



# Instructions for Form CT-32-A/C

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

Tax Law — Article 32

# CT-32-A/C-I

### General information

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, 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

Use this tax return for calendar year 2011 and fiscal years that begin in 2011 and end in 2012.

You can also use the 2011 return if:

- you have a tax year of less than 12 months that begins and ends in 2012, **and**
- the 2012 return is not yet available at the time you are required to file the return.

In this case you must show your 2012 tax year on the 2011 return and take into account any tax law changes that are effective for tax years beginning after December 31, 2011.

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

### Line instructions

#### 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)C, *Computation of the Issuer's Allocation Percentage by Banking Corporations Taxable Under Article 32 of the Tax Law*, for additional information.

#### Method 1

A banking corporation (excluding corporations defined in Form CT-32-A-I, *Instructions for Forms CT-32-A and CT-32-A/B*, 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 (ENI) allocation percentage computed on Form CT-32-A/B, *Combined Group Detail Spreadsheet*, line 121.

#### Method 2

A banking corporation (excluding corporations defined in Form CT-32-A-I, 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, line 90.
- Enter as worldwide gross income total receipts as shown on Form CT-32-A/B, 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 (FTI).
- Every corporation with an International Banking Facility (IBF) located in New York State (whether or not it computed ENI 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, 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 1, attach an explanation.

#### Method 3

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 3 — Computation of subsidiary capital allocated to New York State

Enter the full name and employer identification number (EIN) of each subsidiary corporation. *Subsidiary corporation* is defined by Tax Law, Article 32, section 1450(d), and in Form CT-32-A-I, line 45. For each corporation listed, complete columns B through G on the corresponding lines. If you have more than four 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, line 69. *Subsidiary capital* is defined by Tax Law section 1450(e), and in Form CT-32-A-I, 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.

Issuer's allocation percentages are available on the Tax Department's Web site and from many online and printed tax services. You may also call to obtain up to three issuer's allocation percentages (see *Need help?*).

### **Method 3 — 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, line 69. *Current liabilities* are any liabilities maturing in one year or less from the date originally incurred.

### **Method 3 — 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, line 69, plus the average value of all assets from sources outside the United States that were not taken into account in computing FTI .

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, 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, 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 Tax Law, Article 27, section 1085(o).

### **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 Form CT-32-A, line 209, or Form CT-32-M, *Banking Corporation MTA Surcharge Return*, line 9, whichever is applicable.

#### **Line 14**

Include franchise tax payments credited from prior years in the *Franchise tax* column and metropolitan transportation business tax (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.

### **Need help? and Privacy notification**

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

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