



CT-3-C

New York State Department of Taxation and Finance

Staple forms here

Consolidated Franchise Tax Return For corporate shareholders of tax-exempt domestic international sales corporations (DISCs) Tax Law — Article 9-A

All filers must enter tax period:

beginning ending

Name <input type="text"/>	Employer identification number <input type="text"/>
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If stockholder files as part of a combined group, see instructions on page 4.

Schedule A, Part I — Computation of tax on consolidated entire net income (ENI) base

1 Business income before allocation from line 76, column C	1.		
2 Business allocation percentage from line 55	2.	%	
3 Allocated business income (multiply line 1 by line 2)			3.
4 Investment income before allocation from line 75, column C	4.		
5 Investment allocation percentage from line 73	5.	%	
6 Allocated investment income (multiply line 4 by line 5)			6.
7 Total allocated income (add lines 3 and 6)			7.
8 Optional depreciation adjustment from line 77, column C			8.
9 ENI base (line 7 plus or minus line 8)			9.
10 Tax on ENI base (multiply line 9 by the appropriate rate; see instructions; enter on Form CT-3, line 72)			10.

Schedule A, Part II — Computation of tax on consolidated capital base

11 Business capital from line 86, column C	11.		
12 Business allocation percentage from line 55	12.	%	
13 Allocated business capital (multiply line 11 by line 12)			13.
14 Investment capital from line 85, column C	14.		
15 Investment allocation percentage from line 73	15.	%	
16 Allocated investment capital (multiply line 14 by line 15)			16.
17 Capital base (add lines 13 and 16)			17.
18 Tax on capital base (multiply line 17 by 0.00178; see instructions)			18.

Schedule A, Part III — Computation of tax on consolidated minimum taxable income (MTI) base

19 Alternative business income before allocation from line 80, column C	19.		
20 Allocated alternative business income (multiply line 19 by <input type="text"/> % from line 67)			20.
21 Alternative investment income before allocation from line 79, column C	21.		
22 Allocated alternative investment income (multiply line 21 by <input type="text"/> % from line 73)			22.
23 Allocated MTI (add lines 20 and 22)			23.
24 Optional depreciation adjustment from line 77, column C			24.
25 MTI base (line 23 plus or minus line 24)			25.
26 Tax on MTI base (multiply line 25 by 2.5% (0.025); enter on Form CT-3, line 71)			26.

Schedule A, Part IV — Computation of adjusted minimum tax

27 Modified business income before allocation from line 82, column C	27.		
28 Allocated modified business income (multiply line 27 by <input type="text"/> % from line 67)			28.
29 Investment income before allocation from line 81, column C	29.		
30 Allocated investment income (multiply line 29 by <input type="text"/> % from line 73)			30.
31 Allocated modified minimum income (add lines 28 and 30)			31.
32 Optional depreciation adjustment from line 77, column C			32.
33 Modified MTI base (line 31 plus or minus line 32)			33.
34 Modified minimum tax (multiply line 33 by 2.5% (0.025))			34.
35 Tax on MTI base from line 26			35.
36 Highest tax from Form CT-3, line 72, 73, or 74d			36.
37 Excess minimum tax (subtract line 36 from line 35; if less than zero, enter 0)			37.
38 Modified minimum tax from line 34	38.		
39 Amount from line 36	39.		
40 Excess modified minimum tax (subtract line 39 from line 38; if less than 0, enter 0)			40.
41 Adjusted minimum tax (subtract line 40 from line 37; enter on Form CT-38, line 18)			41.

Schedule A, Part V — Computation of tax on consolidated subsidiary capital base

42 Allocated subsidiary capital base from line 68, column C (enter on Form CT-3, line 76)	42.		
43 Tax on subsidiary capital base (multiply amount on Form CT-3-ATT, line 31 by 0.0009; enter on Form CT-3, line 77)			43.

Attach a complete copy of Form CT-3-B to this form.

Name of stockholder		Stockholder
Employer identification number	File number	

Schedule B, Part I — Computation of business allocation percentage

44	New York State property (from Form CT-3 and CT-3-B, line 127, column A)	44.
45	Property everywhere (from Form CT-3 and CT-3-B, line 127, column B)	45.
46	New York State property factor (divide line 44 by line 45)	46.
47	New York State receipts (from Form CT-3 and CT-3-B, line 135, column A)	47.
48	Receipts everywhere (from Form CT-3 and CT-3-B, line 135, column B)	48.
49	New York State receipts factor (divide line 47 by line 48)	49.
50	Additional New York State receipts factor from line 49	50.
51	New York State wages (from Form CT-3 and CT-3-B, line 138, column A)	51.
52	Wages everywhere (from Form CT-3 and CT-3-B, line 138, column B)	52.
53	New York State payroll factor (divide line 51 by line 52)	53.
54	Total New York State factors (add lines 46, 49, 50, and 53)	54.
55	Business allocation percentage (divide line 54 by four or by the number of factors)	55.

