



# Instructions for Form CT-3-A/BC

## Member's Detail Report Filed by a Corporation Included in a Combined Franchise Tax Return

Tax Law – Article 9-A

# CT-3-A/BC-I

## Filing requirements

Form CT-3-A/BC is an individual certification that must be filed by **each** member, including non-taxpayer members, of the New York State combined group **except** for the taxpayer that is the designated agent of the combined group (the corporation responsible for filing Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*). The form also includes a detail schedule of the member's business and investment capital and business apportionment line items.

Form CT-3-A/BC must be filed annually and must be attached to the designated agent's Form CT-3-A. You **must** provide the employer identification number (EIN) of the designated agent in the space provided.

**E-filers:** Form CT-3-A/BC must be e-filed separately from Form CT-3-A, not as an attached PDF.

## Reporting period

Use this form for calendar year 2017, fiscal years that begin in 2017 and end in 2018, and tax years of less than 12 months that begin on or after January 1, 2017, but before January 1, 2018.

You can also use the 2017 form if:

- You have a tax year of less than 12 months that begins and ends in 2018, **and**
- The 2018 return is not yet available at the time you are required to file the return.

In this case you must show your 2018 tax year on the 2017 return and take into account any tax law changes that are effective for tax years beginning **after** December 31, 2017.

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

## Filing your final return

Mark an **X** in the *Final return* box on Form CT-3-A/BC if the group member 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. **Note:** If the foreign corporation remains as a nontaxable member of the combined group, that foreign corporation must continue to file Form CT-3-A/BC.

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.

**Full profits** from all installment sales made in the final tax year are included in the final return. Also included in the final return are the remaining profits not yet received from all prior years' installment sales. Include these amounts in your federal taxable income (FTI) before net operating loss (NOL) and special deductions on Form CT-3-A, Part 3, line 1.

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?*).

## Line instructions

### Part 1 – Group member's general information

**Line 1** – If during the tax year you do business, employ capital, own or lease property, maintain an office, or derive receipts from activity, in the Metropolitan Commuter Transportation District (MCTD), you are subject to the metropolitan transportation business tax (MTA surcharge).

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

See Form CT-3-M, *General Business Corporation MTA Surcharge Return*, to determine if you are subject to the surcharge.

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

**Line 5** – If you are a real estate investment trust (REIT) as defined in Internal Revenue Code (IRC) section 856 that is subject to federal income tax under IRC section 857, or a regulated investment company (RIC) as defined in IRC section 851 that is subject to federal income tax under IRC section 852, mark an **X** in the box.

**Line 7** – A nontaxpayer member of the combined group is **not** required to pay the fixed dollar minimum tax. However, it is required to report all other items included in all other computations of Form CT-3-A, including receipts for apportionment purposes.

**Line 9** – *Federal separate taxable income* means for this purpose, the amount you computed (or if your federal consolidated group is not the same as your New York combined group, the amount you **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.

### Part 2 – Group member's fixed dollar minimum tax and prepayments

**Note:** If you are a nontaxpayer member of the combined group, skip lines 1 and 2.

#### Section 1

**Lines 1 and 2** – Each member of the combined group that is subject to tax under Article 9-A must compute its own fixed dollar minimum tax on Form CT-3-A/BC. Enter your New York receipts on line 1. Your New York receipts amount is the amount from Part 6, column C, line 54. To avoid an erroneous assessment or a delay of your refund, you **must** enter an amount on line 1. If you do not have New York receipts, enter **0** on line 1.

Enter the applicable fixed dollar minimum tax on line 2 of this form. To determine the fixed dollar minimum tax, use the appropriate table below. If the combined group qualifies as a qualified New York manufacturer, then each of the members in the combined group that are required to pay the fixed dollar minimum tax utilize the applicable lower fixed dollar minimum tax rate. For the qualifying criteria of a qualified New York manufacturer, see Form CT-3-A-I, *Instructions for Form CT-3-A*, Part 1, Section A, lines 2 and 4 instructions.

For a member of a combined group to use the tax rate for a qualified emerging technology company (QETC), all members of the group must be QETCs, under Public Authorities Law section 3102-e(1)(c), except that the \$10 million limitation under section 3102-e(1)(c)(1) does not apply. For more information, see TSB-M-12(9)C, *Clarification of Qualifications for Qualified Emerging Technology Company (QETC) Tax Credits*.

**Do not pay the tax with Form CT-3-A/BC.** Enter the fixed dollar minimum tax on line 2 of this form and also include it on Form CT-3-A, Part 2, line 4b.

For a corporation with New York receipts of:	The fixed dollar minimum tax equals
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

Qualified New York manufacturers and QETCs For a corporation with New York receipts of:	The fixed dollar minimum tax equals
Not more than \$100,000	\$ 21
More than \$100,000 but not over \$250,000	\$ 63
More than \$250,000 but not over \$500,000	\$ 148
More than \$500,000 but not over \$1,000,000	\$ 423
More than \$1,000,000 but not over \$5,000,000	\$ 1,269
More than \$5,000,000 but not over \$25,000,000	\$ 2,961
Over \$25,000,000	\$ 4,230

**Short periods – Fixed dollar minimum tax**

Compute the New York receipts for short periods (tax periods of less than 12 months) 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.

