New York State
Department of
Taxation and Finance

Important Notice

October 2001

Correction to the Instructions for Form CT-33-M (2000),
Insurance Corporation MTA Surcharge Return,
for Taxpayers with Fiscal Years Beginning on or after July 1, 2000

There is an error in the instructions for Form CT-33-M, *Insurance Corporation MTA Surcharge Return*. Nonlife insurance corporations with a fiscal year return beginning on or after July 1, 2000, whose franchise tax is calculated based on the limitation under section 1505 of Article 33 of the Tax Law, should disregard the Form CT-33-M (2000) line 10 instructions, including Worksheets 1 and 2, and follow the instructions included in this notice. Life insurance corporations that filed a combined return with a nonlife insurance corporation for a fiscal year beginning on or after July 1, 2000, whose franchise tax is calculated based on the limitation under section 1505 of Article 33 of the Tax Law, should also disregard the Form CT-33-M (2000) line 10 instructions, including Worksheets 1 and 2, and follow the instructions included in this notice.

Section 1505-a of the Tax Law requires that the MTA surcharge be computed using the rates in effect immediately prior to tax years beginning on or after July 1, 2000. Since the tax rates have decreased for the limitation on tax under section 1505(a)(1), and for the entire net income under section 1502(a)(1) for tax years beginning on or after July 1, 2000, the filers identified above must recompute their franchise tax for purposes of computing the MTA surcharge.

The following table of conditions and worksheets allows you to properly recompute your tax at the appropriate rate, for purposes of computing the MTA surcharge. To determine the amount on line 10, find the condition that applies to you and follow the instructions indicated for that condition.

The error will be corrected in the 2001 instructions for Form CT-33-M, *Insurance Corporation MTA Surcharge Return.* We apologize for the error and any inconvenience it may have caused.

Table of Conditions

Condition	Instructions
Condition 1 -- The tax on line 2, 3, or 4, is larger than the tax on line 1 of Form CT-33 or CT-33-A.	Complete *Worksheet A* and *Worksheet C* included in this notice.
Condition 2 -- The tax on line 1 is larger than **each** of the taxes on lines 2, 3, and 4 of Form CT-33 or CT-33-A.	Complete *Worksheet A* and *Worksheet B* included in this notice

Worksheet A
Recomputation of section 1505 limitation on tax:

A.	Total nonlife insurance company premiums subject to section 1505 tax (*enter amount from Form CT-33, line 99,or Form CT-33-A, line 56, column C*)	A.	
B.	"As if"nonlife insurance company limitation tax rate (2.6%)	B.	.026
C.	Recomputed limitation on tax (*multiply line A by line B*)	C.	

Worksheet B
Recomputation of tax when franchise tax base is on entire net income:

D.	Allocated entire net income (*enter amount from Form CT-33, line 89, or Form CT-33-A, line 47*)	D.	
E.	"As if" entire net income tax rate (9%)	E.	.09
F.	Recomputed tax on entire net income (*multiply line D by line E*)	F.	
G.	Allocated subsidiary capital tax (*enter amount from line 5 of Form CT-33, or Form CT-33-A*)	G.	
H.	Total tax on premiums (*enter amounts from Form CT-33, lines 7 and 8, or Form CT-33-A, line 10*)	H.	
I.	Combined minimum tax for subsidiaries (*Form CT-33 filers enter "0"; Form CT-33-A filers enter the amount from line 11 of that form*)	I.	
J.	Total tax before tax credits (*add lines F through I*)	J.	
K.	Life insurance company limitation on tax (*Form CT-33 filers enter "0"; Form CT-33-A filers enter amount from line 13 of that form*)	K.	
L.	Recomputed nonlife insurance company limitation on tax (*enter amount from Worksheet A, line C*)	L.	
M.	Applicable limitation (*add lines K and L*)	M.	
N.	Recomputed New York State franchise tax (*enter amount from line J or M, whichever is less*)	N.	
O.	Tax credits (*enter amount from Form CT-33, line 12, or Form CT-33-A, line 17*)	O.	
P.	Net recomputed New York State franchise tax (*subtract line O from line N; enter here and on Form CT-33M, line 10*)	P.	

Worksheet C
Recomputation of tax when franchise tax base is not on entire net income:

Q.	Total tax (*enter amount from Form CT-33, line 9, or Form CT-33-A , line 12*)	Q.	
R.	Life insurance company limitation on tax (*Form CT-33 filers enter "0"; Form CT-33-A filers enter amount from Form CT-33-A, line 13*)	R.	
S.	Recomputed limitation on tax (*enter amount from Worksheet A, line C*)	S.	
T.	Applicable limitation (*add lines R and S*)	T.	
U.	Recomputed New York State franchise tax (*enter amount from line Q or T, whichever is less*)	U.	
V.	Tax credits (*enter amount from Form CT-33, line 12, or Form CT-33-A, line 17*)	V.	
W.	Net recomputed New York State franchise tax (*subtract line V from line U; enter here and on Form CT-33-M, line 10*)	W.	