

Instructions for Form CT-60-QSSS

Affiliated Entity Information Schedule

Who must file Form CT-60-QSSS

You must file Form CT-60-QSSS if you are an Article 9-A (general business corporation) or an Article 32 (bank) taxpayer and:

- · you own a qualified subchapter S subsidiary (QSSS), or
- · you are a corporate partner, or
- you own one or more disregarded entities and you have included the income, gains, losses, deductions, credits, or other tax attributes of these entities on your New York State franchise tax return.

You must file Form CT-60-QSSS to inform the Tax Department that the income, deductions, credits, and other tax attributes of these entities will be included on your New York State franchise tax return for that tax period. This will also notify the Tax Department that the QSSS and disregarded entities will not be filing a separate franchise tax return for that tax period.

QSSS parent information

The Tax Law conforms in many respects to the federal treatment of a QSSS. The filing requirements impacting corporations that are the parent of a QSSS and corporations that have elected QSSS status are outlined in the instructions for your franchise tax return. In all cases where New York State follows federal QSSS treatment, the parent and QSSS will file a single franchise tax return. The QSSS will be ignored as a separate taxable entity, and the income, deductions, credits, and other tax attributes of the QSSS will be included on the parent's franchise tax return. However, with regard to other taxes under the Tax Law, such as sales and excise taxes, and the license and maintenance fees under Article 9, the QSSS will continue to be recognized as a separate corporation. Therefore, a foreign authorized QSSS included in the parent's return (disregarded as a separate taxable entity for franchise tax purposes) must file Form CT-245, Maintenance Fee and Activities Return For a Foreign Corporation Disclaiming Tax Liability, and pay the maintenance fee.

The parent corporation is an S corporation for federal purposes, but may be either a C corporation or an S corporation for New York State purposes. Accordingly, Form CT-60-QSSS applies to the following franchise tax returns: CT-3, CT-3-A, CT-3-S, CT-4, CT-32, CT-32-A, or CT-32-S.

QSSS information

Enter in Part 1 the information for each QSSS required to be included in your franchise tax return, and enter in Part 2 the information for each QSSS which you elect to include.

Part 1 - QSSS required inclusion

If you are a New York S corporation filing Form CT-3-S or CT-32-S, include every QSSS that you own, regardless of whether the QSSS is itself subject to tax in New York State. Also include any lower tier QSSS owned by your QSSS. However, do not include any excluded QSSS (see *Excluded QSSS*).

If you are a New York C corporation filing Form CT-3, CT-3-A, CT-4, CT-32, or CT-32-A, include every QSSS that you own that is itself taxable in New York State, but do not include a nontaxpayer QSSS unless a QSSS inclusion election has been made. Also include any lower tier QSSS owned by your QSSS, if the lower tier QSSS is itself taxable in New York State or if a QSSS inclusion election has been made. However, do not include any excluded QSSS (see *Excluded QSSS*).

Part 2 - QSSS elective inclusion

A New York C corporation (filing Form CT-3, CT-3-A, CT-4, CT-32, or CT-32-A) may elect to include on its franchise tax return a QSSS that is not taxable in New York State. The election is effective for the tax year for which the election is made, and for all succeeding tax years of the corporation until such election is terminated. Once made, the QSSS inclusion election is binding for the tax year in which it is made and may not later be changed by filing an amended return. Complete Part 2 to make the election. You are required to complete Part 2 for each succeeding tax year for which the QSSS is being included in the franchise tax return of the New York C corporation. If a QSSS for which the election had been made in a previous tax year is not included on Part 2, it indicates termination of the election.

If you elect to include a QSSS, you must also include any lower tier QSSS owned by that QSSS. However, do not include any excluded QSSS (see *Excluded QSSS*).

Excluded QSSS

For an Article 9-A parent, do not include a QSSS taxable (or a nontaxpayer QSSS that would be taxable) under Article 9, sections 183, 184, 185, and 186, or Article 32 or 33. For an Article 32 parent, do not include a QSSS taxable (or a nontaxable QSSS that would be taxable) under Article 9, sections 183, 184, 185, and 186, or Article 9-A or 33.

Employer identification number (EIN) or temporary filing (TF) number

If the QSSS has or had a federal EIN, enter that number in the appropriate box. If the QSSS does not have an EIN, enter the TF identification number assigned by the New York State Tax Department. This number may be found on Form CT-198, Corporation Tax Account Information, sent when the corporation first incorporated or became authorized to do business in New York State. If the QSSS does not have an EIN or TF number, enter **none**.

Effective date of federal QSSS election

Enter the effective date of the federal QSSS election made for the subsidiary. If the effective date falls on a date other than the first day of the subsidiary's tax year, the subsidiary must file a short period return if it was subject to tax in New York State prior to the effective date.

Part 3 - Entities taxable as partnerships

If you have included income, gains, losses, deductions, credits, or other tax attributes from a partnership on your New York State franchise tax return, complete this part.

Part 4 - Disregarded entities

If you have included income, gains, losses, deductions, credits, or other tax attributes from a disregarded entity on your New York State franchise tax return, complete this part. **Do not** include any entity already listed in Parts 1, 2, or 3.

Signature

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

The document of an association, publicly traded partnership, or business conducted by a trustee or trustees must be signed by

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a person authorized to act for the association, publicly traded partnership, or business.

If an outside individual or firm prepared the document, 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 document will delay the processing of any refunds and may result in penalties.

Need help? and Privacy notification

See Form CT-1, Supplement to Corporation Tax Instructions.