Schedule B, Part II — Computation of alternative business allocation percentage for MTI

56	New York State property (from Form CT-3 and CT-3-B, line 147, column A)	56.
57	Property everywhere (from Form CT-3 and CT-3-B, line 147, column B)	57.
58	New York State property factor (divide line 56 by line 57)	58.
59	New York State receipts (from Form CT-3 and CT-3-B, line 155, column A)	59.
60	Receipts everywhere (from Form CT-3 and CT-3-B, line 155, column B)	60.
61	New York State receipts factor (divide line 59 by line 60)	61.
62	Additional New York State receipts factor from line 61	62.
63	New York State wages (from Form CT-3 and CT-3-B, line 158, column A)	63.
64	Wages everywhere (from Form CT-3 and CT-3-B, line 158, column B)	64.
65	New York State payroll factor (divide line 63 by line 64)	65.
66	Total New York State factors (add lines 58, 61, 62, and 65)	66.
67	Alternative business allocation percentage (divide line 66 by four or by the number of factors)	67.

Schedule C — Computation of subsidiary allocation percentage

68	Subsidiary capital allocated to New York State (from Form CT-3-ATT and CT-3-B, Schedule C, Part II, line 29) ...	68.
69	Total subsidiary capital (from Form CT-3-ATT and CT-3-B, Schedule C, Part II, line 28)	69.
70	Subsidiary allocation percentage (divide line 68 by line 69)	70.

Schedule D — Computation of investment allocation percentage

71	Investment capital allocated to New York State (from Form CT-3-ATT and CT-3-B, Schedule B, line 4, column G)	71.
72	Investment capital (from Form CT-3-ATT and CT-3-B, Schedule B, line 4, column E)	72.
73	Investment allocation percentage (divide line 71 by line 72)	73.

Schedule E, Part I — ENI base

74	ENI (from Form CT-3 and CT-3-B, line 17)	74.
75	Investment income before allocation (from Form CT-3 and CT-3-B, line 18)	75.
76	Business income before allocation (from Form CT-3 and CT-3-B, line 19)	76.
77	Optional depreciation adjustment (from Form CT-3, line 23)	77.

Schedule E, Part II — MTI base

78	MTI (from Form CT-3 and CT-3-B, line 59)	78.
79	Alternative investment income before allocation (from Form CT-3 and CT-3-B, line 64)	79.
80	Alternative business income before allocation (from Form CT-3 and CT-3-B, line 65)	80.

Schedule E, Part III — Modified minimum income

81	Investment income before allocation (from Form CT-3, line 18, and CT-3-B, Schedule E, line 4)	81.
82	Modified business income before allocation (from Form CT-38, line 5, and CT-3-B, Schedule E, line 5)	82.

Schedule E, Part IV — Capital

83	Total capital (from Form CT-3 and CT-3-B, line 32)	83.
84	Subsidiary capital (from Form CT-3 and CT-3-B, line 33)	84.
85	Investment capital (from Form CT-3 and CT-3-B, line 35)	85.
86	Business capital (from Form CT-3 and CT-3-B, line 36)	86.

	Name	Employer identification number
	DISC 1	
	DISC 2	

	DISC 1 % owned	DISC 2 % owned	A Total	B Intercorporate eliminations <i>(explain on attached sheet)</i>	C Total minus intercorporate eliminations <i>(A minus B)</i>
44					44.
45					45.
46					46. %
47					47.
48					48.
49					49. %
50					50. %
51					51.
52					52.
53					53. %
54					54. %
55					55. %

56					56.
57					57.
58					58. %
59					59.
60					60.
61					61. %
62					62. %
63					63.
64					64.
65					65. %
66					66. %
67					67. %

68					68.
69					69.
70					70. %

71					71.
72					72.
73					73. %

74					74.
75					75.
76					76.
77					77.

78					78.
79					79.
80					80.

81					81.
82					82.

83					83.
84					84.
85					85.
86					86.

Instructions

Important reminder to file a complete return: You must complete all required schedules and forms that make up your return, and include **all pages** of those forms and schedules when you file. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Up-to-date information affecting your 2005 tax return

Visit the *Corporation Tax Up-to-Date Information* page on our Web site for Tax Law changes or forms corrections that occurred after the forms and instructions were printed (see *Need help?* in Form CT-3/4-I, *Instructions for Forms CT-4, CT-3, and CT-3-ATT*).

New for 2005

Tax rate reduction for small business taxpayers — For tax years beginning on or after January 1, 2005, the entire net income (ENI) (before allocation) threshold amount to determine what constitutes a small business taxpayer for purposes of applying a reduced tax rate on the ENI base has been raised from \$290,000 to \$390,000. For tax years beginning on or after January 1, 2005, the tax rate on the ENI base for a small business taxpayer with an ENI base of \$290,000 or less is reduced to 6.5%; with an ENI base greater than \$290,000, the tax rate is between 6.5% and 7.5%. For a complete definition of small business taxpayer, see *Small business taxpayer definition* in Form CT-3/4-I. For more information on the reduced tax rates, see *Tax rates schedule*, Table II, in Form CT-3/4-I and TSB-M-05(3)C, *Summary of Corporation Tax Legislative Changes Enacted in 2005*.

