **separate** company basis using the applicable apportionment rule or fraction, as computed on a **separate** company basis, for each line of the worksheet. Worksheets A, B, and C of these instructions compute certain amounts for lines 10, 12, 21, 24, 28, and 30 of Worksheet D. Worksheets A, B, and C, and Form CT-3-A, Part 6, column A must be completed before you complete Worksheet D. However, in instances where **Part 2 of Worksheet C** applies (i.e. when J(iii) sourcing must be used), you must complete Worksheet D, lines 9 through 27, 29, and 30, prior to completing Part 2 of Worksheet C.

For all lines involving the computation of net gains, net income, or net interest, if the net amount is less than zero, enter **0**.

Section 210-A.5(a)(2)

For lines or section headings with a QFI box, only mark an **X** in the QFI box on the worksheet when the QFI box on the corresponding lines (in the case of lines 11 and 12) or next to the corresponding section headings on Form CT-3-A, Part 6 has been marked with an **X**.

The line numbers on Worksheet D correspond to the line numbers on Form CT-3-A, Part 6 and the line numbers on Worksheets A, B, and C. Use the corresponding line number instructions from Part 6, the chart, and the instructions below to determine the amount to enter on each line on Worksheet D.

Enter amount from	In Worksheet D, on line(s)
Worksheet A, column A completed for the designated agent, row f (NYS FDM), for each respective line	10, 12, 21, and 24
Worksheet C, Part 1, column A completed for the designated agent, line 28c (NYS FDM)	28
Worksheet B, column A completed for the designated agent, line 30c (Total NYS FDM)	30

Line 25

Step 1: Compute the **designated agent's** net interest income (not less than zero) from reverse repurchase agreements and securities borrowing agreements. For this calculation, the designated agent's net interest income is determined after the deduction of the amount of the designated agent's interest expense from repurchase agreements and securities lending agreements, but cannot be less than zero. The amount of the designated agent's interest expense to be deducted is the designated agent's interest expense associated with the sum of the value of the designated agent's repurchase agreements where the designated agent is the seller or borrower, **plus** the value of the designated agent's securities lending agreements where the designated agent is the securities lender; provided that such sum is limited to the sum of the value of the designated agent's reverse repurchase agreements where the designated agent is the purchaser or lender, **plus** the value of the designated agent's securities borrowing agreements where the designated agent is the securities borrower.

Step 2: Enter 8% of the amount computed in step 1 above.

For all other lines – The **designated agent's NYS receipts** amounts for each line should be calculated on a **separate** company basis using the applicable apportionment rule or fraction as computed on a **separate** company basis for each such line (this includes **not** taking into consideration intercorporate eliminations). Refer to the corresponding line instructions in Part 6 of these instructions for information regarding the applicable apportionment rule or fraction for each line.

Example: *For line 45 the designated agent would multiply its own separate amount of receipts from the conduct of a railroad business or a trucking business by a fraction, the numerator of which is the total miles of the designated agent within NYS and the denominator of which is the total miles of the designated agent within and outside NYS.*

Where is the total receipts amount calculated on Worksheet D entered?

The line 55 total receipts amount is entered in the designated agent's New York receipts box on Form CT-3-A, Part 2, line 1c.

Part 7 – Summary of tax credits claimed

Enter in the appropriate box the amount of each tax credit that is being used to reduce the Part 2, line 2 tax due amount. Attach the corresponding properly completed credit form to the return.

For a combined group, qualification for tax credits, including any limitations thereon, are determined separately for each member of the group, and are not determined on a combined group basis, except as otherwise provided. The credits are applied against the combined tax of the group. When a tax credit

provision limits a credit to the fixed dollar minimum, such fixed dollar minimum means the fixed dollar minimum of the group's designated agent.

Line 2 – Enter the amount of any tax credits that you are claiming against your current year's franchise tax here and on Part 2, line 3. For other credits not specified, enter the amount of credits being claimed in the *Other credits* box and include this amount in the total. Generally, the *Other credits* box will be used only when a credit claim form for a newly enacted tax credit was not developed in time to appear on Form CT-3-A. Do **not** include any amount of tax credit requested as a refund on Part 2, line 26, **or** requested as a tax credit to be credited as an overpayment to next year's return on Part 2, line 27. 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 claim form, enter this negative amount using a minus sign (-) in the applicable box.

Line 3 – Enter the amount of those tax credits being claimed on Part 2, line 3, against your current year's franchise tax that are refund **eligible**. Do **not** include any amount of credits actually requested as a refund on Part 2, line 26, or requested as an overpayment credited to next year's tax on Part 2, line 27. Refer to the individual credit forms and Form CT-600-I for refund eligibility.