The fixed dollar minimum tax may be reduced for short periods as follows:

Period	Reduction
Not more than 6 months	50%
More than 6 months but not more than 9 months	25%
More than 9 months	None

**Section 2**

**Note:** Complete this schedule only if the corporation filing Form CT-3-A/BC made prepayments (or had prepayments attributable to it), or had amounts credited to it, independent from being a member of the current combined group with which it is filing this Form CT-3-A/BC. If you need more space, write **see attached** in this section, and attach a separate sheet showing all relevant prepayment information.

**Line 3 –** Determine the amount of payment made independent from being a member of the current combined group by completing the *Worksheet for Part 2, line 3* below. If completing line 3 for the MTA surcharge, in the *Worksheet* read **New York State MFI** as **MTA MFI**, and read *column A* as *column B*, respectively.

**Worksheet for Part 2, line 3**

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 2017 filers, such Form CT-300 was due March 15, **2017**):

<b>1</b> Enter the portion of line A ( <i>Payment enclosed</i> ) that represents <b>New York State MFI</b> paid: generally, the amount on line 6, column A of such Form CT-300 .....	<b>1</b>
<b>2</b> Enter the portion of line 5, column A <b>actually</b> 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>2016 anticipated overpayment applied</i> . However, if on your <b>2016</b> Form CT-3 or CT-3-A you did <b>not</b> adjust your balance due or overpayment to account for this amount of <i>2016 anticipated overpayment applied</i> , you <b>must</b> enter <b>0</b> on line 2 of this worksheet.	<b>2</b>
<b>3</b> <b>Add the amounts on lines 1 and 2, and enter the total here and on Form CT-3-A/BC, Part 2, line 3</b> .....	<b>3</b>

**Line 8 –** Enter in the **Franchise tax** amount column the **sum** of the amounts reported on Part 2, lines 25 and 30 of the Form CT-3 that the member filed for the tax period immediately prior to the tax period for which this return is being filed. If for such prior period the member filed on Form CT-3-A as a member of a **different** combined group, enter the sum of the amounts reported on Part 2, lines 26 and 31 of Form CT-3-A **that is attributable to** the member. In either instance, if Form CT-3-M was filed for such prior period, enter in the **MTA surcharge** amount column the amount from line 15 of such Form CT-3-M that is attributable to the member.

## Parts 3, 4, and 5

For Parts 4 and 5, the line numbers and text on Form CT-3-A/BC correspond to the line numbers of Form CT-3-A. For part and line instructions, refer to the corresponding line instructions in Form CT-3-A-I.

**Note:** Part 3 and Part 4, lines 7 through 15, and line 19, are not included on Form CT-3-A/BC because individual member specific information is **not** required for these lines of Form CT-3-A.

## Part 6

For this part, line 8, only mark an **X** in the box when the fixed percentage method is in effect for the entire combined group as the election is binding on all members of the group.

For lines or section headings with a QFI box, only mark an **X** in the QFI box 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**.

For this part, the line numbers on Form CT-3-A/BC correspond to the line numbers on Form CT-3-A. For part and line instructions, refer to both the corresponding line instructions in Form CT-3-A-I and the instructions below. In columns A and B, for all lines involving the computation of net gains, net income, or net interest, amounts less than zero are allowed and must be entered where applicable on Form CT-3-A/BC. Amounts less than zero are allowed in columns A and B because these amounts must be netted on a **combined** basis to amounts not less than zero on Form CT-3-A in determining the apportionment factor. Use a minus sign (-) to report amounts less than zero (not parentheses or brackets). However, for column C, such gain, income, or interest **cannot** net to an amount less than zero; therefore, amounts **less than** zero must be entered as **0** in column C.

Corporations in the combined group that are **not** subject to tax under Article 9-A do not need to complete column C (NYS fixed dollar minimum). In column **C**, generally NYS receipts amounts 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 when computing column C).

**Example:** For line 44, in column **C**, a combined member 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 only that combined member within NYS and the denominator of which is the total miles of only that combined member within and outside NYS.

In column **B** (NYS), generally NYS receipts amounts should be calculated on a **combined** group basis, using the applicable apportionment rule or fraction as computed **for the combined group** for each line.

**Example:** For line 44, in column **B**, a combined member would multiply such receipts by a fraction, the numerator of which is the total miles of the **combined group** within NYS and the denominator of which is the total miles of the **combined group** within and outside NYS.

Worksheets A, B, and C in Form CT-3-A-I, Part 6 instructions compute certain amounts for lines 10, 12, 21, 24, 28, and 30 in Form CT-3-A/BC, Part 6. These worksheets **must** be completed before amounts are entered in these lines on Form CT-3-A/BC.

**Line 25** – In column A enter the combined **member's** net interest income (not less than zero) from reverse repurchase agreements and securities borrowing agreements. For this

calculation, a combined member's net interest income is determined after the deduction of the amount of the combined member's interest expense from repurchase agreements and securities lending agreements, but cannot be less than zero. The amount of a combined member's interest expense to be deducted is the combined member's interest expense associated with the sum of the value of the combined member's repurchase agreements where the combined member is the seller or borrower, **plus** the value of the combined member's securities lending agreements where the combined member is the securities lender; provided that such sum is limited to the sum of the value of the combined member's reverse repurchase agreements where the combined member is the purchaser or lender, **plus** the value of the combined member's securities borrowing agreements where the combined member is the securities borrower.

In column C, enter 8% of the amount in column A.

## 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.

## Need help? and Privacy notification

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