Capital base tax limitation increase — For tax years beginning on or after January 1, 2005, the maximum amount of the capital base tax under Article 9-A has increased from \$350,000 to \$1,000,000 for all taxpayers **except** manufacturers. To see if you qualify as a manufacturer for purposes of the capital base tax limitation, see the instructions for line 164 in Form CT-3/4-I.

Who must file Form CT-3-C

All corporate stockholders in domestic international sales corporations (DISCs) must file this consolidated return when the DISC is exempt from tax under Article 9-A of the Tax Law. The return must include information about the stockholder and tax-exempt DISCs in which the stockholders own stock.

Required forms

The tax-exempt DISC must complete and file Form CT-3-B, *Tax-Exempt Domestic International Sales Corporation (DISC) Information Return*. The stockholder of the DISC must complete and file Form CT-3, *General Business Corporation Franchise Tax Return*, and Form CT-3-C. Copies of the information return for tax-exempt DISCs, Form CT-3-B, must accompany Form CT-3-C.

General instructions

List names and employer identification numbers of the stockholder and DISCs in the spaces provided.

The information requested on this form may be found on Forms CT-3, CT-3-ATT, and CT-38, *Minimum Tax Credit*, filed by the stockholder, and Form CT-3-B, filed by the tax-exempt DISC. When the tax period of the DISC differs from that of its stockholder, the period of the DISC that ends within the period of the stockholder is consolidated on Form CT-3-C.

Stockholder of tax-exempt DISC included as part of combined return

If the stockholder of a tax-exempt DISC files as a part of a combined group, it will no longer be required to file Form CT-3. The DISC information for Schedules B through E on pages 2 and 3 may be obtained from the DISC information report, Form CT-3-B. The stockholder should record its information on

Schedules B through E as if it had filed Form CT-3 (instructions for specific lines may be obtained from the instructions for combined returns on Form CT-3-A-I). It will only be necessary to carry information to Schedule A on page 1 for lines 1, 4, 8, 11, 14, 19, 21, 24, 27, 29, 32, and 42. Information from page 1 of Form CT-3-C will be listed on Form CT-3-A for the subsidiary/stockholder.

Specific instructions

Reporting period

All filers must complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

Schedule A — The tax rates are listed in the instructions for Form CT-3.

Compute a tax for each taxable base (Parts I through V) and transfer the amounts to Form CT-3, where the tax due before credits is determined on line 78.

Part I — line 10.

General business taxpayers — The rate of tax on the entire net income base is 7.5% (0.075).

Qualified small business taxpayers — The tax rate is 6.5% (0.065) for taxpayers with entire net income base of \$290,000 or less. The tax rate is a blended rate between 6.5% and 7.5% (0.075) for taxpayers with entire net income base greater than \$290,000 (see *Tax rates schedule* in Form CT-3/4-I, *Instructions for Forms CT-4, CT-3, and CT-3-ATT*, for the tax rates and line 25 of Form CT-3 for the proper computation).

Enter the amount from this line on Form CT-3, line 72.

- **Part II — line 18.** Enter the amount from this line on Form CT-3, line 73. Manufacturers do not enter more than \$350,000, and all other taxpayers do not enter more than \$1,000,000. See the instructions for line 164 in Form CT-3/4-I to see if you qualify as a manufacturer.
- **Part III — line 26.** The rate of tax on the minimum taxable income base is 2.5% (0.025). Multiply the amount on line 25 by this rate. For complete details, read the instructions for Form CT-3, lines 42 through 71. Enter the amount from this line on Form CT-3, line 71.
- **Part IV — line 41.** For complete details, read the instructions for Form CT-38, Schedule A. Enter the amount from this line on Form CT-38, line 18.
- **Part V — line 43.** Enter the amount from this line on Form CT-3, line 77.

To determine the tax due, complete Form CT-3, lines 71 through 82.

DISC columns — Enter at the top of each column the percentage owned, based on issued and outstanding capital stock. Enter the stockholder's attributable share of amounts reported by the DISC on Form CT-3-B.

Column B — Intercorporate eliminations

You must base intercorporate eliminations on the respective reporting periods of the stockholders and the DISCs. Attach a statement explaining all intercorporate eliminations.

- **Schedule B** — Eliminate intercorporate business receipts and the capitalized value of real property rented if the lessor and lessee are included in this return.
- **Schedule E** — Eliminate deemed and actual dividends received from DISCs to the extent included in entire net income. Also eliminate intercorporate assets and liabilities.

Need help?

See Form CT-3/4-I.