



Department of Taxation and Finance

Important

Article 32 of the Tax Law was repealed, effective for tax years beginning on or after January 1, 2015, by Part A of Chapter 59 of the Laws of 2014. As a result, this TSB-M is obsolete and cannot be relied upon for tax years on or after that date insofar as the TSB-M addresses matters relating to Article 32.

For additional information concerning the Article 32 repeal, see [Transitional Filing Provisions for Taxpayers Affected By Corporate Tax Reform Legislation](#).

This TSB-M begins on page 2 below.

1981 Legislation

Change in the Tax Rates for

Savings Banks and Savings and Loan Associations

Bill Sections 6 and 7 of Chapter 1015 of the Laws of 1981 have amended Section 1455(b)(2) and added a new Section 1455(b)(3), respectively, to Article 32 of the Tax Law. The old Section 1455(b)(3) of Article 32 has been renumbered Section 1455(b) (4).

For taxable years beginning after December 31, 1981, the alternative minimum franchise tax rate on dividends and interest for Savings Banks and Savings and Loan Associations has been reduced from 2% to 1.6%.

For any calendar quarter that begins on or after October 1, 1981 and ends before January 1, 1983, a Savings Bank or a Savings and Loan Association whose net worth is less than 5% of the amount due the depositors after the credit or payment of dividends or interest to its depositors or shareholders shall compute the alternative minimum tax based on interest or dividends at the rate of 1.25% for each calendar year quarter that meets the less than 5% requirement. In addition, for a calendar year quarter in which the less than 5% test is met, the interest and dividends that are paid out of FDIC or FSLIC assistance as provided by Section 244.4 and Section 387.2 of the New York State Banking Law are excluded from the tax base for the alternative minimum tax.