



Instructions for Form CT-32-A/C

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

CT-32-A/C-I

Tax Law — Article 32

Up-to-date information affecting your 2004 tax return

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

Each taxpayer included in Form CT-32-A, *Banking Corporation Combined Franchise Tax Return*, other than the deemed parent corporation, must individually complete and file Form CT-32-A/C. The corporation that completes the *Parent corporation* column on Form CT-32-A is designated the *parent corporation* in the combined return. A corporation that is not taxable in New York State (but is nevertheless included in a combined return) is not required to file Form CT-32-A/C.

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

Reporting period

Your tax year for New York State must be the same as your federal tax year. Use this tax return for both calendar and fiscal years beginning in 2004, and for short periods beginning in 2005 and ending before December 31, 2005. Complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

A taxpayer who reports on the basis of a 52-53 week accounting period for federal income tax purposes must report on the same basis for Article 32 purposes. If a 52-53 week accounting period begins within 7 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 7 days from the last day of any calendar month, the tax year is deemed to end on the last day of the calendar month. The requirement that all members of a combined group must have the same accounting period is met if the 52-53 week filer's accounting period begins and ends within 7 days of the beginning and ending dates of the other members of the combined group.

NAICS business code number and business activity

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

Computation of the issuer's allocation percentage

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

Method I. A banking corporation (excluding corporations defined on page 2 of Form CT-32-A-I, under *Who must file*, item D), organized under the laws of the United States, New York State, or any other state, enters as its issuer's allocation percentage the alternative entire net income allocation percentage computed on Form CT-32-A/B, Schedule E, Part II, line 121.

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

- Enter as gross income within New York State total receipts as shown on Form CT-32-A/B, Schedule E, Part I, line 90.
- Enter as worldwide gross income total receipts as shown on Form CT-32-A/B, Schedule E, Part I, line 102, plus all receipts as defined on lines 91 through 101, from sources outside the United States that were not taken into account in computing federal taxable income.
- Every corporation with an International Banking Facility (IBF) located in New York State (whether or not it computed entire net income using the IBF modification method or the IBF formula allocation method) must include in the numerator and denominator of the issuer's allocation percentage receipts as defined on Form CT-32-A/B, Schedule E, Part I, lines 79 through 89 and lines 91 through 101, that are attributable to the production of eligible gross income of the IBF.
- If the receipts shown in the computation of the issuer's allocation percentage are different from the receipts shown on Form CT-32-A/B, Schedule E, Part I, attach an explanation.

Method III. A corporation that is filing under Article 32 solely as a result of *Who must file*, item D, and every bank holding company that is included in a combined return, should enter as its issuer's allocation percentage the percentage determined by dividing business and subsidiary capital allocated to New York State by total worldwide capital.

Method III — Computation of subsidiary capital allocated to New York State

Enter the full name and federal employer identification number of each subsidiary corporation. *Subsidiary corporation* is defined by section 1450(d) of the Tax Law, and in the instructions for Form CT-32-A, Schedule B, line 45. For each corporation listed, complete columns B through G on the corresponding lines. If you have more than five corporations, attach additional sheets to record all the information (name, EIN, and columns B through G) requested for each corporation. Record the totals from the additional sheets in the appropriate line before computing the total amounts in columns E and G.

Column C — Average value of subsidiary capital

Enter the average value of each subsidiary corporation. The average value is computed on a quarterly, monthly, weekly, or daily basis. Use the same basis of averaging subsidiary capital you used to average total assets on Form CT-32-A/B, Schedule D, line 69. *Subsidiary capital* is defined by section 1450(e) of the Tax Law, and in the instructions for Form CT-32-A, Schedule B, line 45.

Column D — Current liabilities attributable to subsidiary capital

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

Column F — Issuer's allocation percentage

Enter the issuer's allocation percentage for each subsidiary. Obtain the issuer's allocation percentage from the New York State corporation franchise tax return filed by the subsidiary corporation for the preceding year. You may also obtain up to three issuer's allocation percentages by calling toll free 1 800 972-1233. From areas outside the U.S. and outside Canada, call (518) 485-6800. You may obtain more than three issuer's allocation percentages from the Tax Department's Web site: www.nystax.gov and many online services or printed tax services.

Method III — Computation of business capital allocated to New York State

Line 3

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

Use the same basis of averaging current liabilities you used to average total assets on Form CT-32-A/B, Schedule D, line 69. *Current liabilities* are any liabilities maturing in one year or less from the date originally incurred.

Method III — Computation of the issuer's allocation percentage

Line 9

Enter as total worldwide capital the average value of the total assets as computed on Form CT-32-A/B, Schedule D, line 69, plus the average value of all assets from sources outside the United States that were not taken into account in computing federal taxable income.

When valuing assets from sources outside the United States, compute the average value of such assets in the same manner as the average value of total assets on Form CT-32-A/B, Schedule D, line 69.

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

If the assets shown in the computation of the issuer's allocation percentage are different from the assets shown on Form CT-32-A/B, Schedule D, line 69, attach an explanation.

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

Composition of prepayments

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

If you need more space, enter **see attached** in this section and attach a separate sheet showing all relevant prepayment information. Transfer the total to your CT-32-A, line 209 or CT-32-M, line 9, whichever is applicable.

Line 14

Include franchise tax payments credited from prior years in the *Franchise tax* column and MTA surcharge payments credited from prior years in the *MTA surcharge* column. You may also include from last year's return any amount of refundable tax credits you chose to be credited as an overpayment.

Privacy notification

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

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

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

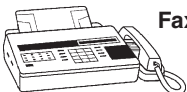
Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Need help?



Internet access: www.nystax.gov
(for information, forms, and publications)



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



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.
To order forms and publications: 1 800 462-8100
Business Tax Information Center: 1 800 972-1233
From areas outside the U.S. and outside Canada: (518) 485-6800



Hotline for the hearing and speech impaired:

If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



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